

General terms and conditions of STEPPS Engineering Projects GmbH for work contracts hereinafter referred to as the "Contractor".

## **§1 Scope, general**

- (1) These General Terms and Conditions (GTC) apply to all orders that are placed with the Contractor by other businesses within the meaning of Section 14 of the German Civil Code (hereinafter referred to as the "Client") with regard to contractual services. They do not apply to legal transactions between the Contractor and consumers.
- (2) The Contractor and the Client's legal relationships are based exclusively on these general terms and conditions. Conflicting, deviating or supplementary general terms and conditions of the Client are not recognised unless the Contractor expressly agrees to their validity in writing. This requirement for consent applies in any case, for example, even if the Client's general terms and conditions are contained in the order confirmation of the Client or reference is made to them in the order confirmation. The unconditional start or the unconditional performance of services or their unconditional delivery or the acceptance of payments without objection as well as silence on the part of the Contractor shall in no case be deemed acceptance of deviating conditions of the Client.
- (3) Unless otherwise agreed, the general terms and conditions apply in the version valid when the offer was made. For future work contracts between the Contractor and the Client, the last version of the general terms and conditions communicated to the Client in text form\* by the Contractor apply as a framework agreement without the Contractor having to refer to them again in each individual case.
- (4) Individual agreements made with the Client in particular cases (including ancillary agreements, additions and changes) always take precedence over these GTC. Subject to proof to the contrary, a contract in written or text form\* or the confirmation of the Contractor in written or text form\* is decisive for the content of such agreements.
- (5) Legally relevant declarations and notifications to be submitted by the Client to the Contractor after the conclusion of the contract (e.g. setting deadlines, notifications of defects, declaration of termination, etc.) must be in text form\* (e.g. letter, e-mail, fax) to be effective. Statutory formal requirements and other evidence, especially in the case of doubts about the legitimacy of the declarant, remain unaffected.
- (6) References to the validity of legal regulations only have clarifying meaning. Even without such a clarification, the statutory provisions apply unless they are directly modified or expressly excluded in these General Terms and Conditions.

## **§2 Offer, offer documents, conclusion of the contract**

- (1) The Client will give the Contractor a profile of requirements for the work to be created.  
The Contractor will create an offer based on this profile of requirements.
- (2) The Contractor's offer is binding at soon as an offer is submitted in written or text form\* or a confirmation is made in written or text form\*. The Client must point out obvious errors (e.g. spelling

and calculation errors) and any incompleteness in the offer, including the offer documents, for correction or completion before acceptance; otherwise, the contract is deemed not to have been concluded.

- (3) The Client is obliged to confirm acceptance of the offer within 14 days in writing or text form\* or to place the order unconditionally by transmitting the design data (acceptance). A late acceptance is considered a new offer and requires acceptance by the Contractor.
- (4) The offers and the specifications and information contained therein, as well as documents and data—even in electronic form—represent the exclusive intellectual property of the Contractor. The Contractor reserves all property and exploitation rights in this regard. The documents may only be made accessible to third parties with the prior written consent of the Contractor.
- (5) Unless otherwise specified in the Contractor's offer, the specifications and information contained in the offer do not represent any promise of guarantee. All guarantee promises require the express confirmation of the Contractor in text form\*.

### **§3 Prices and terms of payment**

- (1) The individually negotiated prices apply. All quoted prices are net of statutory VAT and other ancillary costs such as customs, freight, etc.
- (2) Unless expressly agreed, the Contractor is entitled to reimbursement of expenses in addition to the remuneration negotiated in the individual contract.
- (3) In the event of a change in service that occurs after the conclusion of the contract, the Contractor's remuneration must be adjusted appropriately if the change in service results in significant additional or reduced expenses for the Contractor. The same applies if additional services are commissioned that were not provided for in the original order. Both in the case of service changes and in the case of the commissioning of additional services, the parties conclude a written or text-form supplementary agreement.
- (4) All invoices from the Contractor are due for payment without deductions 14 days after receipt.

### **§4 Right of use**

- (1) Unless otherwise agreed, the rights to the results of the Contractor's work (e.g. concepts, design drawings, or similar) are the exclusive property of the Contractor, even after the design drawings and design data have been handed over.
- (2) Upon full payment of the agreed price, the Contractor grants the Client a simple, non-exclusive right to use the work results unless something else has been expressly agreed in the individual contract. The specific form of the right of use results from the individual agreement made in each case. The Client is only permitted to pass on the design rights and plans to third parties if this has been agreed

in an individual contract or the Contractor has subsequently consented to the transfer, at least in text form\*.

- (3) In each individual case, the Contractor remains entitled to use the know-how acquired during the execution of the order for further developments and services for other Clients as well. Anything else only applies if this has been expressly agreed in an individual contract.

## **§5 Profile of requirements**

The profile of requirements for the designs to be created must contain precise application and environment data. The Client is not obliged to check whether the design can actually be used in the form contained in the profile of requirements with the specified environment, application data, or other data provided by the Client. Errors in the profile of requirements are solely at the Client's expense.

## **§6 Client's cooperation obligations**

- (1) As an essential contractual obligation, the Client assumes that all documents, information and data required for the fulfilment of the order are made available to the Contractor immediately after the conclusion of the contract or on the dates agreed or required for the fulfilment of the order in the necessary quality without additional costs for the Contractor.
- (2) Unless otherwise agreed in writing, the Client must ensure that all permits and releases required for the fulfilment of the order, in particular of plans, are available when the order is placed and must provide evidence of this upon request by the Contractor.
- (3) If the information, data or documents provided by the Client turn out to be incorrect, incomplete or ambiguous, the Contractor will inform the Client immediately as soon as they become aware of this. The same applies if the project cannot be carried out objectively based on the information, data or documents provided by the Client. In this case, the Client must make all necessary corrections or additions immediately after notification by the Contractor.

## **§7 Delivery dates**

- (1) Delivery dates are determined by the contracting parties in individual agreements. The agreement must be in written or text form\*.
- (2) If the Client does not comply with their obligations to cooperate, in particular the timely transmission of all documents, information, data, permits and approvals required for the completion of the order, or does not do so in good time and the provision of the contractual service or its delivery is delayed as a result, the agreed delivery times are extended around the time when the Client has not properly fulfilled their obligations to cooperate. This does not apply if the Contractor is responsible for the late or lack of cooperation on the part of the Client.
- (3) In the event of force majeure that delays the provision of the service or its delivery, the service time is extended by the duration of the resulting hindrance. If the performance of the service becomes

impossible or unreasonable for the Contractor due to the circumstances of force majeure, the Contractor is released from the obligation to perform.

## **§8 Acceptance**

- (1) The Contractor can demand partial acceptance for stand-alone partial services.
- (2) The services of the Contractor must be formally accepted. For this purpose, the Contractor and the Client create an acceptance protocol to be signed by both parties after the Contractor has provided all the services owed properly and in accordance with the contract.
- (3) The Contractor's services shall also be deemed to have been accepted if they are ready for acceptance and the Client, despite a written request by the Contractor setting a deadline of at least 14 days, does not declare acceptance within the set period or if the Client does not complain about any defects preventing acceptance within this period.

## **§9 Warranty**

- (1) The Client is obliged to notify the Contractor of any defects immediately in writing, stating all defects identified. They must state the circumstances under which the defect became apparent.
- (2) Except in the cases where a guarantee is given for the quality of the work or fraudulent concealment of the defect, the Client must first allow the Contractor to remedy any defects in the order results within a reasonable period, unless the subsequent performance is unreasonable for the Client in the individual case or there are special circumstances that justify an immediate withdrawal after weighing the interests of both parties. In any case, the Contractor has the right to choose between eliminating the defect or producing new work. If the supplementary performance fails, if it is unreasonable for the Contractor or is refused by the Contractor, the Client is entitled to further statutory claims for defects in accordance with the law, whereby the claims for damages are based exclusively on the regulations made under § 11 of these conditions.

## **§10 Liability**

- (3) Unless otherwise stated in these general terms and conditions, including the following provisions, we are liable in the event of a breach of contractual and non-contractual obligations in accordance with the statutory provisions.
- (4) The Contractor is liable for damages—for whatever legal reason—within the scope of fault-based liability in the event of intent and gross negligence.

In the event of simple negligence, they are only liable subject to a milder standard of liability in accordance with statutory provisions (e.g. for due care and diligence).

- a) for damages due to injury to life, limb or health,
- b) for losses resulting from the not inconsiderable breach of an essential contractual obligation (obligation, the fulfilment of which enables the proper execution of the contract in the first place and the observance of which the contractual partner regularly relies and may rely upon); in this

case, however, the Contractor's liability is limited to compensation for the foreseeable, typically occurring loss. Insofar as the Contractor is liable for simple negligence, the liability is limited to a maximum of €100,000.00 for financial losses and €500,000.00 for property damage per claim.

- (5) The exclusions and limitations of liability resulting from paragraph 2 also apply to breaches of duty by or in favour of persons whose fault the Client is responsible for according to statutory provisions. They do not apply if the Contractor has fraudulently concealed a defect or has assumed a guarantee for the quality of the goods and the Client's claims under the German Product Liability Act.
- (6) The Contractor can only withdraw or terminate due to a breach of duty that does not consist of a defect if the Contractor is responsible for it. A free right of termination of the Client (in particular according to §§ 651, 649 German Civil Code) is excluded.

## **§11 Statute of limitations**

- (1) The limitation period for claims and rights due to defects in the work—regardless of the legal reason—is one year.
- (2) The limitation periods in paragraph 1 also apply to all claims for damages against the Contractor that are related to the defect—regardless of the legal basis of the claim.
- (3) However, the limitation periods in paragraph 1 and paragraph 2 apply with the following provisos:
  - a) The limitation periods in paragraphs 1 and 2 do not generally apply in the case of intent or fraudulent concealment of a defect or if the Contractor has given a guarantee for the quality of the delivery item.
  - b) The limitation periods in paragraphs 1 and 2 do not apply to claims for damages in the case of a grossly negligent breach of duty, in the case of culpable breach of essential contractual obligations—not in the delivery of a defective item or the provision of a defective work service—in cases of a culpably caused loss of life, bodily injury or harm to health or in the case of claims under the German Product Liability Act. The limitation periods for claims for damages also apply to the reimbursement of wasted expenses.
  - c) Furthermore, the limitation periods in paragraphs 1 and 2 do not apply in the cases of Section 438 Section 1 No. 1 German Civil Code (defects of title in immovable objects), Section 438 Section 1 No. 2 German Civil Code (buildings, objects for buildings), Section 479 Para. 1 German Civil Code (Contractor's right of recourse) or § 634a Para. 1 No. 2 German Civil Code (buildings or works, the success of which consists in the provision of planning or monitoring services for this).
- (4) The limitation period for all claims for damages begins with acceptance.
- (5) Unless otherwise expressly stipulated, the statutory provisions on the start of the limitation period, the suspension of expiry, and the suspension and restart of periods remain unaffected.
- (6) The above regulations apply accordingly to claims for damages that are not related to a defect; paragraph 1, page 1 applies to the limitation period.

- (7) A change in the burden of proof to the detriment of the Client is not associated with the above regulations.

## **§12 Property rights of third parties**

- (1) If the Client's requirements profile includes drawings, models or samples, the Client shall ensure that the same property rights of third parties are not infringed upon when they are used in accordance with the order.
- (2) The Client releases the Contractor from any claims that third parties assert against the Contractor with regard to infringement of property rights due to the contractual use of the drawings, models or samples mentioned in paragraph 1. The right to indemnification also includes the reasonable costs of legal action.

## **§13 Choice of law and place of jurisdiction**

- (1) The law of the Federal Republic of Germany, excluding the UN Sales Convention, applies exclusively to the contractual relationship between the Contractor and the Client.
- (2) The place of performance for the order is the Contractor's place of business in Coburg. The place of performance for the Client's payment obligation is also the Contractor's place of business in Coburg.
- (3) The place of jurisdiction for all disputes arising directly or indirectly from the contractual relationship is Coburg.

## **§14 Binding nature of the contract**

The contract remains binding in its remaining parts, even if individual provisions are legally ineffective. This does not apply if adhering to the contract would represent an unreasonable hardship for one party.

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<sup>i</sup> \*Text form is a term with special meaning under German law.