

1. General

These General Terms of Contract shall apply exclusively to all orders placed by flexword Germany GmbH, hereinafter referred to as **flexword**. Any terms of the Freelancer which contradict these General Terms of Contract shall not be accepted, even if they have not been expressly excluded, unless **flexword** specifically accepts them in writing. The terms of **flexword** shall also apply if **flexword** unreservedly accepts the delivery of the Freelancer in the knowledge of terms that conflict with or deviate from its own terms.

2. Execution of contracts

The contractual relationship shall take effect when flexword sends the purchase order and the Freelancer confirms acceptance of the job by e-mail. The purchase order is only considered binding by **flexword** once the job acceptance confirmation from the Freelancer has been received by e-mail. If the Freelancer does not confirm acceptance of the job in a timely manner, **flexword** may assign the job to another Freelancer in order to ensure the deadline can be met. In this case, the Freelancer loses the right to claim remuneration for services not carried out according to the purchase order which he/she has not confirmed.

Accepted jobs are to be carried out **personally** by the Freelancer. The Freelancer may not deputise, delegate or subcontract the job or parts thereof to third parties unless **flexword** has expressly agreed thereto.

3. Delivery times and dates

The Freelancer undertakes to carry out and deliver orders assigned to him/her on time. Delivery or deployment dates agreed in writing or verbally are binding.

If the agreed deadline is exceeded, the Freelancer is delayed once the deadline expires, depending on the duration of the order: total duration of up to 24 hours: delivery is delayed after 30 minutes; total duration of 1-6 calendar days: delivery is delayed after 3 hours, total duration of 7 days or more: delivery is delayed after 6 hours.

For interpreting assignments or any other assignments of the Freelancer at a certain site, the Freelancer shall be considered delayed upon arriving 30 minutes after the agreed time.

If deadlines are not observed, **flexword** is entitled to reduce the agreed fee appropriately (for example, the fees for express or courier mail incurred as a result of the delay) and/or may assert claims for damages against the Freelancer. The Freelancer shall have the right to provide substantiating evidence about any culpable acts or comparative negligence by **flexword** in respect of the default.

If the Freelancer discovers that an order already accepted can no longer be carried out and delivered personally within the agreed deadline in the specified quality, he/she undertakes to inform **flexword** thereof immediately after becoming aware of the inability to carry out or deliver the order, or deliver the order on time, so that flexword can take all measures possible to ensure the on-time delivery to the final customer in the required quality, or, if this proves to be impossible, agree further measures as quickly as possible with the final customer. § 2 (1) also applies. This does not release the Freelancer from the contractual obligations undertaken by accepting the job.

4. Quality guidelines

Translations are to be correct and accurate in terms of language and without formal defect.

The Freelancer shall deliver translations and text editing or processing work ordered by **flexword** as a final version including all necessary corrections and proofreading tasks. Draft versions are only permitted for express orders (>4500 words / day) and following prior agreement.

Should the quality of the translation, text processing, interpreting or training work be objectively inadequate or should the above-mentioned specifications not have been complied with, **flexword** is entitled to reduce the agreed fee appropriately (e.g. for revisions, formatting, proofreading or expert costs for quality checks etc.). Any further claims for damages shall remain unaffected.

5. Subsequent improvements

Corrections of the delivered translation, text processing are to be carried out free of charge by the Freelancer should they be objectively appropriate for formal, technical or stylistic reasons.

6. Right of flexword to withdrawal from the contract, cancellation of the order and other liability of the Freelancer

flexword may withdraw from the contract if the entire service can ultimately not be provided by the Freelancer, also if the agreed deadline cannot be observed. This also applies if the quality of the delivery by the Freelancer is inadequate. **flexword** may also withdraw from the contract if, for an order of the same type of services, carrying out part of the delivery is not possible and **flexword** has a legitimate interest in rejecting partial deliveries. If this is not the case, **flexword** may reduce the payment accordingly.

flexword is entitled to withdraw from the contract if the service is delayed within the meaning of Article 3 (2) of the Terms of Contract and **flexword** grants the Freelancer in default an appropriate grace period with the express explanation that acceptance of the service will be refused once this grace period expires, and if the grace period is not observed. **flexword** may refuse to grant a grace period if on-time delivery to the final customer which is free of faults, or the use of the delivery, is jeopardised or impossible as a result of the delay.

flexword may also withdraw from the contract if the Freelancer allows the appropriate grace period, which has been granted to improve the service or deliver a replacement due to a fault for which the Freelancer is responsible within the meaning of the delivery conditions, to fruitlessly expire through his/her own fault. **flexword** shall also be entitled to withdraw from the contract in cases where the Freelancer fails to improve a translation or deliver a replacement.

If flexword's final customer cancels an ongoing order, flexword is entitled to cancel the purchase order sent to the Freelancer. If the customer cancels the order, the Freelancer may claim remuneration for the work carried out until the time of cancellation. To claim remuneration for the work carried out until the cancellation of the order, the Freelancer is obliged to immediately send the work carried out until the cancellation of the order so flexword can show the final customer the progress of the service.

If the final customer cancels an interpreting order, the Freelancer is entitled to the following cancellation fees:

Up to 6 days: no cancellation fees will be paid

4 to 5 days before the start of the event: 25 % of the agreed fee

Up to 3 days before the start of the event: 50 % of the agreed fee

2 days before the start of the event: 75 % of the agreed fee

Less than 30 hours before the start of the event: 100 % of the agreed fee as well as any costs incurred up to the time of the cancellation (e.g. travel costs etc.).

Any further claims of the Freelancer are excluded.

7. Protection of patronage and competitive exclusion

flexword has the sole right to its customers. Protection of patronage shall start when the first order is placed with the Freelancer. From this point on, the Freelancer may not approach the customers of flexword or accept orders directly from the customer. In the latter case the Freelancer must refer the customer to flexword. This protection of patronage rule applies for 5 years after the end of the cooperation or the last order placed. The Freelancer undertakes not to actively poach, either for himself/herself or for third parties, the customers from **flexword** for whom the Freelancer has been asked or assigned to work, and/or not to contact the customer without the prior consent from **flexword**. Solely contacting the client directly or attempting to initiate business shall be deemed a breach and will result in payment of a contractual penalty.

For non-compliance with this term, the Freelancer shall be charged a contractual penalty in the amount of the verifiable annual sales of flexword.

8. Obligation to maintain confidentiality and data protection

The Freelancer undertakes:

1. To keep confidential all documents received and other information the Freelancer becomes aware of, whereby the number of natural or legal persons who have access to the confidential information shall be kept as low as possible.
2. Not to pass on any information received to third parties unless this has been expressly agreed upon with **flexword**. This includes the disclosure of information to other translators, service providers, consultants and potential investors, even if said persons are already subject to a confidentiality agreement.
3. To use any customer texts, reference texts, terminology files, translation memories or any other files or information made available by **flexword** solely for the assigned job and not to pass these on to third parties in any case or make these available for third parties to inspect, or use these for other orders from another customer.
4. Not to reproduce the documents handed over by **flexword** by means of photocopying or any other way, unless this has been expressly agreed in writing.
5. To not use the received information in any form, directly or indirectly, in whole or in part, for business or copyright purposes or to allow third parties to use said information.
6. Not to use at any time any online machine translation tools such as Google Translate for any job from **flexword** for data protection reasons.
7. To keep fee agreements between flexword and the Freelancer confidential from customers of flexword as well as competitors of the Freelancer or other third parties.
8. To, at the end of the co-operation, return or destroy all documents as well as any copies produced.
9. To sign special non-disclosure agreements (e.g., agreements requested by the customer regarding the processing of data on their behalf) to the extent that this is reasonable for the Freelancer which is basically assumed.

Reference is expressly made to §§ 203, 204 (Violation of personal secrets and Exploitation of the secrets of others) of the German Criminal Code.

For non-compliance of this terms, the Freelancer shall be charged a contractual penalty of three times the value of the orders of flexword placed with the Freelancer in the last 12 calendar months from the time flexword becomes aware of the non-compliance.

Additional claims for the damages actually incurred as a result of the breach of confidentiality shall remain unaffected.

9. Basis for invoicing, invoice and payment deadlines

The fee specified in the purchase order is binding and is considered accepted and contractually agreed with the confirmation of the purchase order by the Freelancer, whether by telephone or in writing. Subsequent changes to prices are only permitted if the scope of the services ordered by **flexword** changes, and must be expressly agreed in writing by **flexword**.

Unless otherwise agreed, the basis for invoicing translations shall be the agreed line price per standard line of the source text (55 characters per standard line), or the agreed word price of the source text. The agreed line or word price includes all material costs, fax, telephone and online fees and other expenses and for the preparation of a translation that is free of faults and correct in terms of technical content, language and style, or any other expenses required. If ordered, certified copies of translations will also be compensated. Postal charges shall only be paid for if this has been expressly agreed and the Freelancer has been requested to send the translation by post.

The Freelancer receives a self-billing advice from **flexword** as proof of the deliveries/services recorded by **flexword** at least on a monthly basis via data processing, if the order was carried out and delivered in accordance with the order, on time and free of faults and this advice is received by the third working day of the respective following month.

The self-billing advice shows the deliveries/services by type and volume, the net prices, the VAT rate and the VAT amount, as well as the total amount for each delivery note/proof of performance.

Self-billing invoices issued according to the self-billing procedure shall be paid within 30 days after the date of issue if the order was carried out and delivered in accordance with the order, on time and free of faults. Payments shall be made with reservation. Even after payment of the invoice, **flexword** may claim improvements of faults by the Freelancer within 12 months, even if they are first discovered after settlement of the self-billing invoice by **flexword** or its final customer and **flexword** is not responsible for not identifying the error (which is only the case if **flexword** was explicitly obligated to review the deliverables. If the Freelancer refuses to improve the translation, if the improved delivery is still inadequate, or if improving the translation is no longer appropriate, flexword is entitled to claim back the fee paid in the amount appropriate to the severity of the fault. **flexword** is entitled to offset such justified reclaims with outstanding self-billing invoices of the Freelancer. Any other claims for damages resulting from the inadequate delivery by the Freelancer shall remain unaffected.

If the self-billing procedure is not applicable, the following provisions shall apply:

An invoice for the services provided is to be prepared according to the provisions of EU law and the German law valid at the time within 90 days after performance of the service.

Reduced time limits specified by law for the issuance of invoices apply to intra-Community deliveries and other services. According to legislation, these invoices must be issued by the 20th of the following month after provision of the service.

This reduced time limit applies if invoices are issued in Germany for intra-Community deliveries or the entrepreneur provides any other service within the meaning of Section 3a (2) of UStG (German VAT Act) in another member state for which the recipient of the service is liable for payment of tax.

Any invoices received after the six-month time limit cannot be accepted. Claims regarding services provided can then no longer be made. The Freelancer shall have the right to provide substantiating evidence about any culpable acts or comparative negligence by **flexword** in respect of the delayed billing or credit note preparation.

The invoice address is:

flexword Germany GmbH
Neckarauer Straße 35-41
D-68199 Mannheim
68199 Mannheim, Germany

Invoices are to be sent in the original form by post or as a PDF to accounting@flexword.de. Other file formats, faxes or any other copies are not permitted. The payment deadline shall begin once the invoice is received by post or once the invoice is received by e-mail. Invoices sent to another e-mail address shall not be considered received.

The invoice must meet the legal requirements and contain in particular:

- Full name and full address of the service provider/Freelancer
- Full name and full address of the recipient
- The tax number issued to the service provider by the tax office or the VAT identification number issued by the Federal Finance Office
- Date of issue
- A consecutive invoice number with one or several series of numbers which is assigned once
- Scope and nature of the service provided
- The date of the delivery or of provision of the service or of receipt of the payment

- Bank details: Name of the bank, account holder, account number, IBAN and BIC (SWIFT)
- The PayPal account or Skrill account information if the bank is not located within the EU
- If no IBAN number is available, the full address of the bank and any other numbers required (e.g. routing number etc.) for banks in non-EU countries
- Currency
- Net amount
- VAT rate and tax amount
- Gross amount

or

- In case of tax exemption, reference to the fact that this delivery or other service is tax exempt (e.g. pursuant to §19 German VAT law (small business rule).

If the recipient of the service is a tax payer (§ 13b UStG for services of an entrepreneur resident abroad to an entrepreneur) the VAT must not be openly disclosed.

In this case, a note referring to the reversed charge system should be included:

"The recipient of the service is the tax payer (Reversed Charge System)."

Invoices received from the Freelancer shall be paid within 30 days after receipt if the order was carried out and delivered in accordance with the order, on time and free of faults. Payments shall be made with reservation. Even after payment of the invoice, **flexword** may claim improvements of faults by the Freelancer within 12 months, even if they are first discovered after settlement of the invoice by **flexword** or its final customer. If the Freelancer refuses to improve the translation, if the improved delivery is still inadequate, or if improving the translation is no longer appropriate, **flexword** is entitled to claim back the fee paid in the amount appropriate to the severity of the fault. **flexword** is entitled to offset such justified reclaims with outstanding fee invoices of the Freelancer. Any other claims for damages resulting from the inadequate delivery by the Freelancer shall remain unaffected. The Freelancer may only offset claims by **flexword** against uncontested or claims asserted in a legally binding manner. The Freelancer shall have the right to exercise a retention right only in respect to counterclaims arising from one and the same legal relationship.

10. Rights of use, access rights, and archiving

flexword shall have an exclusive, unlimited, irrevocable right of use and access not limited in time or space in all translations, services, and work results ("translations) provided hereunder subject to any mandatory legal requirements.

The Freelancer authorizes **flexword** irrevocably to use all translations provided. **flexword** may - within its sole discretion - revise, modify, process, or otherwise use the aforementioned translations, including forwarding such translation to third parties. The right of use shall apply to the use of the translations as a whole or parts thereof. **flexword** shall have the right to use individual content in full or in any other way, shape or form - in particular in a printed format - or modify such content, respectively.

Any and all rights of use in the translations shall be transferred and assigned to **flexword** unlimited in scope and exclusively without any additional charges when they occur.

If **flexword** provides the Freelancer with any rights to use software programs, fonts, reference materials, or other working materials to render the services, the Freelancer agrees to not alter, remove, reproduce, or transfer the means and/or the corresponding documentation provided to him/her. Any and all rights in the means and documentations provided shall remain exclusively with **flexword** or the respective holder of the rights.

11. Severability clause

If one or several provisions herein or in the agreement on which they are based is/are or become/s void or invalid, the remaining provisions shall remain unaffected. The void or invalid provisions shall be replaced by way of supplementary interpretation of the agreement by such arrangement which comes as close as possible to the economic purpose and rationale pursued by the parties in the void and invalid provisions. The same shall apply to any omissions.

12. Governing law, place of performance, and jurisdiction

The laws of the Federal Republic of Germany apply. The place of performance is Mannheim. The place of jurisdiction is Mannheim unless the Freelancer is an entrepreneur (*Kaufmann*), public-law entity or public-law special-purpose asset, or the Freelancer does not have a general place of jurisdiction located in the Federal Republic of Germany. **flexword** reserves the right to select a different legally admissible place of jurisdiction.

(Version: September 2018)