Conditions for the use of external workforce in Scrum projects (Conditions Scrum Projects)

1. **Area of Application**
   1.1. The following terms and conditions apply to the use of the Scrum project method with simultaneous deployment of external staff, as defined in more detail below.
   1.2. These terms and conditions are intended to ensure that Customers and Contractors meet the requirements in order to avoid pseudo self-employment and concealed or illegal temporary employment and find appropriate use of work and service contracts in the contemporary forms of creative and complex project business.
   1.3. “Customer” in the sense of these Conditions Scrum Projects is the ordering party and “Contractor” the supplier, however it might be called in the respective AEB or framework agreements.

2. **Parts of the agreement**
   2.1. These “Conditions for the use of external workforce in Scrum projects (Conditions Scrum Projects)” supplement the General Terms and Conditions for Purchasing by Deutsche Telekom AG (see: www.telekom.com/en/company/global-procurement under “General Purchasing Conditions (AEB)”) or a corresponding framework agreement concluded with the Customer.
   2.2. The following documents shall take priority in this respect:
      a) The order
      b) Other parts that are specified in the order (e.g., service specifications)
      c) These Conditions Scrum Projects
      d) The AEB or a corresponding framework agreement
      e) The DTAG Supplier Code of Conduct in its most current version (see: www.telekom.com/en/company/global-procurement)

3. **Terms and Definitions**
   Scrum is a framework within which people can tackle complex adaptive tasks. It consists of Scrum Teams and their roles (Product Owner, Scrum Master, Development Team), events (Sprint, Sprint Planning, Daily Scrum, Sprint Review, Sprint Retrospective), artifacts (Product Backlog, Sprint Backlog, Increment), and rules.

   A Scrum Team consists of the Product Owner, the Development Team, and the Scrum Master. It is self-organizing and decides how to do its work best.

   The **Product Owner** is responsible for maximizing the value of the product, and thus for managing, the development performance, gradually formulating and specifying the business and functional expectations for a product to the Development Team. The Product Owner is the only person responsible for the management, in particular the binding creation and updating, of the Product Backlog. He may ask for support in managing the Product Backlog, but always remains accountable.

   The **Scrum Master** is responsible for promoting and supporting Scrum. Scrum Masters do this by helping everyone involved to understand and use the theory, practices, rules, and values of the Scrum framework correctly, and above all to organize the Sprints and their events. The Scrum Master is responsible for supporting the Scrum Team in achieving the goals and eliminating impediments. This also includes controlling the effects of the environment on the Scrum Team and coordinating with the environment.

   The **Development Team** is responsible for the management, organization, and execution of all development work required in order to create an Increment. It is interdisciplinary and has all the skills required to carry out the work. Development Teams are structured and empowered by the organization to organize and manage their own work.

   The Sprint is a fixed time frame [time box] of usually a maximum of one month in which a finished ["Done"], usable, and potentially deliverable Increment is produced. All Sprints within a development project should have the same term. The new Sprint starts immediately after completion of the previous Sprint. A Sprint contains and includes the Scrum activities and events, especially the Sprint Planning, the Daily Scrums, the Development Work, the Sprint Review, and the Sprint Retrospective.

   **Sprint Planning** is a timely limited event of usually 8 hours or less [Time Box] to start a Sprint. It helps the Scrum Team to evaluate, plan, and transfer the work from the Product Backlog, which has to be done next, to the Sprint Backlog.

   The **Daily Scrum** is a meeting with a fixed time frame of 15 minutes for the Development Team. The Daily Scrum takes place every day of the Sprint. The Development Team plans therein the work for the next 24 hours. It checks the work results since the last Daily Scrum and predicts the work to be done in the Sprint. Updates are recorded in the Sprint Backlog.

   The **Sprint Retrospective** is a time limited event of usually 3 hours or less [Time Box] to terminate a Sprint. It helps the
Scrum Team to check the past Sprint and to plan improvements for the next Sprint.

The **Sprint Review** is a timely-limited event of usually 4 hours or less [Time Box] to complete the development work of a Sprint. It helps the Scrum Team and stakeholders to inspect the Increment resulting from the Sprint, to evaluate the impact of the work performed on the overall progress and to verify the successful implementation of the relevant requirements. If necessary, the Product Backlog is adapted based on the findings of the Sprint Review.

The **Product Backlog** is an ordered list of everything known to be planned to be included in the product. It is the only requirement source for all changes to the product. The Product Owner is responsible for the Product Backlog, its contents, access to it, and the order of entries. A Product Backlog is never complete. During its first development steps, it shows the requirements known and best understood at the beginning. The Product Backlog evolves with the product and its use. It is dynamic; it constantly adapts to highlight clearly for the product what it needs to be appropriate to its task, to compete, and to provide the necessary benefits. The entries in the Product Backlog are recorded in the form of a User Story.

**Product Backlog Refinement** is a continuous process during which the Product Owner and the Development Team work together in order to detail, review, estimate, prioritize, and revise the Product Backlog entries. The Product Owner can also update or have the entries in the Product Backlog be updated at any time, even outside the Refinement.

The **Sprint Backlog** is the set of Product Backlog entries selected for the Sprint that are necessary to deliver the Increment and achieve the Sprint Goal [Tasks]. The Sprint Backlog is a prediction of the Development Team about what functionality will be included in the next Increment, as well as the work required to implement this functionality in a finished ["Done"] Increment. The Sprint Backlog makes all work visible that the Development Team deems necessary to achieve the Sprint Goal.

The **Increment** is the result of all Product Backlog entries completed in a Sprint and thus supplements or extends the result of the Increments of all previous Sprints. At the end of a Sprint, the new Increment must be finished ["Done" which means, it must be inspectable and usable. The Increment is a step towards a vision or a goal. It must be ready for use even if the Product Owner does not currently want to deliver it. In the end, the developed product consists of the sum of all Increments.

**Impediments** are obstacles for the Scrum Team that occur during a Sprint and hinder the team in fulfilling its task. Impediments are eliminated by the Scrum Master.

A **User Story** is a requirement formulated in everyday language. It is deliberately short and usually consists of only a few sentences, including the desired goal and certain acceptance criteria. The Product Owner writes the User Stories and adds them to the Product Backlog.

4. **Common understanding of the handling of individual orders / basic rules**

4.1. **Independent service provision / subcontractor**

4.1.1. The Contractor shall provide the contractual services independently and on its own responsibility.

4.1.2. In principle, the Contractor is free to choose the place of performance in providing its services. However, if the project requires the services to be provided, partially at Customer’s premises, the Contractor shall be prepared to provide the services to this extent in the relevant facilities. The parties shall agree on the relevant place of performance, taking the project requirements into account.

4.1.3. The Contractor is solely responsible for providing instructions to its employees and those of its subcontractors. The Contractor is free to organize the provision of its services and to schedule its activities. If required by the project, however, the Contractor shall cooperate with other parties involved in the project to coordinate the working time and to comply with agreed deadlines.

4.1.4. Where employees, vicarious agents or subcontractors are deployed, the Contractor hereby assures that all necessary official approvals (i.e. work and/or residence permits) have been obtained. The Contractor shall indemnify the Customer from any legal consequences resulting from failure to comply with these requirements.

4.1.5. The Contractor and its subcontractors shall ensure the fulfillment of all employer obligations, in particular in relation to the payment of salaries and social security contributions. The Customer shall have no liability for the payment of – including but without limitation – salaries, per diem allowances, personal taxes, social security payments and insurance payments pertinent to Contractor’s employees, sub-contractors and/or consultants. No contract of employment is deemed to exist by virtue of framework agreement and/or any purchase order between Customer and any person employed and/or subcontracted by the Contractor. The commissioning of a subcontractor (including external consultants and freelancers) shall require the written consent of the Customer; such consent may be refused without reasons being provided. The Contractor must indicate preferred subcontractors by including the name of the consultant and the company information in the quotation. Affiliates of the Contractor shall also be considered as subcontractors in this sense.

4.2. **Special rules for implementing Scrum**

4.2.1. The Contractor or the persons deployed by it may participate in the various meetings in accordance with the Scrum model and contribute to their organization. These meetings are in particular Daily Scrum, Sprint Planning, Sprint Retrospective and Sprint Review. The focus is on the exchange of information, performance results and status reports as well as the coordination, for example of next steps. Any form of collaboration with employees of the Customer in the sense of a joint development of work packages/tasks is not the subject of the cooperation.
4.2.2. The cooperation and the corresponding communication with employees of the Customer shall be limited to a professional and appropriate extent. The exchange of information etc. shall enable the respective counterpart to perform the services or processing of tasks independently and on the basis of its own decisions. No instructions may be contained or given. Scenarios or procedures such as pair programming [equal programming and problem-solving by two developers who work together on a work package] shall be absolutely refrained from as far as internal employees of the Customer and the Contractor or persons deployed by it are jointly involved.

4.2.3. Tasks shall not be assigned and such an assignment shall not be accepted. Tasks that become part of the service provisioning shall be derived jointly or independently from User Stories; respective tasks shall be defined, which are then independently selected or retrieved and processed. However, it is not problematic if the selection is made along a common prioritization of tasks.

4.2.4. The work package allocation options shown below ensure that tasks are processed without overlaps.

4.2.5. Malfunctions and impediments must be channeled by the Contractor or the persons deployed by it via the Scrum Master and may not be clarified independently with other employees in the Customer's organization. Other queries of the Contractor or the persons deployed by it, e.g., to the Product Owner during a Sprint, must also be coordinated via the Scrum Master.

5. Work package allocation options

In order to assure the independent provision of services by the Contractor or the persons deployed by it and to organize these free from overlaps with the work of Customer's employees, the following options for work package allocation are provided for. The specific option to be applied will be set out in the order.

5.1. Team-based allocation

5.1.1. Within the "team-based" allocation, the Development Team is divided into sub-teams. The Customer's internal employees form one sub-team, while the Contractor or the persons it deploys are members of the other sub-team. Both sub-teams have the same Scrum Master but their own Sprint Backlogs. Therefore the Product Backlog is divided into two different Sprint Backlogs before each Sprint, one for the internal and one for the external sub-team.

5.1.2. The Contractor ensures that it or the persons deployed by it do not retrieve and process any work packages from the internal Backlog. However, the Contractor or the persons deployed by it will only retrieve and process work packages from the external Backlog and document this in the Backlog accordingly. The Contractor or the persons deployed by it must be clearly marked as "external" in the Backlog or in another suitable form that allows a clear distinction between these and the Customer's internal employees.

5.2. Skill-based allocation

5.2.1. In the "skill-based" allocation, the distinction between internal employees of the Customer and the Contractor or the persons deployed by it is made on the basis of the skill description specified in the order. A skill is staffed either internally or externally in a Development Team. The skill description specified in the order is followed also in the Sprint Backlog in order to mark and trace clearly which skills are required to complete the respective work package.

5.2.2. Work packages marked with a skill for which the Contractor has not been commissioned may not be retrieved and processed by the Contractor or the persons deployed by it. The Contractor ensures that it or the persons deployed by it only retrieve and process such work packages from the Sprint Backlog and document this in the Backlog accordingly, which are marked with skills for which the Contractor was commissioned.

5.3. Combinations for work package allocation

5.3.1. Both work package allocation options can be combined in a project. For example, one of two sub-teams may consist entirely of external staff, eventually with the participation of several Contractors. In the second sub-team, one or more skills would be covered by Contractors, while further skills would be covered by the Customer.

5.3.2. The Contractor ensures that it or the persons deployed by it also meet the respective requirements of the options in the combination, i.e., the team-based or skill-based allocation. In so far as the Contractor is commissioned for both options of the combination, it shall ensure that it appoints different persons for both options in order to ensure the differentiation of the sub-teams.