

## Supplementary Contract Terms for Agile Collaboration

If the Parties implement a project in an agile process, the following provisions shall apply:

### A. General

#### § 1 Principles of agile working at Porsche

- 1.1 The services to be provided by the Contractor within the framework of the engagement shall be provided using agile methods. In this context, the agile process at the Client shall be guided by the scrum method.
- 1.2 For this, the project vision (**product**) defined in the project statement of work is realised in iterative cycles, the pattern of which is always the same (**sprint**). Each sprint is intended to produce a potentially usable piece of the product (**product increment**).
- 1.3 Collaboration between all project participants shall be characterised by the values that are crucial for agile work within the group of project participants and these are commitment, courage, focus, openness and respect. The Contractor undertakes that the employees it deploys will commit to these values.
- 1.4 The project areas specified in the project statement of work are available to the project participants for the project duration. The project statement of work governs the details for using these project areas.

### B. Definition of roles

#### § 2 Project role overview

- 2.1 The project is implemented through the interaction of different actors whose roles result from the following descriptions. The individual roles and who is appointed to each role can be found in the overview of roles for the project shown in the project statement of work (**project role overview**).
- 2.2 Where a Contractor is assigned a role in the project role overview, the Contractor alone and not the Contractor's employee who is planned to perform the role shall be entered in the project role overview.
- 2.3 Where these additional contractual conditions envisage rights and obligations for a specific role, these shall be considered to be the Client's rights and obligations or – where a role is assigned to a Contractor – the Contractor's rights and obligations. In this situation, the Contractor is required to satisfy the rights and obligations defined below for its role set out in the project role overview.

## § 3 Product Owner

- 3.1 The Product Owner is responsible for the project and has budgetary responsibility for the project for the Client.
- 3.2 It is the task of the Product Owner to define a comprehensive product vision and to ensure that the product is developed efficiently and to maximise value. For this purpose the Product Owner sets out the request and work list relevant for the product which consists of individual work packages described from the viewpoint of a product user (**work package**) (**product backlog**). It is also the Product Owner who determines the order of importance of the work packages in the product backlog. The Product Owner is required to continuously maintain the product backlog and must always adjust this to current developments as the project progresses. The Product Owner may consult the implementation team to refine the entries and estimate and evaluate the entries together with the implementation team in accordance with Section 8.3. At the start of the project the Product Owner decides on the way the product backlog will be managed and how to maintain the product backlog's transparency in respect of the implementation team.
- 3.3 One or several of the Client's employees will fulfil the role of the Product Owner and this or these person(s) will also act as the Client's representative for the project. Where more than one person is defined as the Product Owner in the project role overview, these persons will carry out the task jointly working in close cooperation with each other. In this situation, the following applies to the Contractor:
- (a) each person defined as the Product Owner shall perform the role individually in relation to the Contractor and is also allowed to exercise individually the rights and obligations described herein in the name of the Client;
  - (b) should the different persons defined as Product Owner exercise the rights and obligations in a contradictory manner, the Contractor shall advise them of the contradiction immediately and shall not be under an obligation to undertake any measure until the Contractor is notified of the rights and obligations being exercised in a non-contradictory way.

## § 4 The implementation team

- 4.1 The Product Owner establishes the implementation team as part of the procurement process. For this purpose he defines the roles within the implementation team required for producing the product and assigns these in the project role overview either to an employee of the Client or an employee of the Contractor.
- 4.2 Where the Product Owner assigns a role within the implementation team to a Contractor, the project statement of work agreed with this Contractor shall explain in detail the services to be delivered by the Contractor. The Contractor shall name a representative for the project. The Contractor shall ensure and vouch that the employees it deploys to perform the services possess the necessary personal and technical skills and any exchange of the Contractor's employee that may be required will not result in either additional outlay for the Client or project delays. The Contractor shall primarily deploy its own employees in the project; where no employees have the personal and technical skills to be deployed, the Contractor shall be entitled to recruit workers by engaging freelance workers or by concluding subcontracts elsewhere; in all circumstances the Contractor shall remain the Client's contracting partner.

- 4.3 The implementation team is responsible for realising the product increment within the sprint. Unless other rules have been specified in these additional contractual conditions, the implementation team shall organise their own work in the course of the sprint. At no time shall the Product Owner be entitled to issue instructions (as defined by Sections 106 of the German Industrial Code (GewO), 611a (1) Sentence 2 of the German Civil Code (BGB) and 1 (1) Sentence 2 of the German Temporary Employment Act (AÜG)) to the Contractor's employees who are members of the implementation team.

## § 5 Agile Coach

- 5.1 As part of the procurement process the Product Owner shall also appoint the person to the role of the Agile Coach.
- 5.2 Where the Product Owner assigns the role of Agile Coach to a Contractor, the project statement of work agreed with this Contractor shall explain in detail the services to be delivered by the Contractor. The Contractor shall name a representative for the project. The Contractor shall ensure and vouch that the employees it deploys to perform the services possess the necessary personal and technical skills and any exchange of the Contractor's employee that may be required will not result in either additional outlay for the Client or project delays. The Contractor shall primarily deploy its own employees in the project; where no employees have the personal and technical skills to be deployed, the Contractor shall be entitled to recruit workers by engaging freelance workers or by concluding subcontracts elsewhere; in all circumstances the Contractor shall remain the Client's contracting partner.
- 5.3 The Agile Coach is responsible for the formal compliance with the sprint cycle and the elements for which provision has been made in the sprint cycle and helps the Product Owner and the implementation team to optimise its work so as to maximise the value generated by the implementation team. The Agile Coach shall perform this task through measures that include the following actions:
- (a) Supporting the Product Owner by administering the product backlog effectively and by formulating the work packages in a clear and concise way;
  - (b) Moderating sprint cycle meetings (where the Product Owner assesses that moderation is necessary because of the form of cooperation) and ensuring that the time frame defined for the relevant meeting is adhered to;
  - (c) Protecting the implementation team from interruptions and influences from outside the implementation team and removing obstacles that adversely affect the implementation team's work; and
  - (d) Supporting the implementation team with their self-organisation as they pursue the processes defined and the continuous improvement of collaboration within the implementation team.
- 5.4 Unless a different definition is contained in the project statement of work, the Agile Coach is not part of the implementation team. The Agile Coach, together with the Product Owner and the implementation team, forms the **Agile Team**.

- 5.5 The Contractor entrusted with the Agile Coach role must pay attention to compliance with the rules for agile collaboration set out in these supplementary contractual conditions. In particular, he shall be entitled and required to prohibit inadmissible influences and instructions that conflict with the defined roles, including those of the Product Owner.

## § 6 Stakeholders

- 6.1 The Product Owner shall at his discretion be entitled to involve more of the Client's project participants, who do not exercise any of the previously defined roles in the Agile Team (**Stakeholders**), in the sprint review meetings.
- 6.2 Furthermore, the Contractor shall not be entitled to communicate directly with stakeholders without the Product Owner's consent.

## C. The sprint cycle

### § 7 Duration

- 7.1 The duration of the sprint cycle overall and the duration of individual elements of the sprint cycle described below are defined in the project statement of work.
- 7.2 The Product Owner can define a change from these specified time intervals for individual sprints or individual elements of a sprint. The Product Owner shall inform the Agile Team in advance about the desired variation, stating the reasons, and incorporate any comments from the Agile Team in his decision about the variation.

### § 8 Sprint planning

- 8.1 A sprint planning meeting is held at the start of each sprint. The implementation team and the Agile Coach are required to attend this meeting, as is the Product Owner in accordance with Sections 8.3 and 8.4. The Product Owner invites the Contractors involved in the Agile Team to the meeting via their representatives.
- 8.2 The services to be provided by the Contractor also include the active participation in this meeting and, in the case of the Agile Coach, moderation of this meeting in accordance with Section 5.3(b).
- 8.3 As a rule, the sprint planning meeting is divided into two parts. In the first part, the Product Owner presents the classified and prioritised entries of the product backlog. With this in mind, the implementation team can make an assessment in advance of the work outlay for individual work packages of the product backlog in accordance with a procedure stipulated in the project statement of work. The Agile Team then formulates a goal for the forthcoming sprint (**sprint goal**), specifies the product increment to be created for the forthcoming sprint and identifies the work packages to be worked through to attain the sprint goal and create the product increment. For this the Agile Team transfers the work packages contained in the product backlog into a request and work list for the forthcoming sprint (**Sprint Backlog**). The Product Owner ensures that only those work packages that can be implemented and tested are transferred to the sprint backlog and where the Product Owner and the Agile Team have a shared understanding of the significance of the work packages (**Definition of Ready**). For each work package transferred to the sprint backlog the Agile Team also specifies the requirements that are to be met for the work package to be considered as having been processed (**Definition of Done**).

- 8.4 During the second part of sprint planning, which the Product Owner only attends in consultation with the implementation team, the implementation team draws up a plan for processing the work packages in the sprint backlog and decides on the allocation of individual work packages to individual roles within the implementation team.
- 8.5 Those attending the sprint planning meeting shall try to resolve all differences of opinion between themselves at the meeting. Where this is not possible, the following shall apply:
- (a) where the difference of opinion relates to the prioritisation/order of the work packages to be transferred to the sprint backlog, if there is any doubt the Product Owner shall decide which work package is transferred to the sprint backlog;
  - (b) where the difference of opinion relates to the definition of ready of a work package transferred to the sprint backlog, if there is any doubt the Product Owner shall decide how the definition of ready shall be formulated;
  - (c) where the difference of opinion relates to the definition of done of a work package transferred to the sprint backlog, if there is any doubt the Product Owner shall decide how the definition of done shall be formulated;
  - (d) where the difference of opinion relates to the number of work packages overall to be transferred to the sprint backlog or the estimate of the work outlay to process a work package, a vote of a simple majority of the implementation team members present shall decide whether a work package is to be transferred to the sprint backlog or the amount of work that is to be attributed to a work package; however, if there is a tie in the number of votes, the Product Owner shall decide and (ii) the Product Owner has a right of veto, to the extent that the decision of the implementation team would result in a significantly negative deviation from the previous or expected speed at which the implementation team would perform the work;
  - (e) where the difference of opinion relates to the distribution of the individual work packages between the members of the implementation team, a vote of a simple majority of the implementation team members present shall decide on the allocation of a work package to one of the Client's employees. If a work package is to be assigned to the role performed by a Contractor, the allocation shall initially be assessed on the basis of the project statement of work; if the implementation team does not come to a mutually agreed decision, the assignment shall be clarified between the Client and the Contractor in accordance with Section 13.3.
- 8.6 The project statement of work defines the form in which the sprint backlog is to be managed and how the implementation team documents the processing status as regards individual tasks from the sprint backlog.

## **§ 9 Performing the sprint**

- 9.1 After sprint planning the implementation team is responsible for realising the sprint goal and the product increment as well as processing the work packages in the sprint backlog until the date of the agreed sprint review.

- 9.2 If, in accordance with Sections 8.4 and 8.5(e), a work package is assigned to the role defined for the Contractor, the Contractor shall process this independently within the framework of the sprint. In this case the Contractor and the Client can sign a separate individual contract for this work package.
- 9.3 Should no work package for individual processing be assigned to the role defined for the Contractor, the Contractor shall be involved in realising the sprint goal and the product increment and processing the work packages in the sprint backlog, as part of the services to be performed in accordance with the project statement of work and by coordinating technical aspects with the other roles in the implementation team.
- 9.4 Coordination between the Contractor and the other roles in the implementation team as part of sprint implementation shall be limited to the exchange of technical information that relates to the project; for coordination outside this area Section 13 shall apply.
- 9.5 Subject to Section 9.6 below, the Product Owner is not entitled to make changes to the sprint backlog during a sprint. However, the Product Owner is entitled to stop an ongoing sprint at any time. At the end of a sprint the Product Owner can still decide that no further sprints will be carried out.
- 9.6 Where, in the course of performing a sprint
- (a) uncertainties arise within the implementation team regarding the interpretation of a work package or its definition of done, and/or
  - (b) the implementation team establishes that the sprint backlog contains too few or too many work packages,

every person in the implementation team is entitled to raise this matter with the Product Owner; the Contractor's employees shall communicate this request via the Contractor's representative. The Product Owner shall then decide in a timely manner about the measures to be implemented.

- 9.7 Where the definition of done or elsewhere no more specific characteristics are defined in the sprint backlog, it is not permitted for the product increment and the result of processing a work package to contain errors, which nullify or reduce the value or suitability for normal use or use in the sprint backlog and also the use intended under the definition of done. Furthermore, the product increment and the work packages shall be implemented on the basis of the state of the art in terms of science and technology.

## § 10 Daily stand-up

- 10.1 A short meeting is held within the Agile Team during sprint implementation at the intervals defined in accordance with the project statement of work. The purpose of this meeting is to review progress in relation to realising the sprint goal and product increment and also the processing of the work packages (**Daily stand-up**). At this meeting each role within the implementation team shall provide brief information on what has been achieved since the last daily stand-up, what will be completed next and what obstacles are in the way of the sprint goal.

- 10.2 The services to be provided by the Contractor also include active participation in daily stand-ups. The Product Owner invites the Contractors involved in the Agile Team to the daily stand-ups via their representatives.

## **§ 11 The sprint review**

- 11.1 A sprint review is held at the end of each sprint. The Product Owner, the implementation team, the Agile Coach and – at the discretion of the Product Owner – stakeholders as well shall be required to attend this meeting. The Product Owner invites the Contractors involved in the Agile Team to the meeting via their representatives.
- 11.2 The services to be provided by the Contractor also include the active participation in this meeting and, in the case of the Agile Coach, moderation of this meeting in accordance with Section 5.3(b).
- 11.3 In the course of the sprint review the Product Owner examines whether the product increment and the work package in the sprint backlog have been processed in a way that is consistent with the requirements of these supplementary contractual conditions, the sprint backlog and the relevant definition of done and the sprint goal has been reached. If this is the case, the Product Owner confirms in the meeting that processing has been successful. Where it becomes clear from reviewing the successful processing that further measures are required that cannot be carried out in the course of the sprint review meeting, the Product Owner decides on the implementation of these measures. If a work package does not satisfy the requirements of these supplementary contractual conditions, the sprint backlog and the relevant definition of done, the Product Owner defines, in consultation with the implementation team, the measures that are needed for successful processing and transfers the corresponding work package back to the product backlog.
- 11.4 In addition, as part of the sprint review meeting the Product Owner checks, in consultation with the implementation team, the extent to which the product backlog must be adapted on the basis of the sprint result and possible changes of external factors and, if required, makes an adjustment to the product backlog.
- 11.5 Where a work package has been assigned to the role defined for the Contractor in accordance with Sections 8.4 and 8.5(e) and where an individual contract has been concluded for this work package in accordance with Section 9.2, in the course of the sprint review acceptance is carried out for the services provided by the Contractor in accordance with the purchasing terms.

## **§ 12 The sprint retrospective**

- 12.1 A sprint retrospective is held at the end of each sprint following the sprint review. The implementation team and the Agile Coach are required to attend this meeting as well as – in agreement with the implementation team and the Agile Coach – the Product Owner. The Product Owner invites the Contractors involved in the Agile Team to the meeting via their representatives.
- 12.2 The services to be provided by a Contractor also include the active participation in this meeting and, in the case of the Agile Coach, moderation of this meeting in accordance with Section 5.3(b).

- 12.3 Those attending the sprint retrospective meeting review how they have worked together as a team during the previous sprint. It is intended that this opportunity will identify good aspects as well as areas of potential improvement. The result of the sprint retrospective is that the Agile Coach draws up a plan to implement improvements in the way the Agile Team works.
- 12.4 Unless those attending the meeting agree otherwise, what is discussed at the sprint retrospective is not intended to be communicated to outside parties; the Contractor's confidentiality obligations shall not be affected by this arrangement.

## **D. Project control**

### **§ 13 Governance**

- 13.1 Section 8.5 shall apply if differences of opinion occur in the course of sprint planning.
- 13.2 Should differences of opinion on technical aspects occur within the implementation team in the course of performing the sprint, an attempt shall first be made to resolve these differences of opinion within the implementation team, subject to Section 9.6. Should the differences of opinion about technical aspects fail to be resolved in the implementation team within a reasonable period of time, every person in the implementation team shall be entitled to raise this matter with the Product Owner; the Contractor's employees shall communicate this request via the Contractor's representative. The Product Owner shall then decide in a timely manner about the measures to be implemented.
- 13.3 Where conflicts or differences of opinion exist between the Contractor and the Client concerning aspects that are relevant to the commission, the parties shall initially try to clarify these between the Product Owner as the Client's representative and the Contractor's representative. If it is not possible to resolve the difference of opinion within five (5) working days of the first attempt at clarification, each party shall be entitled to escalate the difference of opinion.

### **§ 14 Warranty**

In respect of claims arising from defect liability in relation to the Contractor's services, the rules on warranty and the limitation period in the purchasing terms shall apply, providing the parties have not made provision for different arrangements in an individual contract in accordance with Section 9.2.