

# General Terms of Business

DEUTSCHE INKASSO, hereinafter referred to as **DI**, shall perform for the client the collection of untitled, presumably uncontested claims as well as the monitoring and collection of claims already titled at home and abroad. After awarding the assignment, the Client shall not negotiate with or continue proceeding against the claim debtor without the consent of **DI**.

**Assignment processing.** When processing the assignment, **DI** can proceed at its own discretion after due assessment of the circumstances. **DI** is entitled to agree payment by instalments and deferments with the debtors as well as receive payments. Settlements or reductions require the consent of the Client.

**DI** can reject assignments or discontinue the collection procedure without giving any reason. The Client shall give **DI** all appropriate and useful information related to the assignment. If activities have been exhausted in extra-judicial proceedings, **DI** shall be authorised to instruct a contract lawyer to carry out judicial proceedings as well as all actions related to the same, including the receipt of monies. The contract lawyer shall act in the name of the Client and be entitled to provide **DI** with information on the progress of the proceedings at any time. The lawyer shall be entitled to request an advance from the Client for expenses and court costs expected to be incurred. An advance on lawyer's fees will not be levied. The contract lawyer shall act independently and autonomously.

**Collection costs.** **DI** shall levy collection costs from the debtor where the respective legal system permits (cf. **Offsetting** below).

**Lawyer's fees.** Should the debtor raise objections against the claim passed for collection, the Client shall bear the lawyer's costs if judicial proceedings are required to enforce the claim. The same shall apply to recovery proceedings abroad. These shall only be carried out with the written consent of the Client; the court and legal costs customary for the country concerned shall be charged, together with miscellaneous expenses.

**Success commission.** On successful collection of the claim, **DI** shall receive from the Client a success commission of 22% on amounts up to € 500.00, 16% on amounts up to € 2,500.00 and 11% on amounts over € 2,500.00 from all payments relating to the claim, from settlement of the same or from its reduction in any other way – after deduction of collection costs and expenses. This commission cannot be claimed from the debtor. Separate rates of commission shall apply to claims for which legal recourse has been exhausted.

**Non-success flat rate.** Should the work prove to be unsuccessful, **DI** shall only charge the Client a non-success flat rate sum. This shall amount to € 39.00 for claims up to € 500.00, € 69.00 for claims up to € 2,500.00 and € 99.00 € for claims over € 2,500.00. Should the Client's claim comprise several separate partial claims, the non-success flat rate shall be charged separately from the respective partial claim amounts. The expenses disbursed to third parties by **DI** must also be paid.

**Offsetting and payout.** The collection costs and commission, as well as other expenses shall be deducted from or offset against the payments received by **DI**, the Client or the contract lawyer. Other claims by **DI** against the Client can be offset in the same way. The client shall also pay **DI** collection costs, miscellaneous expenses and success commission where the debtor or third parties make payments to the Client. The same shall apply in the case of settlement or reduction of the claim in any other manner; the Client shall inform **DI** of this accordingly and without delay. Legal consequences and costs arising through infringement of this obligation shall be borne by the Client.

Monies collected shall be transferred to the client monthly in the case of part payments and immediately after the final account in the case of full payment.

**Value Added Tax.** The rate of VAT currently in force shall be charged on all collection costs, fees, flat rate amounts and success commission.

**Termination by the Client.** The Client shall be entitled to terminate an assignment if no reduction of the claim has occurred within a period of two years of the assignment being issued, no securing of the claim has been achieved and there is no prospect of payment. The term of notice shall be six months from end of month. In the case of due notice being given, **DI** shall invoice the Client for the collection costs; the agreed commission shall only be charged in this case if all or part of the claim has been recovered within the term of notice. In the case of exceptional termination by the Client, the Client shall be liable to pay fixed-rate compensation in the sum of the collection costs, expenses and success commission even if a claim passed for collection proves to be entirely or partially non-existent. The Client shall have the opportunity to prove that no loss or damage or a lesser degree of loss or damage has been incurred by **DI**. The Client shall also bear the costs, fees and expenses of the contract lawyer.

**Termination/discontinuation by DI.**

**DI** shall be entitled to terminate the contractual relationship if, after the awarding of the assignment, the Client negotiates with or continues to proceed against the debtor in an arbitrary manner and without the written consent of **DI**. The Client shall be liable to pay compensation for loss or damage arising through its arbitrary action. Should the collection of a claim for which legal recourse has been exhausted appear to **DI** to be without any prospect of a successful outcome at the time following due examination of the circumstances, the Client shall be able to request discontinuation of the collection activity. In such cases, **DI** shall only charge the non-success flat rate amount plus necessary expenses according to the terms and conditions currently valid. In monitoring proceedings, on the other hand, **DI** shall be able to discontinue handling the matter where there is evidently no prospect of a successful outcome. The Client shall pay all the legal fees incurred to the contract lawyer if the Client or third parties on its behalf wish to collect the claim subsequently. The same shall apply to collection costs and necessary expenses.

**Liability and limitation of time.** When accepting and executing assignments, **DI** shall only assume liability for loss or damage caused by intent or gross negligence on the part of its legal representatives or vicarious agents. Any more extensive liability, on whatever legal grounds, especially compensation for consequential damage shall - insofar as legally permissible - be excluded. Liability for limitation of action in respect of the claim shall be excluded unless **DI** is expressly instructed to act with regard to extending or interrupting the limitation period. All claims against **DI** shall become time-barred two years after the date of the final account.

**Retention periods.** Once an assignment has been completed, **DI** shall issue the final account to the last known address of the Client. Insofar as the Client does not request the return of the documents provided to **DI** within one month of the final account, **DI** shall be entitled to destroy such documents. In the case of an unsuccessful outcome, the documents provided to **DI**, including the executory title, shall be returned to the Client unless **DI** undertakes the monitoring proceedings.

**Data protection.** All assignments shall be entered in the data processing system. The Client consents to **DI** also transmitting personal data within the scope of the intended purpose of the Client, with due regard for the Data Protection Law.

**Concluding provision.** Ancillary agreements shall only be valid if confirmed in writing by **DI**. The court of jurisdiction and place of performance for any disputes arising from this contractual relationship shall be Palma de Mallorca. (Version dated 15 April 2005)