



WIRTSCHAFTSKAMMER ÖSTERREICH
Unternehmensberatung • IT

General Terms and Conditions for Management Consultants

March 2006

**Professional Association of Management Consultancy and Information Technology
(Fachverband Unternehmensberatung und Informationstechnologie)**

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1. General Terms and Conditions / Scope

1.1 All legal transactions between the Principal and the Agent (Management Consultant) shall be subject to these General Terms and Conditions exclusively. The version valid at the time the Contract is concluded shall be applicable.

1.2 These General Terms and Conditions shall also apply to any future contractual relationships even if these General Terms and Conditions are not expressly referred to in collateral contracts.

1.3 Any conflicting General Terms and Conditions on the part of the Principal shall be invalid unless they have been explicitly accepted in writing by the Agent (Management Consultant).

1.4 If any provision of these General Terms and Conditions is or becomes invalid, the other provisions and any contracts concluded pursuant to these provisions shall not be affected thereby. The invalid provision shall be replaced by a provision which best corresponds to the intention and economic purpose of the invalid provision.

2. Scope of Consulting Assignments / Representation

2.1 The scope of each particular consulting assignment shall be individually agreed by contract.

2.2 The Agent (Management Consultant) shall be entitled to subcontract, in whole or in part, the services for which the Agent is responsible to third parties. Payment of said third parties shall be effected exclusively by the Agent (Management Consultant). No contractual relationship of any kind shall exist between the Principal and said third party.

2.3 During the validity of this Contract and for a period of three years after termination thereof, the Principal shall agree not to enter into any kind of business transactions with persons or organisations the Agent (Management Consultant) employs to perform the Agent's contractual duties. In particular, the Principal shall not employ said persons or organisations to render consulting services the same or similar to those offered by the Agent (Management Consultant).

3. Principal's Obligation to Provide Information / Declaration of Completeness

3.1 The Principal shall ensure that during the performance of the consulting assignment, organisational conditions in the Principal's place of business allow the consulting process to proceed in a timely and undisturbed manner.

3.2 The Principal shall also inform the Agent (Management Consultant) in detail about previously conducted and/or currently active consulting projects, including those in other areas of competency.

3.3 The Principal shall, in a timely manner and without special request on the part of the Agent, provide the Agent (Management Consultant) with all documents necessary to fulfil and perform the consulting assignment and shall inform the Agent of all activities and conditions pertinent to the performance of the consulting assignment. This includes all documents, activities and conditions that become known or available during the performance of the consulting assignment.

3.4 The Principal shall ensure that all employees as well as any employee representation (works council) provided by law, if established, are informed of the Agent's consulting activities prior to the commencement of the assignment.

4. Maintenance of Independence

4.1 The contracting parties shall be committed to mutual loyalty.

4.2 The contracting parties shall be obligated to take all necessary measures to ensure that the independence of all persons working for the Agent (Management Consultant) and/or of any third parties employed by the Agent is not jeopardized. This applies particularly to any employment offers made by the Principal or the acceptance of assignments on their own account.

5. Reporting / Obligation to Report

5.1 The Agent (Management Consultant) shall be obligated to report to the Principal on the progress of services performed by persons working for the Agent and/or any third parties employed by the Agent.

5.2 The Agent (Management Consultant) shall deliver the final report in a timely manner, i.e. depending on the type of assignment, two to four weeks after completion of the assignment.

5.3 The Agent (Management Consultant) shall not be bound by directives while performing the agreed service and shall be free to act at the Agent's discretion and under the Agent's own responsibility. The Agent shall not be required to work in a particular place or to keep particular working hours.

6. Protection of Intellectual Property

6.1 The Agent (Management Consultant) shall retain all copyrights to any work done by the Agent and/or by persons working for the Agent and/or by third parties employed by the Agent (including but not limited to tenders, reports, analyses, expert opinions, organization charts, programmes, performance descriptions, drafts, calculations, drawings, data media, etc.). During the contract period and after termination thereof, the Principal may use these materials exclusively for the purposes described under the Contract. Therefore, the Principal shall not be entitled to copy or distribute these materials without the explicit consent of the Agent (Management Consultant).

6.2 Any violation of this provision by the Principal shall entitle the Agent (Management Consultant) to prematurely terminate the Contract and to enforce other legal claims, in particular for restraint and/or damages.

7. Warranties

7.1 The Agent (Management Consultant) shall be entitled and obligated, regardless of fault, to correct any errors and/or inaccuracies in the Agent's work which have become known subsequently. The Agent shall immediately inform the Principal thereof.

7.2 This right of the Principal expires six months after completion of the respective service.

8. Liability / Damages

8.1 The Agent (Management Consultant) shall be liable to the Principal for damages - with the exception of personal injury - only to the extent that these are the result of serious fault (intention or gross negligence). Correspondingly, this also applies to damages resulting from third parties employed by the Agent.

8.2 Any claim for damages on the part of the Principal may only be enforced by law within six months after those entitled to assert a claim have gained knowledge of the damage and the liable party, but not later than three years after the incident upon which the claim is based.

8.3 The Principal shall furnish evidence of the Agent's fault.

8.4 If the Agent (Management Consultant) performs the required services with the help of third parties, any warranty claims and claims for damages which arise against the third party shall be passed on to the Principal. In this case, the Principal shall primarily refer to the third party.

9. Confidentiality / Data Protection

9.1 The Agent (Management Consultant) shall be obligated to maintain complete confidentiality concerning all business matters made known to the Agent in the course of services performed, especially trade and company secrets and any other information concerning type and/or scope of business and/or practical activities of the Principal.

9.2 Furthermore, the Agent (Management Consultant) shall be obligated to maintain complete confidentiality towards third parties concerning the content of the work completed, as well as any information and conditions that contributed to the completion of the work, particularly concerning data on the Principal's clients.

9.3 The Agent (Management Consultant) shall not be obligated to maintain confidentiality towards any person working for the Agent or representatives of the Agent. The Agent is required to obligate such persons to maintain complete confidentiality and shall be liable for any violation of confidentiality on their part in the same way as if the Agent had breached confidentiality.

9.4 The obligation to maintain confidentiality shall persist indefinitely even after termination of this Contract.

9.5 The Agent (Management Consultant) shall be entitled to use any personal data entrusted to the Agent for the purposes of the services performed. The Agent (Management Consultant) shall guarantee the Principal that all necessary measures will be taken, especially those regarding data protection laws, e.g. that declarations of consent are obtained from the persons involved.

10. Remuneration

10.1 After completion of the services agreed upon, the Agent (Management Consultant) shall receive remuneration agreed upon in advance between the Agent (Management Consultant) and the Principal. The Agent (Management Consultant) shall be entitled to render intermediate accounts and to demand payment on account as required by the progress of the work. Remuneration shall be due and payable immediately after rendering accounts by the Agent.

10.2 The Agent (Management Consultant) shall render accounts which entitle to deduct input tax and contain all elements required by law.

10.3 Any cash expenditures, expenses, travel expenses, etc. shall be reimbursed to the Agent (Management Consultant) by the Principal separately, upon submission of the appropriate receipts.

10.4 In the event that the work agreed upon is not completed due to reasons on the part of the Principal, or due to a premature termination of contract by the Agent (Management Consultant) for cause, the Agent (Management Consultant) shall be entitled to claim payment in full of the remuneration agreed upon in advance, less expenses not incurred. In the event that an hourly fee had been agreed upon, the Principal shall pay for the number of hours expected to be required for the entire contracted assignment, less expenses not incurred. Expenses not incurred shall be calculated as a lump sum consisting of 30% of the fee required for those services that the Agent did not perform by the date of termination of the agreement.

10.5 In the event that intermediate invoices are not paid, the Agent (Management Consultant) shall be released from the Agent's commitment to provide further services. This shall not apply to any further claims resulting from default of payment.

11. Electronic Invoicing

11.1 The Agent (Management Consultant) shall not be entitled to transmit invoices electronically. The Principal agrees explicitly to accept invoices transmitted electronically by the Agent (Management Consultant).

12. Duration of the Agreement

12.1 This Contract terminates with the completion of the project.

12.2 Apart from this, this Contract may be terminated for good cause by either party at any time without notice. Grounds for premature termination include the following:

- one party breaches major provisions of the Contract
- one party opens insolvency proceedings or the petition for bankruptcy is denied because of insufficient assets to cover expenses.

13. Final Provisions

13.1 The contracting parties declare that all information contained herein is accurate and made in good conscience. They shall be mutually obligated to immediately inform the other party of any changes.

13.2 Modifications of and amendments to this Contract or these General Terms and Conditions shall be made in writing. This shall also apply to a waiver of this requirement of written form.

13.3 This Contract is governed by the substantive law of the Republic of Austria excluding the conflict-of-law rules of international private law. Place of fulfilment is the registered business establishment of the Agent (Management Consultant). Jurisdiction in all disputes is the court in the place where the Agent (Management Consultant) is based.