

General Terms and Conditions for Subcontractors

on the part of

stratandnet GmbH

Beim Alten Gaswerk 1, 22761 Hamburg
(henceforth called „principal“ or „stratandnet GmbH“)

1. Contractual Object

- 1.1 The stratandnet GmbH undertakes the implementation of a project for a client. The subcontractor binds himself to carry out all tasks associated to this project in the name of the stratandnet GmbH according to this terms and conditions and its appendices independently.
- 1.2 All details of the project will be written down in the project description in appendix 1.
- 1.3 The stratandnet GmbH is to be informed immediately, if the subcontractor notices that the tasks in the project description are not complete, not attainable or faulty or the projected timetable cannot be fulfilled. If the timetable cannot be fulfilled, the stratandnet GmbH must be informed about the reason for the delay and its approximate duration.
- 1.4 The principal for his part works towards the adherence of the agreed timetable. As far as the principal is contractor to a third party, he obligates the third party to promote the project with appropriate participation. Furthermore, the principal obligates the third party to ensure that his data is being backed up correctly.
- 1.5 In appendix 1 the principal determines a contact person who is responsible to tune and coordinate all questions concerning the implementation of this contract with a contact person of the subcontractor.
- 1.6 No rights or obligations shall be established by this contract between the client and the subcontractor nor between the employees of either party.
- 1.7 Both parties agree by this contract, that all arrangements of this agreement shall only be applied in business relations between the principal and the subcontractor and will not be applied to other business branches.

2. Remuneration

- 2.1 For his efforts the subcontractor will be remunerated according to the following paragraphs.
- 2.2 Both parties mutually agree to Milestones and the estimated time requirement (appendix 2). The product of remuneration and time requirement shall be regarded as the limit for each Milestone. The subcontractor informs the principal immediately when approximately 80 percent of the time requirement is attained. Once the limit is reached, the subcontractor informs the principal as well. Thereupon on request of the principal the subcontractor must render the agreed services. Is the exceedance of the limit not based on reasons the subcontractor is not responsible for, he continues invoicing the further incurring hours based on the agreed remuneration until the Milestone is successfully met. The principal bears the burden of proof concerning the reasons for exceedance. Details shall be regulated in appendices 1 and 2.
- 2.3 The remuneration is deemed plus value-added tax, which the principal is liable for.
- 2.4 The subcontractor records the time for each of his employees monthly within three days after expiration of the last day of the respective month on a timesheet concerning the services rendered in name of the principal and submits it to the principal in writing. The principal is entitled comment on or make corrections to the timesheet or demand evidence up to three months after submission of each timesheet. Resulting repayment claims can be cleared against remuneration receivable by the contractor for following months.
- 2.5 The subcontractor is entitled to invoice monthly. The invoice must confirm to all legal standards and must include all legal information. This especially applies for the tax identification number and the value-added tax identification number. The principal is entitled to retain the remuneration until an invoice that complies to these requirements is presented for each corresponding month.
- 2.6 In case of an intra-community service the invoice must contain the value-added tax identification number of the subcontractor and the explanation that the value-added tax regarding the intra-community services equals 0% (Reverse-Charge-Procedure).
- 2.7 When all mentioned documents are available completely, only then the stratandnet GmbH will settle the remuneration of the subcontractor within 30 days reception of the invoice. Payments will only occur to German accounts of the subcontractor.
- 2.8 If not arranged differently in appendix 1 the subcontractor is not entitled to demand reimbursement for expenses corresponding with fulfilling the project. If expenses are reimbursed, the subcontractor must submit all relevant receipts to the principal.
- 2.9 If the contract will be expanded, both parties agree that the remuneration of the subcontractor is not subjected to change, unless it is arranged differently in writing at least.
- 2.10 The subcontractor must pay tax on all received remunerations lawfully.

3. Deployment of Employees

- 3.1 The implementation of the contract occurs through the subcontractor's employees named in appendix 1. Provided that those named are freelance staff or further subcontractors, the subcontractor strives to ensure that those named are rendering the services. If those employees named are not available, the subcontractor is entitled to deploy other freelance staff or subcontractors with equal or better qualification. To make use of this right, the subcontractor requires the approval of the principal, which must not be denied by improper reasons.
- 3.2 The principal can request exchange of deployed employees of the subcontractor, if they as vicarious agents of the principal substantially violated the obligations derived of this contract.
- 3.3 Employees may only be exchanged with an employee matching or exceeding the exchanged employees' qualification after written confirmation of the principal (at least via E-Mail). Confirmation may only be denied due to compelling reason. The costs for initial training of the newly deployed employee must be carried by the subcontractor.
- 3.4 If the deployed employee is a permanent employee of the subcontractor, the subcontractor must register him at the social insurance service and pay the corresponding social security contributions.
- 3.5 The subcontractor commits oneself to prove to the principal upon request that all deployed employees within the scope of this framework at least receive the legal or the branch-specific minimum wage. If the subcontractor violates this obligation or against the obligation to pay minimum wage, the principal is granted the right of extraordinary termination of this framework with a notice period of one week. As security in case the principal will be held liable for violations of the subcontractor against the minimum wage law according to § 13 MiLoG iVm § 14 AEntG, the principal is entitled to request a bank guarantee amounting to 500.000 EUR.
- 3.6 The subcontractor guarantees that he does not deploy any employees from countries out of the European Union which do not have a valid working permit and social security card.
- 3.7 Provided that one of the deployed employees is a freelancer, he must be educated by the subcontractor that it is his own obligation to take care of a suitable pension scheme and disease prevention.
- 3.8 Provided that one of the deployed employees is a freelancer, the subcontractor must require the freelancer to maintain a valid business liability insurance amounting to 1.000.000 EUR per personal or material damage. On request of the principal, a proof of insurance must be presented.
- 3.9 The subcontractor takes care of his deployed employees not being incorporated into the company of the client and that the client does not give disciplinary instructions to the subcontractor or his deployed employees. As far as deployed employees are employees of the subcontractor, only the subcontractor is entitled to determine place and time of rendering the services and provides the required working materials. If deployed employees are freelance staff, they render the services independently with own working materials and determination of place and time of rendering the services. In case the client is making disciplinary instructions, meaning all instructions concerning more than the result of the services rendered, the contact at the principal must be informed immediately.
- 3.10 The subcontractor is aware that the stratandnet GmbH and the client maybe subjected to a variety of private and public claims, if the subcontractor violates any of his liabilities in paragraph 3. In case of violation, the subcontractor pledges to keep the stratandnet GmbH free of claims and make compensations for all corresponding damages. This relates to fines and penalties as well.
- 3.11 If the subcontractor deploys further subcontractors, the subcontractor is obligated to impose all described obligations of paragraph 3 on them as well.

4. Contract Duration

- 4.1 The contract duration is arranged in appendix 1 and ends with the arranged point of time, without requiring a termination of any sort.
- 4.2 During the contract duration both parties can terminate the contract within the notice period agreed upon in appendix 1.
- 4.3 The right to extraordinary termination remains unaffected. Cause for extraordinary termination especially includes, but is not limited to, the requirement of a belated change to the project descriptions and both parties are consequently unable to reach an agreement about the changes to the contract.

5. Duty of Care and Liability

- 5.1 The rendering of services is based on current standings of science and technology in consideration of dictated regulations, methods and implementation practices. The subcontractor warrants according to legal regulations.
- 5.2 The subcontractor guarantees that all software and data volumes are controlled for viruses. The subcontractor is liable for all damages occurring to the principal out of intentional or negligent behaviour of the subcontractor or his assistants that expose the principal or third parties, especially clients of the principal or clients of clients, to viral threats. The subcontractor keeps the principal free of claims from third parties.
- 5.3 The subcontractor is obligated to maintain a valid business liability insurance amounting to 1.000.000 EUR per personal or material damage. Proof of insurance must be presented upon request.

6. Property Rights to Results of Work

- 6.1 Unless otherwise agreed upon, the subcontractor grants the principal the exclusive, transferable, permanent right to use the results of services rendered. This includes, but is not limited to, analyses, target and requirements specifications. The transfer of this right takes place at the moment of their development in the person of the originator. The subcontractor takes care of being authorized for the transfer in the necessary scope.
- 6.2 Above mentioned rights for work results account as paid for with the remuneration according to paragraph 2 of this framework.
- 6.3 The subcontractor works to ensure that all services rendered in the scope of this framework are free of property or protection rights of third parties and that there are no other rights existing that restrict or prohibit the application. The principal is to be kept free from possible claims of third parties by the subcontractor.

7. Confidentiality

- 7.1 The subcontractor is obligated to adhere to data secrecy according with legal regulations during the implementation of the project. The subcontractor agrees to enter a binding and enforceable agreement about contract data processing upon request of the principal.
- 7.2 Both parties oblige themselves to keep strictly confidential company and operational secrets of the other party made aware during the contract implementation and only use them to fulfil their tasks appropriately in the scope of the contract and to keep them strictly secret furthermore. This does not longer apply if the information is or has become general knowledge with no fault to the other party.
- 7.3 Above mentioned confidentiality obligation furthermore applies to all company and operation secrets of the client, as far as the subcontractor or his deployed employees gain knowledge of them during the project implementation.
- 7.4 The subcontractor is obligated to maintain silence about the negotiated remuneration and the content of this framework towards third parties, especially the client and its employees.
- 7.5 The confidentiality obligations remain intact even after termination of this framework.
- 7.6 All documents the subcontractor receives from the principal or the client or that were created for the implementation of this contract, must be given back immediately upon request of principal though at latest with the date of termination of this contract. The right of retention is excluded.
- 7.7 The subcontractor keeps the stratandnet GmbH free of all claims made by third parties due to the infringement of any regulations of paragraph 7.
- 7.8 In case of infringement of any regulation of paragraph 7 the subcontractor will be fined a contractual penalty of 10.000 EUR, in case of long-term infringements for each month anew. This shall not affect the assertion of any further damage to which the contractual penalty will be counted towards.
- 7.9 The subcontractor obliges himself to impose these regulations on his employees by drafting a written agreement to oblige them to the above-mentioned confidentiality agreement and the principle of data security.

8. Client Protection

- 8.1 The subcontractor is prohibited, from the moment the client becomes known and up to 12 months after termination of a contract, from entering contractual relations with clients of the principal, whose projects he worked on, or with clients of that client, if they are meant to render services comparable to those rendered in the name of the principal. The subcontractor must impose this prohibition on all the employees deployed in his name during the implementation of this framework.
- 8.2 In case of violation against clause 8.1 the subcontractor will be fined a contractual penalty. The amount of the contractual penalty equals three-times the average monthly remuneration of the subcontractor, the principal invoiced to the client.

9. Applicable law and jurisdiction

- 9.1 This contract is subject to the law of the Federal Republic of Germany with the exclusion of UN purchasing law.
- 9.2 Place of jurisdiction and governing law is Hamburg: If the client is considered a merchant, legal entity of public law or of special fund under public law by German law. The stratandnet GmbH can also file a law suit at the client's place jurisdiction.

10. Scope of General Terms and Conditions

- 10.1 All business relations between the principal and the client subject solely to these terms and conditions. Possible deviating agreements between the principal and the client only apply to the extent that both the principal and the client confirmed these deviating agreements in writing as part of the business relation between both parties. Other terms and conditions shall not apply even if the principal does not expressly contradict those terms and conditions. These general terms and conditions also apply to all future business transactions between both parties, even if we do not refer to them again explicitly.

11. Concluding Provisions

- 11.1 All arrangements, which are subject between both contractual parties due to the execution of this contract must be recorded in this contract and its appendices.
- 11.2 The stratandnet GmbH maintains the right, to transfer its rights and obligations conferred by this contract to any associated company according to § 15 AktG at any time with appropriate notification of the subcontractor. With agreeing to this contract, the subcontractor accepts such transfer.
- 11.3 In case one of the arrangements of this contract is in contradiction to an arrangement within the appendices, the arrangement of the appendix shall apply.
- 11.4 In case one of the arrangements of this contract or its appendices becomes void or is unfeasible, the other provisions remain untouched. The void arrangement will instead be replaced with the legal regulation.

Effective as of: 01st February 2019