

General Terms of Delivery and Service of STAR Engineering & Consulting (Shanghai) Co., Ltd.

Part 1: General provisions governing all contracts

I. Applicability:

1. These General Terms of Delivery and Service of STAR Engineering & Consulting (Shanghai) Co., Ltd. (hereinafter referred to as these "Terms and Conditions") apply to the sale and delivery of goods and the provision of services or work contract services by STAR Engineering & Consulting (Shanghai) Co., Ltd.

Hereinafter, our contractual partner shall be referred to as the "Customer".

2. All deliveries and services shall be subject to these Terms and Conditions, as well as any separate contractual agreements concluded between us and the Customer in writing (references to "contract" in these terms and conditions shall refer to both these Terms and Conditions as well as the any respective separate contractual agreement). Individual terms deviating from these Terms and Conditions are only valid if they are confirmed in writing. Any terms of purchase or other conditions of the Customer that deviate from or go beyond these Terms and Conditions shall be incorporated into this contract neither by acceptance of the order nor by our failure to raise an objection and shall not be binding on us in any way. Our failure to object to any such additional, different or conflicting terms of purchase or other conditions of the Customer shall not operate as a waiver of these Terms and Conditions.
3. These Terms and Conditions shall also apply to all future business transactions, and to all commercial contact with the Customer – for example, when entering into contract negotiations, or initiating a contract – even if they are not expressly re-stipulated, or if attention is not expressly drawn to them again.
4. Should, in a particular case, obligations be created towards other persons or companies who are not themselves parties to the contract, then the limitations of liability stated in these Terms and Conditions shall, to the extent as possible according to the applicable law, apply with respect to these parties, insofar as these Terms and Conditions were brought to bear with respect to these parties when the obligation was first created. This shall above all be the case if those third parties requested knowledge of or already had these Terms and Conditions when the obligation was created.
5. The acceptance of services and deliveries from us on the part of the Customer shall constitute recognition of the validity of these Terms and Conditions

II. Conclusion of the contract:

1. Unless agreed otherwise, our tenders shall be binding until four weeks after they have been submitted.
2. An order of the Customer is deemed to be a binding offer of contract. However, we shall not be bound by an order from the Customer (i.e., his/her tender) until we have, at our sole discretion, accepted such tender by issuing a written order confirmation or we start fulfilling the order. After an order has been accepted by us, no variation of any term or condition of the order shall be effective unless agreed in writing by the parties.
5. If the order was placed verbally or by telephone, at our request, the Customer shall be obliged to confirm in writing our written acceptance of its order. If the Customer fails to provide such written confirmation within a confirmation period of 5 (five) business days of receipt of the respective request, we shall no longer be bound by the order and shall be entitled to cancel it within another 5 (five) business days following the end of the confirmation period. This must be done in writing.

III. Scope of delivery and service; performance periods:

1. Our written tender or, as the case may be, our order confirmation shall be authoritative as regards the scope of our delivery or service. Subsidiary agreements and amendments require confirmation from us in writing. If our tender or order confirmation was based upon submissions from the Customer (dates, figures, drawings, designs, indications of weights and measures etc.), then our tender or order confirmation shall only be binding if these submissions were accurate. If it should prove impossible after conclusion of the contract to carry out the order in compliance with the Customer's specifications, we shall be entitled to rescind the contract, provided and insofar as the Customer is not prepared to accept the alternate solution we suggest and to take on any actual additional costs which might arise from this. Specifications accompanying our tenders, e.g. designs, or information on weights, measures and capacity, should be taken as approximations if they are not expressly denoted as binding. We reserve any and all rights to designs, samples, models or similar preparatory work.
2. For all orders we shall be entitled, to a reasonable extent, to make partial deliveries/render partial services. We shall furthermore be entitled to use subcontractors in order to fulfil our contractual obligations.
3. Unless an individual agreement to the contrary has been reached with the Customer, while delivery and performance periods and deadlines are always based on the best available information, they are not binding. An agreed delivery period shall be deemed to have been met if the item covered by the contract left the factory or warehouse within the delivery period or the Customer has been notified that it is ready for shipment. As a precondition for the commencement of the delivery period and the adherence to delivery deadlines, the Customer must assist when required in a timely and proper manner, provide all documentation to be furnished, necessary permits and approvals, releases and clearances and make any agreed payments in advance and timely submission of such evidence as we may request that any required Export or Import License has been issued and is in effect or other obligations of the Customer are met. If these conditions are not fulfilled in time, times set shall be extended reasonably.

4. If official acceptance must be carried out, the deadline for the official acceptance or, alternatively, a notification that the Customer is ready for the official acceptance, shall be authoritative – except in cases where the Customer is justified in refusing to take delivery.
5. We shall not be held to be in default or in any way responsible or liable whatsoever in cases of force majeure or other extraordinary, reasonably unforeseeable and unpreventable circumstances beyond our reasonable control, such as but not limited to earth quake, storm, flood, fire or other acts of nature, SARS or other epidemics, war, riot, acts of terrorism, public disturbance, strike or lock outs and government actions. In such cases we shall be entitled to rescind the contract, even if we are already in default. We shall not be held to be in default or in any way responsible or liable whatsoever for delays in delivery if these were caused by incorrect or late deliveries by our suppliers for which we were not responsible. In the event of temporary impediments such as force majeure, labour disputes or other events outside of our control, the delivery or service periods shall be extended or the delivery and performance deadlines shall be postponed by the period of time that the impediment lasts, plus a reasonable lead time.
6. In the event that, other than in circumstances of force majeure as defined herein, the Customer does not timely accept the delivery or service, the Customer shall nevertheless be liable for the payments due and payable pursuant to the contract. In case of delivery of goods, we may arrange for the goods to be stored at the risk and the cost of the Customer and shall subsequently inform the Customer in writing to accept delivery of the goods within 14 (fourteen) days from the issuance of such notice. If the Customer fails to comply with the stipulations of the preceding sentence, we shall be entitled to terminate the order and/or contract and claim against the Customer for any loss or damage suffered as a result of the failure of the Customer to accept the delivery. The Purchaser shall in such a case in particular bear the additional costs (e. g. for a second delivery) involved therewith.
7. In accordance with legal provisions, we shall be liable if the delay in delivery is due to a breach of contract based on wilful misconduct or gross negligence on our part. We shall likewise be liable if our legal representative or vicarious agent is at fault. However, our liability shall be limited to the foreseeable damage that typically occurs in such cases.
8. Call orders have a maximum term of 12 months, beginning on the order confirmation date. After this period has expired, goods not yet accepted shall be delivered to the Customer and the Customer shall be invoiced for them following prior written notification.
9. Further claims relating to delivery default/delay in delivery shall be governed exclusively by section IX of these Terms and Conditions.

IV. Assistance provided by the Customer:

1. The Customer must provide reasonable, customary support to us and our staff. If our employees need to carry out project-related work or services at the Customer's premises, offices and workstations with PCs and telephones should be made available to us at our request as part of this support, and the Customer shall bear the cost of this.
2. Documents, information and data required by us for the performance of our services must be made available to us by the Customer. Data and data storage media must be free from technical defects. The Customer must inform us of any particular statutory or operational safety provisions applicable to its business prior to the performance of our services.
3. The Customer may not instruct our staff as to the concrete manner in which the services shall be carried out, unless instructions are necessary in connection with safety requirements and working regulations in force at the Customer's business. Instructions on particular issues regarding work or services to be carried out by us should not be made to those members of staff whom we have entrusted with the work, but rather to the named contacts we have provided for the project. We shall always make our own autonomous decisions regarding the measures necessary to fulfil our performance obligations.

V. Prices:

1. Our prices are net and are always "ex works" for deliveries (EXW, Incoterms 2010). For services, the prices refer to the provision of the service at the agreed place of performance. When preparing the invoice, we shall add VAT at the statutory rate prevailing at the time.
2. The Customer shall be responsible for costs associated with changes to the order requested by the Customer.
3. Agreed prices are not binding for future orders.
4. In the event of reductions or increases in costs occurring after the contract is concluded, in particular those relating to collective-bargaining agreements, changes in the price of materials or changes in interest rates, we reserve the right to change our prices accordingly. If the Customer takes delivery of lower quantities than agreed under call orders and multiple-delivery contracts, we shall be entitled to recalculate our prices based on these reduced purchase volumes and to invoice the Customer for the resulting price increases.
5. Expenses and travel costs shall be invoiced separately, unless otherwise agreed. For travelling expenses outside a radius of 40km around Shanghai's city boundary, an allowance of RMB 5/km plus VAT shall be agreed.

VI. Payment terms, default/delay, offsetting, assignment:

If the Customer is not domiciled in the PRC on the order date, section 1 below shall apply:

1. Provided that there is no provision for delivery against prepayment in our contractual agreement with the Customer, we shall be entitled, without the need for any specific agreement to that effect, to make our services dependent upon the provision of a confirmed and irrevocable letter of credit amounting to the gross price for those services via a first class bank or bank branch acceptable to us in accordance with the International Chamber of Commerce's (ICC's) Uniform Customs and Practice for Documentary Credits (UCP 600). If we do not request that such confirmed and irrevocable letter of credit be provided and in the absence of a contractual agreement to the contrary, our account shall fall due upon receipt of the delivery or, as the case may be, once our services have been fully carried out. If our deliveries or services are carried out in clearly separable portions, we shall be entitled to invoice the Customer for the amount of remuneration corresponding to each portion and to request the provision of a confirmed and irrevocable letter of credit for each portion, if appropriate.

Otherwise, section 1 below shall apply:

1. In the absence of an agreement to the contrary, our account shall fall due upon receipt of the delivery or, as the case may be, once our services have been fully carried out. If our deliveries or services are carried out in clearly separable portions, we shall be entitled to invoice the Customer for the amount of remuneration corresponding to each portion.

The following applies to all Customers:

2. If the Customer is in arrears, it must reimburse us for the damages caused by the delay; in particular, it must pay interest on arrears for any outstanding payment amount equal to 0.04% of the outstanding amount per day. If the Customer is more than 14 days behind in payment of an amount or partial amount due, the entire sum of all outstanding receivables shall become due and payable immediately. In the event the Customer is in arrears, we shall likewise be entitled to suspend further deliveries and services in whole or in part and to revoke payment terms that we have granted. Moreover, if there is a material deterioration of the Customer's financial situation after the contract date, we shall be entitled to make further deliveries or provide further services only if the Customer prepays or furnishes collateral. In addition, we may prohibit the resale, treatment and processing of goods subject to retention of title and their return at the Customer's expense, revoke any direct debit authorisation and enter areas where the goods subject to retention of title are being stored and remove such goods.
This shall not affect our right to assert additional claims, e.g. for damages, according to the contract or the applicable law.
3. The Customer shall not be entitled to take deductions without our express written consent.
4. Payment by means of promissory notes or acceptances shall only be permitted if expressly agreed by us in writing, and even then shall be valid only on account of payment. Acceptances must be negotiable and eligible for discount. Expenses and fees relating to acceptance of promissory notes shall be borne by the Customer. They are payable immediately. The same applies to cheques.
5. Unless otherwise agreed by us in writing, the Customer shall not be entitled to set off any claims allegedly owed by us against the payment of the purchase price or service fees under the contract.
6. Assignment by the Customer of claims against us shall require our prior written consent.

VII. Default/delay in acceptance, transfer of risk and inspection/taking delivery:

1. The risk of loss of or damage to the goods is transferred to the Customer when the goods are handed over to or sent directly to the Customer or its designated agent; this also applies if partial deliveries are made.
3. If the Customer is late accepting the goods or in wrongful breach of other obligations to assist, we shall be entitled to demand payment for any damages we have incurred, including any additional expenses.
If we are entitled to claim compensatory damages instead of performance, we may claim 15% of the agreed price as liquidated damages, plus payment for any work already performed and material used, as compensation without providing substantiation. This shall not affect further claims.
4. The risk of accidental loss of or damage to the item(s) covered by the contract shall transfer to the Customer on the date of the Customer's default in acceptance or payment of amounts owed. This shall apply even if the shipment is delayed or does not take place and/or the Customer does not take delivery due to circumstances beyond our control, from the date of notification of readiness to ship or readiness to take delivery.
5. The risk of accidental loss, destruction or deterioration and the risk relating to payment of compensation transfer to the Customer when the goods to be delivered are loaded ex warehouse or, in the case of direct delivery, ex works of our supplier; this also in case of partial deliveries or if we have undertaken to provide other services, e.g. assuming shipping costs, or delivery, installation and unloading. Any agreed official acceptance must take place without delay by the deadline for taking delivery, or alternatively following our notification concerning readiness to take delivery.
Any additional costs incurred shall be borne by the Customer. The Customer may not refuse to take delivery because of a minor deviation or defect.
6. The goods shall be shipped at our discretion using the most economical, fastest route, without any guarantee. Any additional expenses related to special shipping requests by the Customer shall be borne by the Customer.

VIII. Warranty:

Subject to item IX of these Terms and Conditions, we guarantee new items against material defects and defects in title as follows, while excluding further claims:

1. Material defects

- (1) We warranty that for a period of 12 (twelve) months commencing from the date of delivery, the goods are free from any defects due to faulty design, materials or manufacturing and they fully comply with the specifications as well as the quality standards as set out in the contract.
- (2) If there is a material defect in goods being delivered due to circumstances existing on the date when the risk transfers, we shall be obliged to make up the goods in short, repair or replace the goods, at our discretion. The parts replaced shall become our property and must be handed over to us by the Customer without delay. Expenses relating to the repair or replacement, such as transportation, travel, work and material costs, shall be borne by us, to the extent they are not increased due to the fact that the goods delivered have been transferred to a place other than the place of performance. Upon notification by us, the Customer must provide us the opportunity and necessary time to make any and all repairs and/or replacements we deem necessary; otherwise, we shall be released from any liability for any consequences thereof. The Customer shall have the right to remedy the defect himself/herself or to have third parties remedy the defect and to demand that we reimburse the necessary reasonable costs only in emergency situations where operational safety is in jeopardy and/or to prevent disproportionately large damages, in which case we must be notified at once.
- (3) The Customer shall inspect the quantity, quality and specifications of the goods and shall notify us in writing of any non-conformity, obvious defects, discrepancies or irregularities thereto within 5 (five) business days from the delivery and shall send detailed notes thereon to us. The date of receipt of the notice of defect shall be decisive in determining whether the deadline was met. If the Customer fails to conduct such inspection and fails to raise any claims regarding the quantity, quality or specifications of the goods within the above time limit, the goods shall be deemed to be in conformity with the contract and the Customer shall be deemed to have accepted the goods and we shall not be liable for any claims raised thereafter.

If there are hidden defects in the goods such that they cannot be discovered upon a reasonable inspection of the goods, the Customer shall notify us in writing within 5 (five) business days of the discovery of the hidden defects, however, in any case not later than 12 (twelve) months after the date of delivery of the goods. If the Customer fails to comply with the stipulations of the preceding sentence, the goods shall be deemed to be in conformity with the contract and the Customer shall be deemed to have accepted the goods and we shall not be liable for any claims raised thereafter. If a complaint of defects is lodged, the Customer may withhold only that proportion of the payments equal to the ratio of defective items to the entire shipment.

- (4) Notwithstanding the stipulations in items VIII 1 to 3 above, we shall not be liable for
 - a) defects in cases of insignificant deviations from the agreed quality, or only minor impairment of usability;
 - b) natural wear and tear;
 - c) any defect which is due to causes arising after the risk has passed to the Customer;
 - d) claims based on particular external influences not foreseeable under the contract, or from non-reproducible software errors;
 - e) claims based on defects attributable to improper operation, modification or repair work carried out by the Customer or third parties that was not approved by us and the consequences thereof;
 - f) use of improper materials, chemical, electrochemical or electrical influences, etc. by the Customer or third parties that was not approved by us; or
 - g) minor defects attributable to any services of assembly or erection provided collaterally by the Supplier.
- (5) We shall also not be liable for any defects caused as a result of the Customer's refusal and/or unwillingness to provide the necessary and relevant information and materials if required for goods or services which have been manufactured or rendered according to the specifications of the Customer, if any.

The warranty likewise shall not apply to used items, unless the parties have entered into an agreement to the contrary.

- (6) The Customer shall indemnify and hold us harmless from and against any liabilities, claims, demands and expenses, including lawyers' fees, for any damage or injuries resulting from any goods resold by the Customer without giving appropriate instructions or warnings or from its failure to make any recall of the goods if required.

2. Defects in title

In the event of defects in title, the warranty shall be determined by legal requirements.

3. Extension to third parties

Should third parties be appointed or included in the initiation or development of the obligations between the parties, the aforementioned warranty limitations and exclusions shall also apply to those third parties.

4. Further claims

Such claims are governed by item IX of these Terms and Conditions.

IX. Liability for Breach of Contract

Any party which fails to fulfil any or a part of its obligations under the contract shall bear the losses caused by such failure. The defaulting party's liability for damages shall equal the losses incurred by the other party resulting from such breach but such liability shall not exceed the losses which were foreseeable by the party in breach at the time

of conclusion of the contract. Should such failure be attributable to the fault of both parties, each party shall be liable according to its respective degree of fault.

Notwithstanding the above, if nothing is stipulated to the contrary, the following exclusions and limitations of liability apply for our liability, regardless of the legal grounds, subject to the other statutory claim requirements, and which also apply for our employees, agents and other third parties whom we engage for the performance of the contract:

Our maximum aggregate liability arising out of or in connection with the contract shall not exceed the total amount of the respective purchase price or service fee actually received by us for the goods or services giving rise to the liability.

We shall only be liable for the Customer's damage, if it is caused intentionally or in a grossly negligent manner by our officers, employees or any other person employed by us in performing a contractual obligation for which we are liable under the contract. We shall in no event be liable for any consequential and/or indirect loss or damages, including but not limited to loss of profit, loss of revenue, loss of use, loss of production, loss of business opportunity and costs of business interruption.

The above-mentioned limitation of liability shall not apply in case of personal injuries caused by us and in case of property damages which are caused by our gross negligence or intention.

X. Confidentiality:

1. Both parties undertake, for the duration of the contract, to treat as confidential all information disclosed in connection with the contract which is marked as confidential or which, due to other circumstances, is clearly a business or operational secret, such as but not limited to the parties' business management, management know-how, technology, production information, marketing information, customer lists, sales and financial affairs or any other proprietary information. Both parties also undertake neither to record, to transmit any such information to third parties, nor to exploit it in any way whatsoever unless this has previously been expressly approved in writing or is necessary for achieving the aims of the contract. This duty to observe secrecy shall remain in force for a further five years after the complete discharge or termination of the order.

Both parties shall impose the confidentiality obligations stated above also on their representatives, employees and commissioned third parties who are or were involved in the negotiation or performance of the contract.

2. The following information is excluded from this:

- information which was already known to the receiving party before contract negotiations had begun, or which was disclosed by third parties as not confidential in nature, provided that the latter are not infringing their obligations to observe confidentiality;
- information which the parties have each developed independently of the other;
- information which is or becomes part of the public domain, without fault or assistance from either party; or
- information which must be made public to comply with mandatory legal requirements, or due to an official or judicial decree.

In the last-mentioned case, the disclosing party must inform the other party without delay prior to the information being made public. Statutory duties of confidentiality of a more extensive nature shall remain unaffected.

The party referring to one of the above mentioned exceptions of the confidentiality obligation shall have the burden of proof that any of the above exception applies.

XI. Product liability:

1. The Customer shall maintain appropriate records containing the relevant information to support the immediate recall of goods which may become necessary due to product liability. Such records shall include documentation on the Customer's customers, the type and quantity sold and the date of sale. Upon our request, the Customer shall provide us with the above records and offer such assistance as reasonably required for the purpose of recalling any of the goods as a matter of urgency. Notwithstanding the above, the Customer shall be solely responsible for any recall, if such recall is instructed by us.
2. The records as stated in item XI 1 above shall be retained for a period of at least 10 (ten) years and shall also be maintained in a manner that will allow their timely retrieval. Copies of distribution records have to be handed out to us upon request.
3. The Customer shall immediately, but not later than 3 (three) working days after detection, inform us about any risks that may occur during the use of the goods and any product defects it may become aware of.
4. If there are product liability and/or product security regulations in the countries where the Customer will be reselling our products, which deviate – particularly in their severity – from those under PRC law, the Customer must indicate this to us when submitting the order. In such cases we are entitled to rescind the contract within a month. Should the Customer fail to inform us of this, we shall be entitled to rescind the contract within one month of gaining knowledge of the relevant legal position. In the latter case, the Customer is obliged to release us from third-party claims which would exceed our performance obligations in a comparable product liability case in the PRC. This shall apply even if we continue to adhere to the contract.

XII. Intellectual Property

1. All designs, specifications, drawings, inventions, trade secrets, patents, patent applications, know-how, trademarks and other intellectual property or proprietary information developed, made or acquired by us and provided by us to the Customer in connection with the contract and all our rights therein are and shall remain the sole property of us.
2. Without limiting the generality of item XII 1 above, we further reserve any intellectual property rights, including copyrights, pertaining to our cost estimates, drawings and any other documents (hereinafter referred to as "Documents"). The Documents shall not be made accessible by the Customer to any third parties without our prior written consent and shall, upon our request, be returned without undue delay to us if the contract is not awarded to us. The above 1st and 2nd sentences shall apply mutatis mutandis to the Customer's Documents; these may, however, be made accessible by us to those third parties to whom we have rightfully subcontracted the provision or the manufacture of the goods or services.
3. During the term of the contract, the Customer will inform us immediately of potential intellectual property infringements by a third party with respect to our intellectual property or any other proprietary rights and the Customer shall provide us with reasonable assistance in case that we decide to take action against such third party.
4. If the Customer is or becomes subject to any claims for damages due to any intellectual property rights infringements, we shall indemnify and hold the Customer harmless from any and all claims, damages, losses, compensations and costs which are awarded against the Customer as a result of any non-appealable litigation or arbitration proceeding and/or which shall be borne and/or paid by the Customer under any settlement agreement (where the settlement shall be agreed by us in writing), and from all costs and expenses incurred therefrom by the Customer..

XIII. Use in the Customer's operations of employees

1. If we send our employees to work at the Customer's premises, this shall be only for the purpose of satisfying our contractual obligations to the Customer.
2. We alone shall be authorised to issue instructions to these workers; the Customer shall have no such right to issue work-related instructions. We satisfy the operating and/or personnel requirements to organise the employees we have deployed on-site and issue work instructions to them.
3. No integration of our employees into the labour organisation of the Customer's company shall take place.

XIV. Employee protection laws

We comply with all applicable employee protection laws and have also obliged our suppliers to comply with these laws.

XV. General final provisions:

1. The place of performance shall be Shanghai, PRC.
2. These Terms and Conditions are governed and construed in accordance with the laws of the PRC. The application of the *United Nations Convention on Contracts for the International Sale of Goods (CISG)* is expressly excluded.
3. Any dispute arising out of or in connection with the contract and/or these Terms and Conditions or over their validity shall be settled through friendly consultations between the parties. If no agreement can be reached between the parties within 30 (thirty) days after the dispute has arisen, the dispute shall be finally submitted to an arbitration tribunal of the China International Economic and Trade Arbitration Commission, Beijing Headquarters (hereinafter referred to as "CIETAC"), for arbitration according to the Rules of Arbitration of the said arbitration commission effective on the date of request for arbitration. The place of arbitration shall be in Shanghai. The arbitration proceedings shall be conducted in English language.

The arbitration tribunal shall consist of 3 (three) arbitrators. Each party shall appoint 1 (one) arbitrator. The two first mentioned arbitrators shall select the third arbitrator who shall act as chairman of the arbitration tribunal. If a party fails to appoint its arbitrator within one month after receipt of the notice of arbitration from the arbitration commission or if the two first mentioned arbitrators cannot come to an agreement on the chairman of the arbitration tribunal within one month after they have been appointed, the respective arbitrator or the chairman of the arbitration tribunal shall be appointed by the Chairman of the CIETAC.

The arbitration award shall be final and binding on the parties. The arbitration fee and the reasonable expenses of the winning party, including lawyer's fees shall be borne by the losing party except as otherwise awarded by the arbitration tribunal.

4. The Customer is aware that data from business transactions, including personal data, will have to be recorded and, on the basis of commercial necessity, processed and transmitted to third parties. The Customer is in agreement with this data collection and processing.
3. These Terms and Conditions shall to the greatest extent possible be interpreted in such a manner as to comply with the applicable laws. However, if any provision hereof is, notwithstanding such interpretation, determined to be or to become invalid or unenforceable, or if there is an omission, the remaining provisions of these Terms and Conditions shall remain to be binding upon the Parties. The Parties agree to replace any such invalid or unenforceable provision by a valid and enforceable one which comes as close as possible to the original purpose and intention of the invalid or unenforceable provision. In the event of an omission, a provision which corresponds with the purpose and intention of

what would have been agreed between the Parties, if the matter had been considered at the outset, shall be deemed to have been agreed.

4. Neither party may assign the contract, in whole or in part, nor any rights or obligations hereunder without the prior written consent of the other; provided however that we may assign our rights and obligations under these Terms and Conditions to our affiliates.

Part 2: Special provisions for specific types of contracts

I. Special provisions for performance-related contracts such as contracts for work and services (Werkverträge):

1. If we are tasked with bringing about a particular outcome – e.g. the construction of a factory – or a particular set of documentation, the Customer shall be obliged, upon our issuing it with the relevant notification of completion, to provide a written statement formally confirming acceptance of our performance.
2. If this formal acceptance is delayed through no fault of our own, our performance shall be taken as accepted after the expiration of 7 (seven) calendar days from the notification of the completion.

II. Special provisions for service contracts:

1. A service contract can only be terminated for good cause.
2. Good cause shall exist, in particular, if:
 - obligations, notably obligations to assist, which need to be met within contractually-agreed deadlines, are not met despite the setting of a time limit and reference to the existing right of termination,
 - confidentiality obligations are violated,
 - material elements of the contract are not carried out, or are not fully carried out despite the granting of a grace period.
3. Any notice of termination must be given in writing.

III. Special provisions covering the delivery of goods, documents and software, etc.:

1. Retention of title

- (1) We shall retain title to the delivered goods and all rights of use under copyright law until full and final payment of the purchase price in accordance with the contract has been made by the Customer to us.. Insofar as the validity of these reservations of title depends upon registration, e.g. in the public registers of the Customer's country, we shall be entitled and fully authorised by the Customer to carry out this registration at the Customer's expense. The Customer is obliged to provide any assistance necessary on its part with respect to this registration free of charge.
Upon payment of the purchase price for each respective delivery of the goods, the ownership in those goods shall pass on the Customer. In the event of payment by cheques or promissory notes, the Customer's obligations shall be met only when the corresponding amounts have been definitively received into our account.
- (2) During the term of retention of title until full payment of the purchase price, the following applies:
 - The Customer shall be obliged to treat with care the goods delivered. We shall be entitled to insure the goods delivered against theft, breakage, fire, water and other damages at the Customer's expense unless the Customer can prove that he/she has insured the goods itself. The Customer hereby assigns to us any and all claims against the insurers relating to the aforementioned loss events.
 - If during retention of title by us the goods become an integral part of another object owned by the Customer by combination or mixing (hereinafter: "Combined Object") or if a new object is produced by processing or remodelling (hereinafter: "New Object"), the Customer hereby transfers its ownership or co-ownership of such Combined Object or New Object to us and undertakes to hold the Combined Object or New Object in custody on our behalf free of charge with the diligence of a prudent businessman. If co-ownership arises, our share shall correspond to the portion resulting from the ratio of the value of the combined goods to the value of the Combined Object or the value of the processed goods to the New Object.
 - During retention of title, the Customer shall not sell, dispose of, pledge or otherwise transfer title to the goods or the Combined Object or New Object as security to any third party. In the event of attachments and seizures or other third party dispositions, the Customer shall inform us of this without delay and point out our ownership to the third party.
 - If the Customer breaches the stipulations of these Terms and Conditions, in particular, in the event of default of payment, we shall be entitled to repossess the goods or the Combined Object or New Object after setting a deadline, and the Customer shall be obliged to surrender or transfer them. Upon application for commencement of insolvency proceedings on the Customer's assets, the Seller shall be entitled to terminate the contract and demand the immediate return of the goods or transfer of the Combined Object or New Object.

2. Agreed right of rescission

If we have entered into a special agreement with the Customer to the effect that the Customer shall be entitled under certain conditions to rescind the contract even without the existence of a legal reason for cancellation, in the event such a right of rescission is exercised, we shall be entitled to demand that the Customer reimburse our expenses for the incoming goods inspection, for restocking the goods, bookkeeping, etc. to a reasonable extent upon providing substantiation. A minimum amount of 10% of the compensation for the contract in question shall be deemed to have been agreed as the amount of our expenses to be reimbursed.

Part 3: Supplementary provisions regarding special contracts

In addition to the provisions in Parts 1 and 2 of these Terms and Conditions, the following additional provisions apply to **planning, documentation, development, design, programming and production work**:

I. Contractual task to be performed and place of performance:

1. Depending on the contractual provisions, our services may include planning, documentation, development, design, programming and production work. The contractual task to be performed, the scope and the timing are separately agreed by us and the Customer in an individual contract in writing.
2. The work shall be carried out at our engineering offices. The parties may agree to carry out the work in whole or in part at the Customer's premises if working documents cannot be handed out and/or if constant technical discussions and/or technical consultations are required. Even if the work is performed at the Customer's premises, we alone shall be responsible for briefing, instructing and supervising the vicarious agents.
3. At our request, the Customer shall confirm the percentage-of-completion by signing the project progress reports submitted to it.

II. Special provisions for orders (contracts) to create animated user manuals:

1. Before starting on a job, we make the technical specifications available to the Customer. The Customer shall be notified in writing about any and all additional expenses above the tender amount that are necessary to complete the contract as soon as these are anticipated. The Customer shall be obliged to notify us within 5 (five) business days of receiving this notification whether the Customer agrees with and shall cover these additional expenses. If the Customer does not agree, we shall not be obliged to perform the corresponding service and the Customer shall accept this degree of incomplete performance without being entitled to assert any claims whatsoever against us in this regard.
2. The Customer shall bear sole responsibility for the accuracy, quality and legal admissibility of using any and all content (images, graphics, text, multimedia, etc.) transferred to us by the Customer for the purpose of executing the contract. The Customer shall provide to us in the following form all content required to create the animation:
 - CAD model is "complete and accurate", i.e., all components/modules required for the animation are available in complete form and in the right size and position in the CAD model.
 - CAD model contains only the components necessary for the animation; i.e., the CAD model does not contain any superfluous/redundant components/modules that will have to be deleted from the model in order to create the animation.
 - CAD model has "talking part names"; i.e., in the CAD model, the component names do not consist of "cryptic" number codes; instead, every component in the CAD model has a meaningful/self-explanatory name.
 - Alternatively, Star Engineering GmbH can retroactively assign "talking names" to the names in the CAD model. (Star Engineering GmbH shall provide an Excel list of names from the CAD model, in which the Customer can assign the names). This approach requires a prior, express written agreement specifying the costs involved and the Customer's obligation to pay the costs.
3. The Customer shall be obliged to review all contents created within 5 (five) business days from the date of delivery to the Customer for quality, completeness and accuracy. If the Customer fails to conduct such review and/or fails to raise any claims regarding the quality, completeness and accuracy of the contents created within the above time limit, the contents created shall be deemed to be in conformity with the contract and the Customer shall be deemed to have accepted the contents created and we shall not be liable for any claims raised thereafter.. The Customer must diligently test the product before it is used. If there are hidden defects in the contents created such that they cannot be discovered upon a reasonable inspection, the Customer shall notify us in writing within 5 (five) business days of the discovery of the hidden defects, however, in any case not later than 12 (twelve) months after the date of delivery of the contents created. If the Customer fails to comply with the stipulations of the preceding sentence, the contents created shall be deemed to be in conformity with the contract and the Customer shall be deemed to have accepted the contents created and we shall not be liable for any claims raised thereafter.
4. We and the Customer shall be obliged to notify one another without delay of unexpected delays (illness, holiday, unplanned absence, etc.). Further, both parties shall be obliged at the beginning of the project to each designate in writing a contact person with authority to make decisions who can be reached at any time to answer questions about the progress of the project. Changes authorised by the person authorised to make decisions shall be binding.

III. Inspection/acceptance of prototypes:

1. Official acceptance or one of our products shall be required only for machinery produced by us that is to be operated independently, a software application and/or database or if the quality that we have promised in a connecting part and/or device makes such an on-site inspection at the Customer's premises objectively urgent and necessary. The official acceptance and/or the official acceptance meeting may take place only in our presence. If an official acceptance as described above is not required, our performance shall be finished upon the completion of the service.
2. The Customer shall be notified of our readiness for official acceptance approximately 5 (five) business days before the official acceptance. To the extent deadlines refer to assembly or implementation or include these, the assembly or implementation shall be deemed to have been completed when the system or other service is ready for official acceptance.
3. The Customer must carry out the official acceptance if we have finished placing the system or other service in service, its functional capabilities have been proven and we have delivered the promised quality. In this case, the Customer must confirm the official acceptance of the system in writing.

IV. Rights of use (except for software; for software, see item V below):

1. We shall grant the Customer a simple right of use, strictly limited to the purpose of the contract, to the rights of use and exploitation of the drawings, sketches, plans and other work results created by our employees or agents. This right of use is already included in the agreed compensation. We shall be entitled to retain one or, where necessary, several copies of the aforementioned material in their possession to prove that we have rendered the service. We shall be allowed to use the general knowledge gained for third-party contracts, provided that this has no major negative impact on the Customer and causes no significant damage to the Customer.
2. If our already existing industrial property rights, copyrights or unprotected know-how are/is used for the purpose of executing the respective individual contract and if these are necessary for the Customer to be able to commercialise the development results, the Customer shall receive a non-exclusive, perpetual, royalty-free and irrevocable right of use to the industrial property rights, the copyrights and the unprotected know-how. For the avoidance of doubt, any and all industrial property rights, copyrights or unprotected know-how developed, made or acquired by us that are/is used for the purpose of executing the respective individual contract are and remain the sole property of us.
3. We shall assume no liability for the non-existence of industrial property rights of third parties preventing the use of our services. The Customer shall indemnify us against any third-party claims. If the Customer prefers to have an industrial property rights search performed before services are rendered, it must notify us of this and must assume the costs incurred. In that case, the agreed performance time shall be extended by the amount of time required to carry out the industrial property rights search.
4. In the event of any inventions made by our employees while executing the individual contracts, we shall be obliged to effect an unrestricted or restricted transfer to the Customer only if the Customer, following a written request, states in due time that an unrestricted or restricted claim to the invention shall be filed. In this case, the rights shall be transferred to the Customer step by step in exchange for indemnification against any financial obligations to our employees resulting from an employee invention.

V. Software licences:

1. Provided we and the Customer have not entered into an agreement to the contrary, the Customer shall receive a simple perpetual licence to the software delivered. Unless an express agreement to the contrary exists, the licence shall entitle the Customer, in the absence of other agreements, to use the software on a single PC (single-user licence).
2. Further rights, in particular the right to reproduce the software beyond what is necessary for contractual use of the software, shall not be granted. Aside from the right to correct errors, the Customer shall not be entitled to make any changes to the software. The Customer's right to correct errors may be invoked only if we have previously declined or failed to correct the errors. The Customer may make a back-up copy of the software and may reproduce it within the context of usual data back-ups to ensure that the software works as intended.

VI. Documentation and hazard warnings:

1. If documentation must be created, it shall be written in English.
2. At the request of our Customer, documentation for all of our services may also be drawn up in Chinese. Unless an agreement to the contrary has already been reached in individual contracts, the additional costs shall be borne by the Customer.
3. Under these Terms and Conditions, we shall not be liable for damages caused by failure to observe instructions given in the documentation, except in cases of wilful misconduct or gross negligence on our part; in such cases, we shall be liable in accordance with Part 1 IX of these G Terms and Conditions. This limitation shall not apply in case of personal injuries which are caused by us. We assume no liability for accidents or damage caused by failure to observe or properly follow the instructions and descriptions provided in this documentation.
4. We do not check the validity of existing hazard warnings. The Customer is responsible for the accuracy of the information provided in the hazard warnings.