

## **Schedule B to the Individual Contract for IT Services General Terms and Conditions (GTC) for IT Services**

### **§ 1. Inclusion of Group Companies**

The following terms apply to all contracts referencing these Terms and Conditions concluded between the Service Provider and companies of the Allianz Group, e.g. the planning, development and practical introduction of software and supporting services and similar services in the IT area, e.g. consultancy and training to employees of the Principal.

These terms apply to Contracts of Companies of the Allianz Group ("**Group Companies**") companies under the uniform control of Allianz SE within the meaning of § 18 AktG (German Stock Corporation Act). Group Companies which enter into a Contract with the Service Provider and in the Contract refer to this terms, will then be considered "**Principals**" in the sense of these Terms and Conditions. Such Principals and the Service Provider are hereinafter referred to as the "**Parties**".

### **§ 2. General Terms and Conditions and Contracts**

The Parties will agree on the services to be provided by the Service Provider ("**Contractual Services**") in the Individual Contract (the "**Contract**").

The Contract shall be generally understood and construed on basis of the provisions, structures and paradigms of German law.

If any discrepancies occur between the terms of the Contract and these terms, the terms in the Contract shall prevail.

### **§ 3. Independent Claim to Indemnification**

#### *3.1 Indemnification against third party claims*

If any claims are made against the Principal by third parties on the basis of an actual or alleged infringement of intellectual property rights as a result of the proper and contractually agreed use of the Contractual Services, without the Principal having caused this by intent or gross negligence, the Service Provider agrees, notwithstanding its other contractual obligations, to indemnify the Principal, upon first request, as an anticipated, constitutive acknowledgement of debt against all costs and expenses arising by or in connection with the making of such claims.

#### *3.2 Scope of claim*

This claim includes, without limitation all costs and expenses arising out of and in connection with such Third-Party-Claims, including without being limited to reasonable attorney fees, legal and out-of-court settlements as well as any other payments resulting from an infringement of intellectual property rights.

#### *3.3 Joinder in a legal dispute*

The Principal shall be entitled to join a legal dispute of the Service Provider with a third party about rights claimed by it. Each Party shall itself be responsible for any costs incurred by it in connection with the conduct of the legal dispute.

### **§ 4. Service Provider's Duty of Care; Quality Control**

#### *4.1 Proper provision of the Services*

The Service Provider will provide the services to be rendered by it in accordance with the principles of proper exercise of its profession and in compliance with applicable best practices, if any, customary in the market, by qualified staff and auxiliary personnel within the agreed period. Prior to rendering the Contractual Services, the Service Provider will deliver to the Principal, at its request, a list of the staff and auxiliary personnel who will be used to render the Contractual Services, including their names, project roles, qualification levels and detailed CVs.

#### *4.2 State of technology and compliance with statutory provisions*

The Contractual Services must comply with the Current State of the Art in technology applicable at the time of the agreed or, if later, the actual date of performance, as well as with the statutory provisions applicable from time to time. This includes, if applicable, technical and organisational measures in regard to information security.

#### *4.3 Protection against computer viruses and other dangerous codes*

The Service Provider agrees that the software, systems, databases and surfaces as well as data media delivered by it will be examined with a virus detection program in its latest version corresponding to the latest state of technology for any viruses, worms, Trojans and other computer bugs and that the software provided by it will not provide any hidden or camouflaged ways of access (backdoors).

#### *4.4 Obligation of the Service Provider to examine the requirements of the Principal*

The Service Provider is obligated to examine the requirements of the Principal immediately upon conclusion of the Contract. If the Service Provider establishes that the requirements of the Principal are incorrect, incomplete, ambiguous or objectively inexecutable, the Service Provider will give the Principal immediate written note thereof and of the consequences recognizable to it and will give the Principal the opportunity to either correct or confirm such requirements.

Especially, the Service Provider will, therefore, in case technical problems or circumstances occur during the preparation of a specification, which have not been mentioned or have not so far been sufficiently taken into account in the system requirements, deliver a detailed and comprehensive survey of such circumstances to the Principal and will propose, if possible, potential solutions.

The Service Provider will request from the Principal any information or data that are missing or are available only to the Principal. If the Principal includes system requirements which appear technically impossible or unfeasible within a reasonable framework, such requirements may be designated as unfeasible in the detail specifications.

The Service Provider will implement any ambiguous or potentially incorrect requirements only if the Principal has expressly confirmed them following the written information from the Service Provider.

#### *4.5 Principal's right to information*

The Service Provider will inform the Principal, at its request, about the status of *work* and any interim results. The Principal reserves the right to verify, either itself or through qualified third parties instructed by it, the progress of the Contractual Services and compliance of the quality standards by way of running controls.

#### *4.6 Use of open source software*

If open source software is used in connection with the provision of the Contractual Services hereunder, in particular where open source components, such as libraries, are integrated into

software in the development of such software, the Service Provider agrees to inform the Principal accordingly prior to entering into the Contract by separate specific written notice. The Principal has the right to object to the use of open source software. If the Service Provider fails to give such information, the Principal has the right to withdraw from the concerned Contract at any time without stating reasons.

#### *4.7 Environmental protection and sustainability*

The Service Provider agrees that in the provision of the Contractual Services it will wherever possible apply environmentally friendly technologies and processes and will comply with the common principle of sustainability.

## **§ 5. Documentation**

### *5.1 Program documentation, program developing documentation and interface documentation*

If the Contractual Service of a Contract consists of the creation of software, systems, data bases or surfaces, the Service Provider shall be obligated to at least draw up the program documentation, the program developing documentation and the interface documentation.

### *5.2 Quality of the documentation*

The program documentation must correspond at least to the DIN 66230 standard, the program development documentation at least to the DIN 66231 standard and the interface documentation at least to the current state of technology.

### *5.3 Deviation in the Contract*

The Parties may agree in the Contract on terms deviating from the documentation.

## **§ 6. Principal's Obligations of Cooperation**

### *6.1 Principle*

The Principal will ensure that any acts of cooperation necessary on his behalf will be provided in the right manner and in due time so as to support the Service Provider in the provision of the Contractual Services.

### *6.2 Specific duties of cooperation*

The Principal will, in particular,

- provide the Service Provider in due time with the information required for the performance of the Contractual Services;
- insofar as necessary for the performance of the Contractual Services, allow access to the Service Provider to its data processing facilities during usual business hours. Unless otherwise agreed in the Contract, access to the computer facilities will be provided free of charge.

### *6.3 Request for cooperation in text form or written form*

The Service Provider must previously request the required cooperation of the Principal in due time in text form (e.g. email) or in written form, if such written form is expressly requested in the Agreement. A violation of cooperation obligations properly requested in accordance with the terms hereof, will, except in cases of a wilful violation by the Principal, exclusively result in a reasonable extension of the agreed time periods.

#### 6.4 *Supplementation in the Contract*

In supplement to the cooperation obligations provided in this section, the Parties may agree on further cooperation obligations in the Contract and define any specific contributions to be provided by the Principal therein.

### **§ 7 Bodies and Project Coordination**

#### 7.1 *Project Heads and Project Steering Committee*

To coordinate and steer complex Contractual Services which require an organization as a project, the Service Provider will name in the Contract, a project head and the Principal a contact person who may each make and accept or cause binding declarations.

In addition, to carry out the project in a purposeful and trouble-free way, the Parties may, depending on the scope of the project, establish a project steering committee in the Contract, which shall consist of employees of the Service Provider and of the Principal. This should be done always where the Contractual Services exceed the scope of two (2) man-years.

#### 7.2 *Tasks of the project head*

The tasks of the project head shall include, without limitation,

- providing required information and documents;
- taking required decisions in due time;
- naming contact persons to clarify project-specific issues, including related scheduling of dates;
- preparing changes to the Contractual Services as well as for submission to and approval by the project steering committee, if established;
- preparing and jointly presenting before the project steering committee, if established.

The project head may be a member in the project steering committee.

#### 7.3 *Tasks of the project steering committee*

The project steering committee will have the following tasks, without limitation:

- setting priorities and taking decisions to steer the project;
- assessing the progress made.

The project steering committee will come together when needed. The initiative may be taken by a member of the project steering committee or by one of the named project heads. If no project steering committee is established, the project heads will perform its tasks.

#### 7.4 *Power to give directions under employment law*

The employees of each Party shall be under the exclusive technical and disciplinary authority of the Party who is their employer, and the Service Provider shall ensure that its employees do not become integrated into the Principal's business more than it is necessary for the provision of the Contractual Services, regardless of where the work is performed.

### **§ 8. Work in the Principal's Premises**

#### 8.1 *Information about work to be performed in the premises of the Principal*

If, for the performance of the Contractual Services, any work of agents of the Service Provider has to be performed in the premises of the Principal, the Service Provider will inform the Principal thereof in due time before the beginning of such work of those agents while

giving in writing the names of the agents and of the period of work.

### *8.2 Duties of care of the Service Provider*

If the agents of the Service Provider, for the term of their activity in the premises of the Principal, receive identification papers and/or keys authorizing them to access the premises of the Principal during normal business hours, the Service Provider shall make sure that such identification papers and/or keys will be treated carefully by its agents, will be used only in accordance with their purpose and will be returned to the Principal immediately upon termination of their assignment. Any loss shall be reported to the Principal immediately.

### *8.3 Health and safety regulations at work*

The Service Provider agrees to impose on its agents the obligations to comply with the health and safety regulations of the Principal at the relevant place of work as duly provided by the Principal.

## **§ 9. Change of Services, Change Request Procedure**

### *9.1 Definition of service change*

The Parties understand that a change to services shall mean either requirements outside the Contractual Services or changes to the agreed Contractual Services.

### *9.2 Minor changes*

No change to services shall exist where the Service Provider newly names or renames the Contractual Services, or where the Contractual Services are modified as a result of a clarification of misunderstandings or in the context of warranty measures, or where - taking into account the mutual interests of the Parties - only a minor change is concerned.

### *9.3 Procedures in case of change requests*

(1) Change request procedures may be initiated either by the Principal or by the Service Provider.

(2) The Service Provider will agree to change requests of the Principal if this can be reasonably expected of it. The Service Provider will examine the change requests of the Principal as to their practicability and will inform the Principal, within ten (10) working days after receipt of the change request, of any impacts of such change on the Contractual Services and will provide a change agreement as a proposal if, because of the implementation of such changes, any relevant changes in terms of timelines or prices should arise. The proposed change agreement will be based on the remuneration structure agreed in the Contract.

(3) If, within ten (10) working days after receipt of a change request from the Principal, the Service Provider does not submit a change proposal, the Service Provider will implement the change request made by the Principal, without this resulting in any time delays or cost changes negative to the Principal and without this causing any other negative impacts on the Contractual Services. The Principal will notify the Service Provider of that ten-day period and of the significance thereof.

(4) If the ten (10) working days are not sufficient to conduct such examination, the Service Provider may request a reasonable longer period, either in text form or in written form.

(5) If the examination of the change request requires considerable work, the Service Provider may initially, within the said period of ten (10) working days, submit an offer for such examination. Unless otherwise agreed in writing, the examination of change requests and the provision of a change proposal shall be without costs to the Principal.

(6) When implementing any change, the Service Provider will adapt all documentations and

papers accordingly.

#### *9.4 Impacts of the change request procedure on running services*

During a change request procedure according to Sect. 9.3, the Service Provider will carry on the Contractual Services according to plan unless the Principal informs the Service Provider in writing that the work shall be suspended or restricted until a final decision on the service change according to Sect. 9.3 has been taken. If, before the conduct of the change request procedure, any Contractual Services have to be performed or action taken which would no longer be useable for the Principal after implementation of the change request procedure, the Service Provider shall indicate this to the Principal immediately in text or in written form.

### **§ 10. Subcontractors**

#### *10.1 Requirement of approval*

If, in exceptional cases, the Service Provider feels that agents not employed by it should be engaged (sub-contractors), this shall be permitted only with the approval of the Principal in written or text form. The Principal may withhold its approval for good cause only. The responsibility and liability of the Service Provider for the Contractual Services remains unaffected thereby, however.

#### *10.2 Contractual involvement of subcontractors*

If the Service Provider uses the services of third parties to perform the contract, the Service Provider shall contractually impose on those third parties at least those obligations as apply to the Service Provider under these Terms and Conditions and as set out in the respective Contract. This applies, in particular, to the obligation to ensure, through corresponding agreements with its employees or with third parties who are not employees of the Service Provider, that the granting of utilization rights as provided for within these Terms and Conditions and/ or Contract will not be impaired by any (co-)copyrights or other rights. The Service Provider will prove this to the Principal upon request.

#### *10.3 Revocation of the approval*

If such a sub-contractor is in breach of any such obligations imposed on it, or if this can be expected with reasonable certainty in the Principal's objective judgement, the Principal has the right to revoke its approval with immediate effect.

### **§ 11. Defect Categories in Connection with Software**

The Parties use the following categories for classification of defects in connection with the development as well as with any customizing or other kind of modification of software:

Defects of category 1 (complete failure of Contractual Services)

No reasonable use of the Contractual Services is possible, i.e. the Contractual Services are economically worthless for the Principal. Specifically, this means, by way of example,

- essential features have not been implemented or essential functions do not work properly,
- interfaces with other systems do not work or do not work properly,
- the defects cause more than immaterial disruptions in third-party systems,
- use of the Contractual Services would mean an intolerable risk for the business of the Principal,
- an accumulation of defects in defect categories 2 or 3.

Defects of category 2 (essential defect causes unreasonable business risk)

While use of the Contractual Services within the daily business process is possible, this

requires additional, more than immaterial, e.g. manual, technical or organizational, measures. Any regular work is thereby unreasonably impaired or involves more than immaterial risks for the business of the Principal.

Defects of category 3 (isolated defects)

An individual function of the Contractual Services does not work or does not work properly and leads to an impairment of the Contractual Services which can be delimited locally and is more than just immaterial.

Defects of category 4 (immaterial impairments)

An individual function of the Contractual Services does not work or does not work properly and leads to an impairment of the Contractual Services which can be delimited locally and is immaterial.

## **§ 12. Acceptance**

Insofar as the Contractual Services consist in the manufacture of a work or the delivery of movable objects to be manufactured or to be produced, the following shall apply:

### *12.1 Overall acceptance*

The Contractual Services will be accepted in their entirety. There will be no partial acceptances unless specifically agreed upon. In case of doubt, any interim examinations or the use of parts of the Contractual Services will not be regarded as an acceptance or partial acceptance.

### *12.2 Notice of completion and delivery of the Contractual Services ready for acceptance*

The Service Provider will immediately notify the Principal of the completion of the Contractual Services by the agreed completion date or, if no such date is agreed, after a reasonable period and will deliver the Contractual Services ready for acceptance to the Principal. This includes the source code and the agreed documentation if the Contractual Services encompass the creation of software, systems, data bases or surfaces.

### *12.3 Acceptance period*

The Principal shall examine the Contractual Services within a reasonable period having regard to the complexity of the service results and the requirements of the proposed operation in practice. The Parties may agree upon a specific period in the Contract.

### *12.4 Acceptance declaration*

Only the entire Contractual Services are the subject of the acceptance. As part of the acceptance, the Service Provider must prove the contractually agreed functions and performance of the Contractual Services as well as the existence of the guaranteed features.

After successful acceptance examination, the Principal will, at the request of the Service Provider, declare or refuse the acceptance in writing. The Principal must not refuse acceptance without good cause. The Principal can choose to accept the Contractual Services if only immaterial impairments exist, but will state in the acceptance protocol a reservation with respect to such minor defects still existing. Such immaterial impairments must be specified in detail in the acceptance protocol and must subsequently be remedied without undue delay by the Service Provider. The defect categories and further details may be regulated in the Contract.

### *12.5 Special rules regarding the acceptance of Contractual Services in connection with software*

Any defects of categories 1, 2 or 3 will prevent acceptance, while defects of category 4 will

not prevent acceptance unless more than ten (10) such defects occur. The defects and their respective category shall be indicated in the acceptance protocol.

#### *12.6 Evidence of functionality and of performance by way of delivery of test protocols*

If the Parties have not agreed on more specific examinations, at the choice of the Principal, the functionality and performance of the Contractual Services may be evidenced by the Service Provider also by way of delivery of the test protocols to the Principal, provided that the Service Provider will, at the request of the Principal, assure the completeness and correctness of the protocols to the Principal in writing.

#### *12.7 Evidence of functionality and of performance by way of expert opinion*

An expert opinion saying that the performance has been completed defect-free may be treated equal to acceptance.

### **§ 13. Claims Based on Defects**

Insofar as the Contractual Services consist in the production of a work or the delivery of movable items to be manufactured or produced, the following applies:

#### *13.1 Statutory claims for defects*

The Principal shall be entitled to the statutory claims for defects, provided that rescission shall be possible only if the Service Provider has refused to make subsequent performance or if subsequent performance has failed twice. Furthermore, rescission shall be excluded in case of an immaterial breach of duty.

#### *13.2 Limitation of claims for defects*

The general limitation period for defects of quality and for defects of title is two (2) years. The Parties may agree for good cause upon a shorter limitation period for defects of quality in the Contract, which may not, however, fall below a minimum period of twelve (12) months.

#### *13.3 Suspension of the limitation period*

The limitation period for a defect will be suspended from the date of the notice of the defect by the Principal until acceptance by the Principal of the subsequent performance or until one (1) month after failure of such subsequent performance or after final refusal of the subsequent performance made by the Service Provider.

#### *13.4 Obligation to give notice of defect under the law on purchase*

Insofar as the law on purchase has to be applied mandatorily, the statutory obligation of the Principal to examine the Contractual Services in accordance with Sect. 377 HGB (German Commercial Code) and to give notice of defects within due time remains unaffected.

### **§ 14. Remuneration**

#### *14.1 Agreement of the remuneration in the Contract*

The Parties will agree on the remuneration of the Service Provider in the Contract in accordance with the following remuneration models:

#### *14.2 Remuneration models*

In the Contract, the Parties may choose from the following remuneration models:

- **Fixed price**, which means the agreed amount, regardless of the time actually needed for performance of the Contractual Services and regardless of whether the Service Provider has correctly calculated the time necessary for performance of the contract. The Contractual Services shall be provided regardless thereof.



- **Remuneration by time incurred according to the man-days performed**, which means that the remuneration shall be calculated on the basis of the man- days spent, multiplied by the daily rates applicable to the man-days. The daily rates as defined in the Contract apply. Started man-days will be calculated pro rata. One man-day consists of at least eight (8) working hours. Overtime may be set off against hours underworked within any calendar month. However, the number of calendar days which may be invoiced is limited to both any specific time frame set out in the Contract and to the actual number of days on which the Service Provider performed services for the Principal.
- **Remuneration by time incurred according to the man-days performed, subject to upper limit**, which means that the remuneration will be calculated on the basis of the time spent according to the preceding paragraph, but will be capped by the agreed upper limit. The agreed cap amount will be the maximum remuneration even if a higher remuneration would result based on the time required for performance of the Contractual Services. The Contractual Services shall be performed regardless thereof, even if the time required would lead to a higher remuneration than the said cap.

Unless expressly agreed otherwise, the daily rates specified in the Annexes are net prices (i.e. without statutory VAT).

#### *14.3 Travel costs, outlays, ancillary costs and travel time*

The agreed daily rates and the remuneration agreed in the Contract are all-in prices, meaning that travel costs and travel time from and to the place of work will not be compensated separately. Furthermore, the Principal will not pay for any outlays or ancillary costs either. Deviations from this must be agreed upon in the Contract.

#### *14.4 Due date*

The remuneration is generally due thirty (30) days after receipt of the invoice, unless the Parties agree upon a different due date in the Contract.

#### *14.5 Acceptance as an additional condition of payment*

If the Contractual Services consist in the manufacture of a work or the delivery of movable items to be manufactured or created, acceptance will be an additional prerequisite for occurrence of the due date for payment.

#### *14.6 Invoicing requirements; suspension of due date*

The invoice must clearly and verifiably indicate the services performed and the remuneration charged therefore, as well as any down-payments. Errors or inconsistencies in the invoice will suspend the due date for payment of the remuneration unless the remuneration follows clearly and verifiably from the invoice or if the invoice does not meet the legal requirements. If the remuneration is based on the time spent, the services provided and the times rendered shall be attached to the invoice.

#### *14.7 Down-payments*

The Parties may agree on down-payments depending on the progress of the Contractual Services performed (e.g. for milestones). The down-payments will be due within 30 days after receipt of a down- payment invoice if the Contractual Services invoiced have already been performed at the date indicated. The invoice for the down-payment must show, clearly and verifiably, the Contractual Services performed, the project progress and the remuneration charged therefore. Insofar as the amount of the down- payment does not clearly and verifiably result from the down- payment invoice or if that invoice is not in line with the legal requirements, the down- payment will not become due. If the remuneration is based on the time incurred, proofs of activity for the services performed shall be attached to the

down- payment invoice.

#### *14.8 Warranty withholding*

The Parties may agree on a warranty withholding. The Principal will then be entitled to withhold 5% of the total remuneration as warranty withholding during the defect limitation period. The Service Provider has the right to claim the warranty withholding in the final invoice if the Service Provider has first provided an irrevocable, unconditional, non-expiring and absolute guarantee of a bank or savings bank having its seat in the European Union in the amount of the warranty withholding. The guarantee serves as security for warranty claims of the Principal. Depositing shall be excluded. The Principal is obligated to return the guarantee upon expiry of the warranty period unless warranty claims have first been made which have not yet been discharged.

### **§ 15. Withholding Tax**

If the Principal is obligated by law to withhold a withholding tax from the remuneration owed under the Contract entered into in accordance with these Terms and Conditions, the Principal will be entitled to deduct the withholding tax from the remuneration owed under this Agreement and transfer the withholding amount to the German tax authorities unless the Service Provider presents an exemption certificate pursuant to § 50d of the German Income Tax Act. The Principal will assist the Service Provider in reclaiming transferred withholding tax from the German tax authorities if the preconditions are met.

### **§ 16. Rights to Work Results**

#### *16.1 Exclusive grant of rights / transfer of rights in individual service results*

The following exclusive grant of rights shall apply to all the results created in the context of the Contractual Services ("**Service Results**"), in particular, written or machine-readable Service Results, above all, the source code and the documentation of software, systems, databases and surfaces.

#### *16.2 Copyrights*

All rights under copyright created in the context of the Contractual Services, in particular, the rights of use and exploitation, shall, upon their accrual, be due exclusively and permanently to the Principal without limitation as to territory or substance. The Principal may therefore, in particular, reproduce the Service Results, disseminate them in physical form, make them available online or transfer them electronically via long-distance lines or wireless connections.

#### *16.3 Rights of adaptation*

The Principal may at its own discretion, either itself or through third parties, adaptor otherwise modify, alter or rework the Service Results and exploit the Service Results thereby created in the same way as the original versions (right of adaptation and modification).

#### *16.4 Free transferability of the rights*

The Principal is free, without the approval of the Service Provider, to grant with respect to any or all of the rights granted to it non-exclusive or exclusive rights to third parties or to transfer or sublicense the acquired rights to third parties, entirely or partially.

#### *16.5 Patent rights and other intellectual property rights and similar legal position*

If, in the context of the Contractual Services, any results or other intellectual property rights or similar legal positions eligible for protection (in particular, results eligible for protection under patent or registered design law) are created and the Principal wishes to obtain such

protection, the Service Provider will, at the request of the Principal, take all necessary steps in order to apply for such right and transfer it to the Principal. The Principal shall have the sole right to make intellectual property applications for the Service Results and shall be responsible for the procedural costs required for the application and transfer of the right.

The Service Provider shall be obligated to assist the Principal accordingly. When applying for an intellectual property right, the Parties may separately agree on a reasonable remuneration.

#### *16.6 Transfer of ownership to and surrender of the Service Results; exclusion of the right of withholding*

The ownership to such Service Results and other materials shall pass to the Principal upon their accrual. As from that date, the Service Provider will exercise indirect possession on behalf of the Principal. The Service Provider agrees to immediately surrender all Service Results and other material created by it in the context of the Contractual Subject Matter at any time upon request, but at least quarterly, unless the Parties have agreed otherwise in the Contract. Such Service Results and other materials shall be designated as ownership of the Principal and kept separate from the Service Provider's own materials.

The Service Provider will have no right of retention to such Service Results and other materials.

#### *16.7 Reference to the owner of the rights of use*

The Service Provider agrees that on all suitable Service Results, in particular, on software, systems, databases or surfaces and the related documentation, it will add a reference to the exclusive and permanent right of use of the Principal, which is unlimited in terms of territory and substance, through the notice © [firm name of the Principal] xxxx. The letters xxxx stand for the year in which the Service Result was created. The Service Provider will obligate its employees to expressly waive their right to be named as authors of the Service Results.

### **§ 17. Default, Contractual Penalty in Case of Default, Default Interest Rates**

#### *17.1 Default without warning notice*

The Service Provider will be in default without a prior warning notice being *required*.

#### *17.2 Contractual penalty in case of default*

The Principal has the right to demand for each commenced week of the default of a milestone agreed in the Contract one percent (1%), but no more than five percent (5%), of the remuneration agreed in the Contract. Any further claims of the Principal on the basis of default shall not thereby be excluded. If the Principal makes further claims based on default, the contractual penalty will be set off against such claims.

#### *17.3 Default interest rate*

The default interest rate for claims of the Parties, including claims to remuneration, shall be five percent (5%) per year.

### **§ 18. Term and Termination**

#### *18.1 Termination*

The Contract may be terminated prematurely in writing by the Principal subject to a notice period of one (1) month to the end of each calendar month.

If the Contract includes the partial acceptance of certain milestones, the Principal may terminate the Contract at any time. In that case, the Service Provider will receive only the

remuneration applicable to the Contractual Services already provided by it and partially accepted until then and 10% of the remaining remuneration (total remuneration less proportionate remuneration for services already rendered).

### *18.2 Form of termination*

The notice of termination must be made in writing and by registered mail.

### *18.3 Termination for good cause*

Termination for good cause remains unaffected. Good cause justifying such termination without notice at any time will be deemed to exist, in particular, if

- the Service Provider fails to remedy any material breach within thirty (30) after having received written notice of such breach;
- the asset or other financial situation of the other Party deteriorates or threatens to deteriorate substantially and thereby the performance of the obligations resulting from the business relationship between the Parties vis-a-vis the terminating Party is jeopardized;
- an insolvency proceeding or another court or out-of-court proceeding serving the adjustment of debts is initiated over the estate of a Party;
- the Service Provider or its employees and subcontractors violate their contractual duties resulting from the provisions regarding the reliability examinations or integrity.

## **§ 19. Confidentiality**

### *19.1 Protection of business and trade secrets*

Each of the Parties agrees, without limitation in time, to treat in confidence all matters not generally known, in particular the business and trade secrets (such as the banking secret) of the other Party ("**Confidential Information**"), use same only in the context of the contractual relationship and not to record, pass on or exploit same, unless required to achieve the purpose of the Agreement.

Except with the prior written approval of the other Party, the receiving Party shall not disclose Confidential Information to any third party unless this is either required due to mandatory applicable legal framework conditions or the court or regulatory orders and provided the receiving Party has if possible informed the other Party immediately in writing about such obligation, or the Confidential Information is made available to the advisors of the receiving Party in connection with the interpretation or implementation of the Contractual Documents or a dispute resulting there from, and the advisor has first agreed in writing vis-a-vis the receiving Party to keep such information in confidence or is subject to a professional duty of secrecy.

### *19.2 Documents of the Principal*

The Service Provider shall mark the documents provided to it by the Principal, including papers, diskettes, CD-ROMs, other storage media and the like as documents of the Principal, keep them separate from its own documents and protect them in a particular manner by suitable measures against the access of unauthorized parties and also against any non-contractual use, reproduction and transfer. This also includes the obligation to keep the documents under lock and key during the absence of the competent employee or agent of the Service Provider.

### *19.3 Return of documents*

The Service Provider is obligated to surrender to the Principal the documents provided to it, including all papers, diskettes, CD-ROMs or any other storage media and the like, no later than on termination of the Contract. Paper documents to be disposed of and all other suitable storage media must be made illegible by a shredder complying with DIN standard 32757/1, at

least of level 3. If a higher level is required, the Parties will inform each other accordingly. The Service Provider is free to dispose of documents provided by the Principal and required to be disposed of through the disposing channels of the Principal.

## **§ 20. Liability**

### *20.1 Unlimited liability*

The Parties will be liable to each other without limitation for all damages committed by wilful intent or gross negligence and for any violation of essential contractual duties, without which the respective contract would not have been concluded by the Parties at all or in this form (cardinal duties), as well as for any violation within their sphere of responsibility for personal injury, including any violation of health, body and life of a person, or in case of a guarantee.

### *20.2 Liability for simple negligence*

The liability of the Parties in case of simple negligence may be limited to three (3) times the total remuneration agreed upon in the respective Contract, but shall not, however, fall below the amount of Euro 1 Million (1.000.000 EUR) on the part of the Service Provider.

### *20.3 Product Liability Act*

The liability under the Product Liability Act remains unaffected.

### *20.4 No effect of the limitation on liability on the indemnification claim*

This limitation on liability will not limit any indemnification claims based on the violation of third-party rights by defects of title as set forth under Sect. 3.

### *20.5 Insurances*

The Principal may, in case of particular risks of liability or creditworthiness, request that the Service Provider agrees in the Contract to take out or provide evidence of a reasonable property damage liability insurance or fidelity insurance.

## **§ 21. Compliance regarding Data Protection**

### *21.1 Compliance with data protection and secrecy regulations*

The Service Provider will comply with the applicable rules and regulations under data protection laws. This especially includes - if each applicable - the provisions under Sect. 5 German Federal Data Protection Act (Bundesdatenschutzgesetz, BDSG) regarding the secrecy of personal data and any statutory provisions concerning the protection and secrecy of financial and banking data. Irrespective of the provisions under § 18, these special secrecy obligations remain in full force and effect for an indefinite time.

### *21.2 Commissioned data processing*

If the Service Provider at any time collects, processes or uses personal data on instruction of the Principal, it will enter into the separate Data Processing Contract of Allianz Group Inland, as applicable from time to time. Any data transfer outside the European Union requires the prior written approval of the Principal; if the data are subject to banking secrecy, the approval of the Principal will be required for each cross-border data transfer.

## **§ 22. Compliance with regulations under laws concerning foreigners**

### *22.1 Compliance with statutory provisions*

In performing the Contractual Services, the Service Provider will be obligated to comply with

the legal requirements as are directly or indirectly applicable to it regarding the employment of foreign employees (above all, § 284 (1) Social Code SGB) III and § 4 (3) sent. 1 German Residence Act.

### *22.2 Obligation of information*

Before entering into a Contract, the Service Provider is further obligated to notify the Principal immediately if and when the Service Provider intends to use foreign employees to perform the Contractual Services who either require a EU work permit according to § 284 (1) Social Code III or a residence permit according to § 4 (1) sentence 1 of the German Residence Act; this applies correspondingly if the Service Provider uses contractors (subcontractors) or allows that subcontractors are engaged who employ such employees.

### *22.3 Provision of documentary proof*

The Principal may demand that the Service Provider immediately submit the documents required to prove fulfilment of those legal requirements. The Service Provider will ensure that the concerned employees will have such documents with them at all times and provide such documents to the Principal at its first request if they work in the premises of the Principal.

## **§ 23. Compliance regarding the Selection of employees and subcontractors of the Service Provider, Reliability examination**

### *23.1 Selection of the employees and agents*

The Service Provider shall be obligated to carefully select, both in respect of qualification and personality, the employees and subcontractors (agents) intended to be staffed.

### *23.2 Certificate of Good Conduct*

The Service Provider is also obligated to perform a background check for the agents to be staffed. The Service Provider may use only those agents in fulfilment of the Contractual Services who do not give rise to any doubts as to their reliability.

### *23.3 Requirements as to the reliability check*

The reliability examination by the Service Provider shall consist of at least the following:

- The Service Provider must identify its new employees prior to the beginning of their employment and all its agents by a valid ID, passport or equivalent official identification document and add a copy thereof to the personnel file.
- The Service Provider shall ask its employees and subcontractors about facts required to be disclosed and will have them assure that such facts do not exist.
- The Service Provider must satisfy itself by presentation of an up-to-date police certificate of good conduct in accordance with § 30 BZRG (Federal Central Register Act) that there are no entries in the Federal Central Register about the agents which would need to be disclosed.
- Entries or facts to be disclosed are convictions on the basis of the regulations of the Criminal Act and the supplementary penal provisions outside the Criminal Act. For employees and subcontractors who have had their residence abroad in the last three years, a similar foreign criminal register extract shall be provided, if available.

### *23.4 Right of inspection*

If there is reasonable doubt as to the reliability of any employees or subcontractors, the Service Provider must allow the Principal to inspect its records regarding the reliability examination of the concerned employees and/or subcontractors.

## **§ 24 Allianz' Anti Corruption Policy**

### *24.1 General*

The Parties shall not commit, authorize or permit any action in connection with the negotiation, conclusion or the performance of this Agreement which would cause the Parties and/or the Parties' affiliates to be in violation of any applicable anti-corruption or anti-bribery laws or regulations. This obligation applies in particular to illegitimate payments including facilitation payments to government officials, representatives of public authorities or their associates, families or close friends.

Each Party agrees that it will not either offer, or give, or agree to give, to any employee, representative or third party acting on behalf of the other Party or accept, or agree to accept from any employee, representative or third party acting on behalf of the other Party, any undue gift or benefit, be it monetary or other, with regard to the negotiation, conclusion or the performance of this Agreement.

Each Party shall promptly notify the other Party, if it becomes aware of or has specific suspicion of any corruption with regard to the negotiation, conclusion or the performance of this Agreement.

### *24.2 Termination Right*

In case any undue gifts or benefits with regard to the negotiation, conclusion or the performance of this Agreement are made by Service Provider in violation of the Anti-Corruption Model Clause as stated in this Agreement above, or if Principal has reasonable cause to believe that such payments or gifts have been or are being made, Principal may terminate this Agreement with immediate effect.

## **§ 25. Compliance with Principles of conduct for the Subcontractors**

The Service Provider agrees that it will impose on commissioned third parties who are not employees of the Service Provider the same obligations regarding confidentiality, non-disclosure and compliance and data protection regulations to which the Service Provider has itself agreed vis-a-vis the Principal. The Service Provider shall provide proof thereof to the Principal upon request.

## **§ 26. Miscellaneous**

### *26.1 Declaration of compliance*

Each employee or agent employed by the Service Provider must upon request by the Principal provide a written declaration of compliance in its version applicable from time to time. The currently applicable version of the declaration of compliance will be issued by the Principal upon its request for the provision of such declaration and contains the specific requirements concerning compliance.

### *26.2 Reference customer*

Unless with the prior written approval of the Principal, the Service Provider shall not be entitled to advertise with the name or logo of the Principal as reference customer. To obtain such approval, the Service Provider shall submit to the Principal the texts, pictures and logos intended for publication to the respective communications departments of the Principal.

### *26.3 Written form*

All contractual arrangements made between the Parties require written form to be valid. This also applies to any waiver of the written-form requirement itself.

#### *26.4 Exclusion of general terms and conditions*

No general terms and conditions of the Service Provider will become applicable even if the Principal has not repeatedly expressly rejected them. Likewise, the general terms and conditions of the Service Provider will not become part of the agreement by way of the acceptance of services by the Principal.

#### *26.5 Applicable law*

The Contract and these Terms and Conditions are exclusively governed by German law, to the exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG).

#### *26.6 Place of jurisdiction*

The appropriate courts in Munich shall have exclusive jurisdiction for disputes arising out of or in connection with the Contract and these Terms and Conditions. If the Service Provider has its seat of business abroad, action may be brought at the courts having jurisdiction for its seat.

#### *26.7 Severability*

If any or several provisions of these Terms and Conditions or Contract are or become invalid or unenforceable, the other provisions of these Terms and Conditions shall not be affected.

The Parties shall use all reasonable endeavours to replace any invalid provisions by such provisions which in terms of their financial objective come closest to the invalid provisions.