

General terms and conditions for contracts for service

[INSERT FULL LEGAL NAME OF ARXADA ENTITY](here in after in each case referred to as "ARXADA")

[INSERT FULL LEGAL NAME OF CONTRACTOR (hereinafter in each case referred to as "Contractor")]

1. Scope

1.1 These "general terms and conditions for contracts for service" ("the terms and conditions") shall apply to contracts for service through planning, engineering, services, consulting, management services and other forms which are entered into between ARXADA and the contractor ("contractor"), provided that no express provision to the contrary is made in the individual order. These terms and conditions shall apply only to contracts for service which are not subject to any other contractual provisions.

1.2 Different or additional terms, including in particular other terms and conditions of the contractor, shall apply to ARXADA only where they have been specifically agreed and acknowledged in writing. ARXADA's terms and conditions shall apply even where ARXADA is aware of different terms on the part of the contractor.

2. Components of the order relating to the contract for service

2.1 The respective provisions of the contract for service shall be listed in the order from ARXADA, the provisions of the order taking precedence over these terms and conditions.

2.2 An order shall be binding for ARXADA only where it has been granted or confirmed by ARXADA in writing or electronically. The same shall also apply to supplements of all kinds to orders which have been placed.

2.3 The order shall be confirmed in writing or electronically (a confirmation letter) by the contractor within 10 (ten) working days, failing which ARXADA shall no longer be bound by its order. If the contractor diverges from the order in its confirmation letter, it shall notify ARXADA thereof. Unless ARXADA specifically agrees to these divergences, ARXADA shall no longer be bound by its order.

3. Performance

3.1 When carrying out the service, the contractor has to observe the recognized rules of the art and the rules of its trade and use its own special knowledge and expertise. It must take all necessary and reasonable steps to carry out the service successfully according to ARXADA's specifications and to protect ARXADA's interests.

3.2 When carrying out the service for ARXADA, its own internal regulations, safety instructions and access guidelines shall apply in addition to these terms and conditions. In the event of any failure to comply with these regulations or any failure to comply with generally applicable regulations, the contractor is liable for any loss suffered by ARXADA or any third parties as a result.

4. Alterations

4.1 ARXADA reserves the right to demand alterations to the service up until acceptance thereof.

4.2 If the contractor finds that, as a result of such alterations, the service cannot be completed on time and/or according to the agreed costs, it must inform ARXADA thereof immediately and provide a corresponding quote.

4.3 If the contractor fails to inform ARXADA, within five days following ARXADA's request for an alteration, that it is providing a corresponding quote, its consent to carry out the altered service without any adjustment of deadlines and costs will be assumed.

4.4 A quote provided by the contractor will be checked as quickly as possible by ARXADA, provided, however, ARXADA shall not be bound by such quote unless ARXADA provides the contractor with written confirmation of the approved adjustments.

5. Information

5.1 The contractor must inform ARXADA immediately of anything which might threaten the performance of the service in accordance with the contract.

5.2 In connection with the performance of the service, ARXADA and its representatives have free access to the premises of the contractor and its subcontractors. ARXADA is entitled to request information, in particular, on the status of planning, actual performance of the service, the quality of the materials used to carry it out and any other important matters.

6. Price for the service and any items delivered

6.1 The price specified in the order is regarded as the fixed flat-rate price in payment for all service, and any achievement delivered hereunder. It also includes all personnel costs such as wages, fees, travel expenses, social security payments, insurance premiums, paid holiday and administrative expenditure, and the costs of obtaining service permits, entry permits, etc.

6.2 The flat-rate price also includes, in particular, subsidiary work and services included in the expert performance of the service and any costs, in particular costs related to customs, taxes, insurance, increased prices, delivery and so on.

7. Due date and payment terms

7.1 The price for the service is payable on acceptance thereof provided written confirmation has been provided stating that the subcontractors' services have been fully paid for or guaranteed.

7.2 ARXADA shall pay for the contractor according to order.

7.3 Before the final payment is made, the contractor provides security for its liability in respect of obvious and hidden defects. The security consists of a guarantee/joint security of a renowned bank or insurance company of the sum agreed according to the order. If no such sum has been agreed, the guarantee/joint security will be for at least 10% of the total value of the order.

8. Involvement of subcontractors: admissibility and liability

8.1 The contractor shall himself perform the service. The involvement of a subcontractor shall be permitted only with ARXADA's prior written consent. ARXADA may demand at any time that certain subcontractors be included to perform the contract. However, irrespective of whether it may/must employ subcontractors, the contractor remains technically and commercially liable with respect to ARXADA to the same agreed extent.

8.2 The contractor shall be liable in respect of subcontractors to the same extent as if he had acted himself. This also applies in particular to the subcontractors proposed by ARXADA.

9. Provision of materials, tools and documents

9.1 Materials, parts, components, equipment, drawings, specifications, data, technical or proprietary information supplied by ARXADA for the performance of service shall remain ARXADA's property even after processing or assimilation. No other use, disclosure, or reproduction of any parts thereof may be made except by written authorization of ARXADA. Upon completion or termination of this order, or upon ARXADA's request, contractor shall promptly return all equipment, drawings, specifications, data, information and unused materials, parts and components to ARXADA, unless otherwise requested by ARXADA.

9.2 ARXADA shall remain the owner of tools provided at all times. The contractor shall use the tools exclusively for carrying out the service, shall insure the tools belonging to ARXADA, at its own expense, against loss and damage and shall return the tools to ARXADA, without being requested, after carrying out the service. Additionally, the contractor shall carry out necessary maintenance and inspection service in good time at its own expense.

9.3 ARXADA shall remain the owner, at all time, of designs, illustrations, drawings, calculations and other documents. They shall be kept secret and shall not be made available to third parties without ARXADA's written consent. They shall be used exclusively for the purpose of carrying out the service and once said service has been carried out, they shall be returned without being requested.

10. Service carried out by the contractors at ARXADA's premises

The contractor undertakes to ensure that anyone working on a ARXADA site in China has a valid permit to undertake gainful employment in China. Further specific instructions and regulations apply to work on a ARXADA site in China in addition to these terms and conditions. These instructions and regulations are provided before service begins and are to be complied with expressly.

11. Deadlines, costs, acts of God and contract penalties

11.1 If the contractor finds that the service cannot be completed on time and/or according to the agreed costs, it is obliged to inform ARXADA thereof immediately, giving reasons and the expected length of time needed and/or the expected difference in cost.

11.2 Acts of God, strikes and terrorists acts fully or partially release ARXADA from its obligation to accept the ordered service and ARXADA is entitled to withdraw from the contract if the service can as a result no longer be used by ARXADA in view of economic considerations.

11.3 Unless otherwise agreed in the order, if the supplier does not comply with the date stipulated in the order, or terminate the contract without any justified reasons, he shall pay the contractual penalty in

an amount of 30% of the order stipulated in the order. Acceptance of the delayed equipment shall not constitute a waiver of the contractual penalty. Payment of the contractual penalty shall not however release the supplier from the other contractual obligations. The right to claim a higher loss is specifically reserved.

12. Delivery of the service, ownership

12.1 When the service is delivered, the contractor has to assign ownership of all performance plans and data carriers associated with the service to ARXADA free of charge.

12.2 All property rights resulting from the performance of consulting services (in particular copyright and patent rights) belong to ARXADA. The contractor contractually guarantees that the staff employed by it or by commissioned third parties does not have any copyright or patent rights to results of service carried out.

12.3 The contractor is obliged, on delivery of the service, to provide ARXADA with all service related maintenance and operation documents and ordered spare parts.

12.4 Any property rights (in particular copyright and patent rights) from joint development service carried out exclusively for ARXADA belong to the latter. If so requested, all documents, together with copies and duplicates, are to be handed over to ARXADA immediately.

13. Acceptance and transfer of benefit and risk

13.1 Following written information of delivery of the service from contractor, ARXADA or the third party customer has to check within a reasonable period whether the service is in accordance with the contract or order.

13.2 The service is deemed to have been accepted as soon as ARXADA has informed the contractor in writing that it is in accordance with the contract. Up until the acceptance, the contractor bears all the risk and is liable for insurance, transportation, storage and assembly risk.

14. Guarantee

14.1 The contractor guarantees that all items delivered hereunder and the service contain no defects, have the promised characteristics and performance and meets the specifications requested. The contractor is also responsible for ensuring that the service meet statutory requirements and that the production and use of the items and service do not infringe rights either of ARXADA or of third parties, such as patent rights, trademark rights or copyright.

14.2 The contractor further guarantees, that it shall refer to and comply with Supplier Code of Conduct as updated by ARXADA from time to time.

14.3 The contractor's guarantee also extends to all parts produced by subcontractors.

15. Insurance

Unless otherwise agreed in the contract for work, the contractor undertakes, for the duration of the guarantee period, to take out employer's liability insurance, transportation insurance, assembly insurance and other guarantee insurance and to provide ARXADA, on request, with confirmation of the existence of this insurance cover.

16. Liability for damage

16.1 The contractor is liable for any damage caused by it or by a third party called in by it as a result of the contractual relationship, unless it can prove that neither it nor the third party called in were at fault.

16.2 In the event of gross negligence and in the event of personal injury, the contractor is liable for all damage.

17. Withdrawal from the contract

17.1 Provided the service has not been completed, ARXADA can withdraw from the contract in its entirety or in part at any time.

17.2 If the reason for ARXADA's withdrawal is attributable to the contractor, ARXADA is entitled to claim compensation from the contractor and, where possible, offset these against any claims made by the contractor. ARXADA can also enter fully or partially into contracts that the contractor has agreed with subcontractors.

17.3 Any further claim by the contractor, in particular any claim for lost profit, is excluded if ARXADA withdraws from the contract.

18. Assignment

Rights and duties under the contract for service cannot be assigned, transferred or pledged to any third party without the prior written consent of the contractual partner.

19. Secrecy

19.1 All details, drawings, models, patents, copyright, etc. that ARXADA provides to the supplier for the performance of the order may not be used for other purposes, copied or made available to third parties without ARXADA's written approval.

19.2 The parties undertake to keep secret any information that is neither in the public domain nor generally accessible. This duty is also to be imposed on third parties called in. In the event of doubt, information is to be treated as confidential.

19.3 Advertising and publications relating to contractually specific services, including but not limited to the name, marks, trademarks or other information of ARXADA, require the written approval of ARXADA, and ARXADA grants no license or other rights to contractor to use any and all properties or information of ARXADA outside the Purpose herein.

19.4 All of the obligations under this paragraph shall apply before the order is concluded and for 10 years following performance of the equipment purchase.

20. Saving clause

If any part of these terms and conditions is or becomes invalid, the validity of the remaining provisions and the contractual agreements which have been made shall be unaffected thereby. The invalid provisions shall be replaced by an admissible agreement or statutory provision which approximates as closely as possible to the commercial purpose.

21. Applicable law and jurisdiction

21.1 The laws of People's Republic of China shall apply exclusively to these terms and conditions and to the order. The contractor shall comply with the statutory provisions and the instructions of the public authorities applicable at the place for the performance of the service.

21.2 The parties shall endeavour where possible to settle any disputes regarding the creation, interpretation and performance of the order by way of negotiation. The application of the UN Convention on the international sale of goods is specifically excluded.

22. General Provisions

22.1 This instrument contains the entire and only agreement between the parties respecting the purchase and sale specified in this order.

22.2 No waiver, alteration or modification of any of the provisions hereof shall be binding unless in writing, signed by a duly authorized representative of ARXADA.

22.3 Unless as otherwise notified by ARXADA in a written form, this instrument stays effective and is applicable to all the orders executed by both Parties within its effective term..