

General Terms and Conditions (GTC) of Zuhlke Engineering Hong Kong Limited



1 Definitions and Interpretation

- 1.1 These terms and conditions apply to the provision of services described in a statement of work ("**Services**") between Zuhlke Engineering Hong Kong Limited ("**Zuhlke**") and the person requesting services from Zuhlke ("**Client**") which references these Terms and Conditions ("**Statement of Work**"). These terms and conditions and the Statement of Work will, immediately on the Statement of Work being signed, together form a binding agreement between the parties ("**Agreement**").
- 1.2 Headings in these terms and conditions are for reference only and do not affect their interpretation or construction. Words denoting the singular include reference to the plural and vice-versa. References to a person include any corporate or unincorporated body. A reference to legislation or legislative provision is a reference to it as amended, extended or re-enacted from time to time. A reference to "party" or "parties" means the Client, Zuhlke or both entities, as the context requires.
- 1.3 In the event of a conflict between these Terms and Conditions and a Statement of Work, the Statement of Work shall prevail.

2 Services

- 2.1 Zuhlke will provide the Services with reasonable skill and care in a timely and professional manner.
- 2.2 Zuhlke does not warrant that any Deliverable will operate uninterrupted or error-free and Zuhlke gives no representation or warranty that all errors, defects or deficiencies can be corrected or remedied.
- 2.3 All terms, conditions, representations and warranties, express or implied, not set out in the Agreement are, to the fullest extent permitted by law, excluded from applying to the Agreement, including without limitation implied warranties, terms and conditions as to performance, fitness for purpose, merchantability and satisfactory quality.
- 2.4 The scope of the Services, which the Client confirms is sufficient for its own requirements, is set out in a Statement of Work.
- 2.5 Any changes to the Services must be agreed in writing and may be subject to additional charges. Save to the extent the parties expressly agree otherwise in writing, such additional services shall be subject to these terms and conditions and be incorporated within the Services.

3 Client Obligations

- 3.1 The Client shall provide or perform the inputs, roles, responsibilities, obligations or activities set out in this Agreement and/or a Statement of Work ("**Client Responsibilities**") with reasonable skill and care and within the agreed timescales or, if none, as soon as reasonably possible.
- 3.2 The Client shall promptly and free of charge provide Zuhlke with all co-operation and assistance which Zuhlke may reasonably require in connection with the performance of the Services, including but not limited to:
 - 3.2.1 providing complete, accurate and up-to-date information to enable Zuhlke to provide the Services;
 - 3.2.2 complying with the terms of any applicable third party licenses;
 - 3.2.3 obtaining and maintaining all necessary licences, consents, and permissions to enable Zuhlke to perform its obligations and duties under this Agreement;
 - 3.2.4 providing adequately and appropriately skilled and qualified resources to facilitate the provision of the Services.
- 3.3 The Client will procure at all times that its employees, agents, contractors and suppliers cooperate fully with Zuhlke and do not delay or inhibit Zuhlke from providing the Services in any way.
- 3.4 In the event of any failure or delay by the Client to comply with its obligations under this Agreement:
 - 3.4.1 any agreed milestones or deadlines for performance of the Services shall no longer be binding;
 - 3.4.2 Zuhlke shall not be liable for any delay or failure to provide the Services if it is prevented, hindered or delayed in doing so as a result

of or in connection with the Client's failure or delay to comply with its obligations set out in the Agreement; and

- 3.4.3 the Client shall reimburse Zuhlke for any wasted and/or additional costs and expenses reasonably incurred by Zuhlke as a result of the Client's failure or delay.

4 Charges

- 4.1 In consideration of the Services, the Client shall pay the charges set out in the applicable Statement of Work ("**Charges**").
- 4.2 The Client shall pay all invoices within thirty (30) days of the date of the invoice without set-off, withholding or deduction of any kind.
- 4.3 Zuhlke may charge reasonably incurred expenses to the Client provided that such expenses are approved in advance in writing by the Client and evidenced by receipts.
- 4.4 Zuhlke shall be entitled (without prejudice to any other right set out herein) to charge interest on overdue payments on a daily basis at the rate of 4% per annum above the prevailing base rate of Hong Kong Interbank Offered Rate (HIBOR) until the date on which payment is received by Zuhlke (whether before or after any court judgment).

5 Intellectual Property Rights

- 5.1 The intellectual property rights in all material which is specifically and uniquely created or developed by Zuhlke and delivered to the Client for the purpose of providing the Services ("**Deliverables**") shall vest in the Client upon receipt by Zuhlke of payment of all valid invoices in respect of the applicable Statement of Work.
 - 5.2 The Client expressly acknowledges that such vesting is subject to any third-party patent rights or rights to apply for a patent (whether existing at the date of this Agreement or in the future) and that the Client shall rely on its own searches and investigations in relation to such rights.
 - 5.3 All intellectual property rights owned by Zuhlke prior to the effective date of the relevant Statement of Work, or which are or have been developed by Zuhlke independently of this Agreement, or which are of generic application (including development processes, methodology, technical expertise, domain knowledge, computer programs and documentation) ("**Zuhlke Background IPR**"), shall remain vested in Zuhlke or its licensors and there shall be no assignment of any Zuhlke Background IPR to the Client. Zuhlke grants the Client a non-exclusive, non-transferable licence to use Zuhlke Background IPR solely to the extent required to use the Deliverables in accordance with the terms of this Agreement.
 - 5.4 All documents, information, materials, data, text, drawings or diagrams which are supplied to Zuhlke by or on behalf of the Client ("**Client Materials**") shall remain vested in the Client and there shall be no assignment of any Client Materials to Zuhlke. The Client hereby grants Zuhlke a non-exclusive, royalty-free, worldwide license to use (with the right to sub-license) the Client Materials and Deliverables for the purpose of exercising Zuhlke's rights or performing its roles, responsibilities, duties and obligations under this Agreement.
 - 5.5 Zuhlke will be free to use its general knowledge, skills and experience, and any ideas, concepts, know-how, methodologies and techniques that are acquired or used in the course of providing the Services.
 - 5.6 Zuhlke may incorporate third party software or open source software into any Deliverables, unless otherwise agreed in a Statement of Work. To the extent that any Services or Deliverables include any third party software or open source software this shall be provided on the basis of their independent licence terms and Zuhlke does not assign any associated rights to the Client under this clause 5.
- ## 6 IP Indemnity
- 6.1 Subject to clause 7.1, Zuhlke shall indemnify the Client against any amounts awarded against the Client in judgement or settlement of a claim that the Client's receipt or use of the Deliverables in accordance with the terms of this Agreement infringe the Intellectual Property Rights (excluding patent

- rights or right to apply for patent rights which are excluded from such indemnity) of any third party.
- 6.2 The Client shall indemnify Zuhlke against any losses, liabilities, costs (including legal costs), expenses and damages of any nature whatsoever arising from any action or claim that Zuhlke's use of any materials, documents or data provided to Zuhlke by the Client infringe the intellectual property rights of any third party.
- 6.3 The indemnities set out in clauses 6.1 and 6.2 shall not apply to the extent that a claim arises as a result of the indemnified party's breach of this Agreement, negligence or wilful misconduct.
- 6.4 The respective indemnities set out in clauses 6.1 and 6.2 are subject to the indemnified party:
- 6.4.1 taking all reasonable steps to mitigate its losses and promptly notifying the indemnifying party in writing of any such potential claim ("IP Claim");
- 6.4.2 granting the indemnifying party sole authority to conduct the defence and/or settlement of such IP Claim, provided that the indemnifying party shall not do anything which may damage the reputation or standing of the indemnified party without first obtaining the prior consent of the indemnified party (such consent not to be unreasonably withheld or delayed);
- 6.4.3 providing the indemnifying party with all reasonable assistance to defend such IP Claim; and
- 6.4.4 not making any admission of liability or other prejudicial statement and not agreeing to any settlement or compromise without the prior written consent of the indemnifying party.
- 6.5 Zuhlke shall not have any liability for any claim of infringement of intellectual property rights if the infringement or claimed infringement is the result of, or materially contributed to by:
- 6.5.1 the Client's modification or misuse of the relevant Deliverable (by reference to the relevant feature or specification);
- 6.5.2 the Client's failure to use enhancements or modifications offered by Zuhlke to avoid infringement;
- 6.5.3 the use of the Deliverable in association or combination with any other product not provided by Zuhlke;
- 6.5.4 any third party or open source software;
- 6.5.5 Zuhlke having followed a design, specification and/or instruction given by the Client;
- 6.5.6 the Client's use of any version of the Deliverable other than the latest version supplied by Zuhlke, if such claim could have been avoided by the use of such supplied version; or
- 6.5.7 Zuhlke's use of any software, material, information, data, know-how, instructions or scripts provided by the Client that contain any errors or omissions.
- 6.6 If the Client's use of any Deliverable or the Services becomes or, in the opinion of Zuhlke, is likely to become the subject of an IP Claim, Zuhlke may at its expense and option:
- 6.6.1 modify the Deliverable or Services as necessary to avoid any infringement, provided that the Deliverable or service (as amended) functions in substantially the same way as the Deliverable or service before modification; or
- 6.6.2 obtain the right for the Client to use such Deliverable or Services in accordance with this Agreement and the applicable Statement of Work; or
- 6.6.3 direct the return of the Deliverable and refund to the Client the element of the Charges paid for such Deliverable less a reasonable amount for the Client's use of the Deliverable up to the time of return.
- ## 7 Limitation of Liability
- 7.1 Each party's total aggregate liability to the other party arising out of or in connection with this Agreement or the Services whether in contract (including under any indemnity), tort (including negligence), breach of statutory duty or otherwise shall not exceed 125% of the total aggregate Charges paid by the Client during the calendar year in which the event giving rise to liability arose.
- 7.2 Under no circumstances will either party be liable in contract, tort or otherwise for any loss of profit, loss of goodwill, loss of business or revenue,
- loss of anticipated savings, loss of opportunity, loss or corruption of data, loss of use of any software or equipment or (without prejudice to the specificity of the aforementioned) any special, indirect or consequential loss arising out of or in connection with this Agreement, whether or not of a kind foreseeable.
- 7.3 Nothing in this Agreement excludes or limits either party's liability for death or personal injury resulting from a party's negligence, fraud or fraudulent misrepresentation, or any liability which cannot be otherwise excluded or limited by law.
- 7.4 Zuhlke shall not be liable to the Client for any loss or damage arising out of:
- 7.4.1 any failure by the Client to keep full and up-to-date backup copies of the computer programs and data which it uses;
- 7.4.2 any failure by the Client to comply with any technical prerequisites specified from time to time by Zuhlke;
- 7.4.3 any error or incompleteness in the data, information or other material supplied from time to time by the Client;
- 7.4.4 the Client's use of any third party software or any open source software;
- 7.4.5 any infringement or alleged infringement of any patent rights or any rights to apply for patent rights; or
- 7.4.6 any delay or failure on the part of the Client to notify Zuhlke of any error in any output or of any actual or suspected failure of, or error or defect in its systems.
- ## 8 Confidentiality
- 8.1 Each party undertakes to keep any information obtained directly or indirectly from the other party that relates to the business affairs, operations, processes, pricing, product information, strategies, developments, trade secrets, know-how, personnel and/or suppliers of the disclosing party or its affiliates, together with any other information which is designated as being confidential, or which ought reasonably be considered to be confidential ("Confidential Information") confidential and shall not, without the prior written consent of the other party, disclose any Confidential Information to any third party, nor use any Confidential Information for any purpose other than is necessary to exercise its rights or fulfil its obligations under this Agreement.
- 8.2 Notwithstanding clause 8.1, each party may disclose Confidential Information to its employees, directors, agents, representatives, contractors, professional advisors, or those of its affiliates who need to know such information for the purposes of exercising the party's rights or carrying out its obligations under this Agreement, provided that any such person to whom it discloses any Confidential Information is subject to confidentiality undertakings which are no less restrictive than those contained in this clause 8.
- 8.3 This clause 8 shall not apply to any information that:
- 8.3.1 is or at any time becomes publicly available other than as a result of breach of this Agreement or any applicable NDA;
- 8.3.2 the recipient lawfully acquires from a third party who owes no obligations of confidence in respect thereof;
- 8.3.3 was already known to the recipient at the time it received such information from the other party as shown by the recipient's prior written records;
- 8.3.4 is independently developed by the recipient without use of, or reference to, Confidential Information; or
- 8.3.5 is required to be disclosed by law, a court of competent jurisdiction or any governmental or regulatory authority (provided that, to the extent legally permissible, the disclosing party gives as much prior notice as possible to the other party).
- 8.4 Zuhlke uses cloud services (e.g. Microsoft Office 365) as well as data centre services of third parties for internal and external communication and for the provision of Services. The parties agree that this does not constitute a breach of confidentiality obligations.
- ## 9 ion
- 9.1 For the purposes of this clause 9, "Data Protection Legislation" means all applicable data protection and privacy legislation in force from time to time

all applicable data protection and privacy legislation in force from time to time in Hong Kong, including the Personal Data (Privacy) Ordinance (Cap. 486) and the terms "data subject", "personal data", "processing", "processor" and "controller" shall have the meanings set out in the legislation.

- 9.2 Each party shall comply with the obligations that apply to it under the applicable Data Protection Legislation.
- 9.3 The parties anticipate that the Client will be the data controller and Zuhlke will be the data processor with regard to the processing of personal data in the provision of the Services.
- 9.4 The Client shall:
- 9.4.1 ensure that it has all necessary appropriate legal grounds and notices in place to enable the lawful transfer to and processing by Zuhlke of the personal data for the duration and purposes of this Agreement;
- 9.4.2 ensure that its instructions for the processing of personal data comply with the Data Protection Legislation;
- 9.4.3 have sole responsibility for the accuracy, quality and legality of any personal data and the means by which it acquired such personal data; and
- 9.4.4 not at any time do anything or omit to do anything which might put Zuhlke in breach of any Data Protection Legislation.
- 9.5 To the extent that Zuhlke processes personal data under a Statement of Work, Zuhlke shall:
- 9.5.1 process the personal data only in accordance with the Client's written instructions from time to time (including those set out in this Agreement) provided such instructions are lawful and unless it is otherwise required by Applicable Law;
- 9.5.2 ensure Zuhlke personnel who are authorised to have access to the personal data are under an appropriate obligation of confidentiality;
- 9.5.3 implement appropriate technical and organisational measures and procedures to protect the personal data against any unauthorised or unlawful processing and against any accidental loss, destruction or damage;
- 9.5.4 inform the Client without undue delay upon becoming aware of any personal data breach affecting the Client;
- 9.5.5 inform the Client in writing if it becomes aware that the Client's processing instructions infringe Data Protection Legislation (for the avoidance of doubt, Zuhlke is not obliged to actively monitor the Client's compliance with Data Protection Legislation);
- 9.5.6 at the Client's expense, provide to the Client all information and assistance reasonably necessary to demonstrate or ensure compliance with the obligations in this clause 9 and/or the Data Protection Legislation, including with respect to security, breach notifications, impact assessments and consultations with supervisory authorities or regulators;
- 9.5.7 notify the Client as soon as reasonably practicable if it receives a request from a data subject to exercise its rights under the Data Protection Legislation; and
- 9.5.8 provide reasonable co-operation and assistance in relation to any request made by a data subject to exercise its rights under the Data Protection Legislation provided that the Client shall be responsible for Zuhlke's reasonable costs and expenses arising from such co-operation and assistance.
- 9.6 Each party shall maintain records of all processing activities under its responsibility that contain at least the minimum information required by the Data Protection Legislation and shall make such information available on request.
- 9.7 The Client agrees that Zuhlke may engage third parties in the provision of the Services to process personal data on behalf of the Client, provided that Zuhlke's contract shall impose obligations on such processors that are materially equivalent to the data processing obligations which Zuhlke is subject to under this Agreement.

10 Termination

- 10.1 Zuhlke may terminate this Agreement at any time by giving the Client not less than 30 days' written notice.
- 10.2 Each party may terminate this Agreement immediately on giving notice in writing to the other if:
- 10.2.1 the other party commits a material breach of this Agreement or a Statement of Work and (where such breach is capable of remedy) has failed to remedy it within 30 days of being notified in writing to do so; or
- 10.2.2 the other party has a liquidator, receiver, or administrative receiver appointed over it or any of its undertakings or assets, or if it passes a resolution for winding-up (other than for the purposes of a bona fide scheme of solvent amalgamation or reconstruction) or if a court of competent jurisdiction makes an order to that effect, or if it becomes subject to an administration order or enters into any voluntary arrangement with its creditors, or if it ceases or threatens to cease to carry on any substantial part of its business or is unable to pay its debts.
- 10.3 Zuhlke may, without prejudice to its other rights or remedies, suspend or terminate provision of any or all of the Services forthwith on notice in writing to the Client if the Client fails to pay any sum due under this Agreement and that sum remains unpaid for 30 days following written notice from Zuhlke that the sum has not been paid.
- 10.4 On termination of this Agreement, the Client shall immediately pay any outstanding unpaid invoices and interest due to Zuhlke. Zuhlke shall submit invoices for all costs and expenses incurred in the performance of the Services up until the date of termination, but for which no invoice has been submitted, and the Client shall pay these invoices immediately within 30 days of receipt.
- 10.5 Any provision of this Agreement that expressly or by implication is intended to come into or continue in force on or after termination or expiry of this Agreement shall remain in full force and effect.
- 10.6 Any rights, remedies, obligations or liabilities of the parties that have accrued up to the date of termination or expiry shall not be affected.

11 Publicity

- 11.1 The Client acknowledges and agrees that Zuhlke may use any trademarks or branding of the Client to make announcements or release publicity statements to show that the Client is, or has been, a client of Zuhlke's and the type of services provided. This will not involve disclosure of the Client's Confidential Information.
- 11.2 On completion of a Statement of Work, the Client agrees to participate in certain PR activities with Zuhlke in order to describe the Client's use of the Services. The activities include but are not limited to a written case study, video case study, testimonial advertisement and being a referenced customer.

12 Personnel

- 12.1 Zuhlke alone shall be responsible for the control, wages, taxes, national insurance and benefits of all Zuhlke personnel in performing the Services and each party acknowledges that they are not employees or agents of the Client.

13 Use of Third Parties

- 13.1 The Client agrees that Zuhlke may use subcontractors (including its affiliates) to perform all or part of its obligations under this Agreement. Zuhlke will be responsible for the acts and omissions of each subcontractor as if they were acts and omissions of Zuhlke.
- 13.2 Zuhlke may use cloud services, data centre services as well as ChatGPT, GitHub Copilot or other third-party AI tools as part of its service delivery.

14 Non-solicitation

- 14.1 During this Agreement and for a period of six months thereafter, the Client will not solicit for employment or hire any persons involved in providing the Services, without the prior written consent of Zuhlke. In the event of a breach of this clause 14, Zuhlke shall be entitled to seek compensation from the Client equalling 100% of the relevant persons annual salary.

15 Anti-corruption

- 15.1 Both parties shall comply with all applicable laws, regulations and sanctions relating to anti-bribery and anti-corruption, including but not limited to the Prevention of Bribery Ordinance (Cap. 201) (“**Relevant Requirements**”).
- 15.2 Zuhlke shall have and maintain throughout the term of this Agreement its own policies and procedures to ensure compliance with the Relevant Requirements and shall promptly report to the Client any request or demand for any undue financial or other advantage of any kind received by Zuhlke in connection with the performance of this Agreement.

16 Dispute Resolution

- 16.1 The parties shall attempt to resolve any dispute which may arise out of or in connection with this Agreement by discussion between senior management, good faith negotiation and mediation before legal proceedings are brought.
- 16.2 Any dispute may be referred to mediation in accordance with the Hong Kong Mediation Centre procedure. The mediation shall be conducted by a single mediator appointed by mutual agreement, or (failing mutual agreement within 7 days of a notice from either party to the other calling upon the other so to agree) by the Hong Kong Mediation Centre. Both parties agree to co-operate fully with such mediator, provide such assistance as is necessary to enable the mediator to discharge their duties, and to bear equally between them the fees and expenses of the mediator. The mediation shall be conducted in Hong Kong in English and without prejudice to the rights of any of the parties in future proceedings.

17 Notices

- 17.1 Any notice given under this Agreement shall be in writing and may be delivered by hand, pre-paid first class post, recorded delivery, or sent by email. Any notice shall be deemed to have been received at the time of delivery if delivered by hand, or at 9am on the second Business Day after posting if sent by pre-paid first class post or recorded delivery, or at the date and time of transmission if sent by email.

18 Force Majeure

- 18.1 Neither party shall be held liable for any for any delay or failure to perform its obligations under this Agreement, other than payment obligations, if and to the extent that such failure or delay has been caused by circumstances beyond its reasonable control (including but not limited to natural disasters, war, strikes, riots, terrorist activities, compliance with any law or governmental order, rule, regulation or direction, fire, flood, storm, epidemic or pandemic). In such circumstances the time for performance shall be extended by a period equivalent to the period during which performance of the obligation has been delayed or failed to be performed.

19 General

- 19.1 No amendment or variation of this Agreement shall be effective unless in writing and signed by an authorised representative of each party.
- 19.2 Neither party may assign, sublicense or otherwise transfer, in whole or part, any of its rights or obligations under the Agreement without the prior written consent of the other party. Such consent is not to be unreasonably withheld or delayed.
- 19.3 The failure or delay of a party to exercise or enforce any right or remedy under this Agreement shall not constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict any further exercise of that or any other right or remedy. The rights and remedies herein provided are cumulative with, and not exclusive of, any rights or remedies provided by law.
- 19.4 The Client shall adhere to all applicable export control regulations, custom regulations and foreign trade regulations of Hong Kong and other applicable jurisdictions which relate to the Services.
- 19.5 If any provision of this Agreement is held by any competent authority to be invalid or unenforceable in whole or in part it shall (to the extent that it is invalid or unenforceable) be deemed to be severable and the validity of the other provisions of this Agreement shall not be affected.
- 19.6 The parties do not intend that any term of this Agreement will be enforceable by virtue of the Contracts (Rights of Third Parties) Ordinance (Cap. 623) by any person who is not a party to it.

- 19.7 The parties acknowledge and agree that this Agreement shall not establish or constitute any relationship of partnership, joint venture or franchise between the parties except as otherwise expressly provided or agreed and neither party shall have the power to bind the other without the other party's prior written consent.
- 19.8 This Agreement and any documents to which it refers constitutes the entire agreement and understanding between the parties with respect the subject matter hereof and supersedes all prior agreements, arrangements or understanding between the parties relating to it. Neither party shall have any right of action against the other party arising out of or in connection with any statement, undertaking, representation, warranty (either implied or express), promise or assurance, whether or not in writing, that is not set out in this Agreement, save in respect of any fraudulent misrepresentation.
- 19.9 This Agreement may be executed in any number of counterparts, each of which so executed shall be an original, but together shall constitute one and the same instrument.
- 19.10 This Agreement shall be governed by the laws of Hong Kong, and the parties irrevocably submit to the exclusive jurisdiction of the Hong Kong Courts.