

General Terms and Conditions

1 Cooperation

- 1.1 The parties to the contract work trustfully together and inform each other immediately about divergences from the agreed proceeding or about doubts concerning the rightness of the course of action
- 1.2 As soon as the client recognizes that his own indications and claims are incorrect or defective, incomplete, ambiguous or not operable, he has to inform the agency immediately about it.
- 1.3 The parties to the contract call themselves contact persons and their representatives, and they manage the realisation of the contractual relationship for the party to the contract to be called in a responsible and competent way.
- 1.4 The parties to the contract must inform each other about eventual changes of the called persons immediately. Until the access of such information, the before called persons or their representatives are considered to be authorised to issue statements and receive them within the framework of their authorisation.
- 1.5 The contact persons inform each other periodically about progress and obstacles during the realisation of the contractual relationship with the purpose to intervene eventually in a controlling manner on the realisation of the contract. The agency will write a journal about the exchange of information of the contact persons. The journal will be sent to the client. In case of differences of opinion the client has the right of the recording of his opinions in the journal. This right should be exercised at the latest one week after the receipt of the journal.

2 The client's obligation to co-operate.

- 2.1 The client assists the agency in the completion of the contractually owed services. Here it is mainly necessary to make available informations, datas, hard- and software in time, as required for the client's services. The client will inform the agency in a detailed manner about the services he will bring in.
- 2.2 The client will place the necessary number of his own assistants at the disposal of the agency for the realisation of the contract. They will be provided with the necessary technical qualification.
- 2.3 In case that the client committed himself to provide the agency with material (images, audio, text etc.) in the framework of the realisation of the contract, he has to provide the agency immediately with this in a current, utilisable and possibly digital form. If the conversion of the material - left by the client - in another format is necessary, than the client will bear the expenses. The client makes sure that the agency gets the necessary rights for the utilisation of the material.
- 2.4 The client will bear the expenses for the acts of co-operation.

3 Presentations

The development of conceptual and creative suggestions of the advertising agency with the objective of the conclusion of the contract with the firm which wants to advertise, without prejudice of differing regulations in the single case, happens against payment with the fee agreed therefore with the client (presentation fee). The presentation fee will be calculated in the case of the placement of the order on the agency commission. Property and copy right on works presented by the advertising agency in the framework of presentation remain with the agency in case of calculation of a presentation fee. If works presented in the framework of the presentation will be fully payed according to the agreement, accordingly to cypher 7 the property and copy rights pass over to the client.

4 Fidelity bonds with the client.

The fidelity bond with the client obliges the agency to an impartial and objective consultation of the client. This concerns especially questions regarding the application of media and the choice of a third company or person by the agency, e.g. in the ambit of the production of advertising material. Unless the client didn't reserve to himself expressly his voice in the matter, the choice of thirds will take place in consideration of the policy of a well-balanced relationship between economics and best possible success of the firm who wants to advertise.

5 Media order / Postage

The agency places orders to media and sender on his own behalf and on his own account to the most advantageous conditions for the firm who wants to advertise. Media services and forwarding expenses (postage) are to be payed in advance.

6 Exclusion of business competition

The agency commits itself to inform its client about possible competitive conflicts and concedes on demand the exclusion of business competition for products and services singularly specified. To the concession of the exclusion of business competition of the agency corresponds the obligation of the client not to assign orders of consultation, planning, design and realisation concerning the subject of the contract to further advertising agencies during the contract running.

7 Participation of thirds

For thirds that operate at the client's instance or acquiescence in the field of action of the agency, the client has to be responsible like an assistant. The agency has not the responsibility towards the client if the agency cannot comply entirely or partially or not in time as a result of the behaviour of a third party with the commitments it has taken with the client.

8 Dates

- 8.1 Dates for the rendering of the service on the side of the agency can be agreed upon only by the project manager.
- 8.2 The parties to the contract will agree upon dates possibly in written form. Dates, which cannot be kept and in this way one of the parties of contract will default without admonition as described in § 286 paragraph 2 in the German Civil Code (binding dates), are always to be fixed in written form and are to be indicated as binding.
- 8.3 The agency is not responsible for delays of services as a result of superior force (e.g. strike, lockout, official commands, general disturbs of telecommunication etc.) and circumstances, for which the client is responsible (e.g. not timely assistance to the service, delays of a third party called by the client etc.) and this delays authorise the agency to postpone the meant services for the duration of the disability plus an appropriate period of time. The agency will inform the client about delays of services as a result of superior force.

9 Changes of services

- 9.1 In case that the client should want to change the amount of the services of the agency contractually agreed upon, than he has to do this in a written form. The further procedure complies with the following dispositions. With change requests, which can be rapidly controlled and can be realized within 8 hours of work, the agency can desist from the procedure as described in paragraph 2 – 5.
- 9.2 The agency controls which effects the requested change can have, particularly concerning the compensation, additional work and expense and dates. If the agency realises that services to be rendered due to the control can't be realised, or only with a delay in time, than the agency will inform the client about it and will point him out, that the change requests can only be controlled if the services in question could be postponed for an uncertain time. If the client agrees with the delay, than the agency will control the practicability of the request of change. The client has anytime the right to retreat the request of change. The already started procedure of change will stop here.
- 9.3 After having controlled the request of change, the agency will inform the client about the effect of the request on the reached agreements. The information will enclose a detailed suggestion for the realisation of the requested change or specifications about why the requested changes can't be realised.
- 9.4 The parties of the contract will agree without delay on the content of the suggestion for the realisation of the change and will attach the result of a successful coordination as a rider to the text of the agreement, to which the change refers.
- 9.5 Should an agreement not succeed or should the procedure of change end for another reason, than the original scope of services will remain. The same does apply in case that the client does not agree with a postponement of the services for an ulterior controlling as described in paragraph 2.
- 9.6 Dates concerned by the procedure of change will be postponed if necessary taking into consideration the duration of the controlling, the duration of the consultation about the suggestion of change and eventually the duration of the realisation of the change requests plus adequate terms of starting.
- 9.7 The client has to bear the expenses caused by the request of change. To this belong in particularly the controlling of the change request, the development of a suggestion for changing and eventual times of standstill. The expenses will be calculated - in case of an agreement of the parties about daily rates - on this basis, otherwise on the basis of the normal compensation of the agency.
- 9.8 The agency is entitled to change the services to render accordingly to the contract or to diverge from them, as long as the changes or divergences are reasonable for the client taking into consideration the interests of the agency.

10 Retention of title

- 10.1 Delivered products remain property of the agency until the complete payment.
- 10.2 The following disposition applies only in commerce: the delivered products remain property of the agency until the complete payment of the claims existing to the date of invoice of the agency towards the client. The client has the right to resale only during the correct course of business. In that way the client assigns his claims from the resale to the agency. The agency accepts the assignment. At the latest in the case of default the client is obliged to name the debtor of the assigned claims. Should the value of the securities of the agency exceed the assignments more than 20%, than the agency is obliged on demand of the client or of a third affected by over-security of the agency to release the securities at agency's option.
- 10.3 With the handling or converting of products delivered by the agency being in its property, the agency is to be regarded as producer as described in § 950 of the German Civil Code and so it keeps at every moment of the

converting property on the products. Should third parties be concerned with the handling or converting, than the agency is limited on his co-ownership share in the amount of the value of the invoice of the products under reserve. The so acquired property is considered property under reserve.

11 Compensation

- 11.1 The client – providing evidence - bears the travel expenses and the expenses for overnight stay and all expenses, which arise with the execution of the contract as well as claims of compensation of thirds. Travel expenses can be compensated only if the journey from the domicile of the company is more than 50 km long. The pure journey time will be compensated at half rates. For transaction with thirds, whose expenses will be calculated directly on the client, the agency can demand a handling fee in the amount of 15%.
- 11.2 The compensation of the agency results from the conditions regulating the single order (fees on time, all inclusive fees, fixed prices). The agency has the right with projects, which have a duration of more than 4 weeks, to calculate monthly advance payments, which are orientated in their amount to the development of the project. Significant for the compensation of expenditure of time are the respectively valid compensation rates of the agency, as far as there is no further agreement. The agency has the right to change or endorse the compensation rates which are the basis of the agreements at it's own discretion (§ 315 German Civil Code). Estimates issued by the agency or budget planning are not binding.
- 11.3 Prices named in the offer are valid under reserve, that the dates of the order which form the basis of the hand over of the offer stay unaltered, at the latest however four months upon entry of the offer to the client. In case of orders with consignment to thirds, the purchaser is the client, as far as no other clear agreements were made.
- 11.4 Prices for deliveries of goods are ex works if not regulated otherwise and do not comprehend packaging, freight, postage, insurance and other forwarding charges.
- 11.5 If the parties to the contract didn't find an agreement about the compensation for the services of the agency, whose supply the client could only expect against compensation, the client would compensate the services with the rates of compensation usually known for these services. In doubt the rates of compensation requested from the agency for their services are customary.
- 11.6 All compensations, agreed upon by contract, understand themselves plus the current legal purchase tax.

12 Rights

- 12.1 The agency concedes the client for the rendered service the simple, in space and time not limited right to use these services according to contract. If software is the object of the services, than it will apply §§ 69 d und e (German Copyright Act).
- 12.2 A further use as described in paragraph 1 is illegal. In particular the client is not allowed to grant sublicences and to copy or lease services or to use them in any other way.
- 12.3 Until the complete payment of compensation, the client is allowed to applicate the rendered services only revocably. The agency can revoke the application of such services, for which the client is in default with the payment of compensation, for the duration of the default.

13 Infringement of an industrial property right.

- 13.1 The agency indemnifies at its own expense the client from all claims of thirds resulting as infringement of an industrial property right (patents, licenses or other industrial property rights). The client will inform the agency immediatly about the asserted claims of thirds. Should the client not inform the agency immediatly about the asserted claims, than the right of recourse will extinguish.
- 13.2 In case of infringement of an industrial property right the agency can – without prejudice of claims for damages of the client – make modifications of its own choice and at its own expense regarding the concerned services after prior consultation with the client. This changes or modifications guarantee - taking into consideration the protection of interests of the client – that there is no infringement of an industrial property right anymore. The agency can acquire the required rights of use for the client.

14 Rescission

The client can recede from a neglect of duty not consisting in a defect of the work only if the agency is responsible for this neglect of duty.

15 Rescission

- 15.1 The agency is liable for intention and gross negligence. For slight negligence the agency is liable only in case of violation of a contractual obligation (cardinal obligation) as well as for damages resulting from injury of life, of the body or of the health.
- 15.2 The liability is limited in its sum in case of slight negligence on the quantum of predictable damages, whose occurrence was to be calculated. In any case the liability is limited on the amount of the agreed fee.
- 15.3 The agency is not liable insofar for the loss of data or programs, as the damages were caused by the fact that the client failed to save data and failed to make sure that lost data could be restored with reasonable expenses.

- 15.4 Liability with delivery of goods (print products).
- 15.4.1 The client has to check in any case if the delivered products as well as the pre- and intermediate products sent for correction are according to the contract. The danger of eventual errors passes with the declaration of “ready for press” on to the client, as far as it doesn’t concern errors, which emerged or could be recognized only after the completion following the declaration of ready for press. The same applies for all the other release certificates of the client.
- 15.4.2 Complaints are licit only one week after the receipt of the goods. Latent defects, which are not to be found after an immediate examination, must be claimed within the legal period of warranty.
- 15.4.3 Concerning legitimate complaints, the agency is obliged at its own option with the exclusion of other claims to remedy or replacement. In the case of delayed, omitted or failed remedy or replacement the client can claim reduction of compensation (reduction) or rescission of the contract (annulment).
- 15.4.4 Defects of one part of the delivered goods do not entitle to complain the whole delivery, unless the part delivery is of no interest for the client.
- 15.4.5 Concerning coloured reproductions in every production process, negligible divergences from the original can’t be complained. The same applies for the comparison between other artworks (e.g. Digital Proofs, press proofs) and the final product.
- 15.4.6 The consignee is liable for divergences in the properties of the used material only up to the amount of the value of the order.
- 15.4.7 Supplies (data medium, transferred data) of the client or from a third party called by the client must not be checked by the agency. This does not apply to evidently not processable or readable data. Concerning data transmission, the client has to install before the transmission an anti-virus-program, which is on the latest technical standard. The client alone is responsible for data saving. The agency has the right to make a copy.
- 15.4.8 Products belonging to the client, in particular data and data media, will be filed only after explicit agreement and against particular compensation beyond the time of delivery of the final product to the client or his assistant. Should the mentioned products be insured, than the client himself has to procure an insurance, if not agreed upon otherwise.
- 15.4.9 Excess delivery or short delivery until 10% of the ordered edition can’t be complained. The delivered quantity will be calculated. Concerning deliveries of custom-made products of paper under 1000 kg the percentage increases up to 20%, under 2000 kg up to 15%.
- 15.4.10 If the goods are sent, the danger will pass over to the client, as soon as the sending is delivered to the institution responsible for the transport.
- 15.5 The mentioned dispositions apply to the assistants of the agency, too.

16 Packaging

The agency takes back packages in the framework of its obligations regulated by the dispositions about packaging. The client can give back packages in the office of the consignee during normal trading hours after previous announcement, unless he knows another collecting point. Packages can be given back in the moment of the delivery, too, unless it was mentioned another collecting point. Packages will be taken back only immediately after the delivery of the goods, further deliveries however only after timely previous announcement and supply. The costs for the transport of the used packages will be beard by the client. If a mentioned collecting point is more far away than the office of the consignee, the client has to bear only the costs for the transport to the office of the agency. The given back packages must be clean, free of impurities and must be sorted properly. Otherwise the agency has the right to claim the additional costs for the disposal from the client.

17 Interdiction of poaching

The client commits himself during the duration of the cooperation of the parties and for a period of one year not to poach any staff member of the agency or to employ them without the consent of the agency. For every case of culpable contravention the client commits himself to pay a contract penalty, which is to be fixed in its amount by the agency and is to be checked by the tribunal in case of a case.

18 Secrecy, press statement

- 18.1 Documents and communicated cognitions and experiences, consigned to the other party to the contract, may only be used for the purpose of the contract and may not be made accessible to third persons, unless they are not meant to be made accessible to thirds or already known to thirds. Third persons are not assistants, free lancers or subcontractors etc. called in for the realisation of the contract.
- 18.2 Furthermore the parties to the contract are bound to confidentiality concerning the content of this contract and the cognitions gained during the realisation of the contract.
- 18.3 The bondage to secrecy applies over the end of the contractual relationship.
- 18.4 If one party to the contract demands it, all documents like policy papers, briefing documents etc. must be given

to her after the end of the contractual relationship, as far as the other party to the contract does not claim a legitimate interest for it.

- 18.5 Press statements, informations etc., in which one party to the contract refers to the other, are licit only after previous written coordination – even per e-mail.

19 Arbitration

- 19.1 The parties to the contract try at first to find a solution for all differences of opinion resulting from the contractual relationship through an exhaustive discussion between the contact persons.
- 19.2 Shouldn't the parties to the contract be able to solve their differences in opinion, than these should be solved by an arbitration process. If one party refuses an arbitration process, than it could take court action after having informed in written form the other party about it.
- 19.3 To carry out an arbitration process, the parties will appeal the right arbitration board with the target to solve the differences of opinion according to the conciliation act completely or partially, temporarily or definitively.
- 19.4 To enable an arbitration, the parties renounce reciprocally a plea of prescription lapse for all claims concerning the facts of the case from the request for conciliation until one month after the end of the arbitration process. The renouncement causes a suspension of the period of limitation.
- 19.5 Dates affected by the arbitration process, inclusively the previous discussion between the contact persons, will be postponed taking into consideration the duration of the arbitration and eventually the duration of the execution of the results from arbitration plus a reasonable term of starting where required.

20 Miscellaneous

- 20.1 The assignment of the claims is only licit after previous consent in written form of the other party to the contract. The consent must not be refused unduly. Dispositions described in § 354 a of the German Commercial Code will remain unaffected.
- 20.2 The right of retention can only be claimed by reason of counterclaims resulting from the respective contractual relationship.
- 20.3 The parties to the contract can only count up with claims, which are sentential or uncontested.
- 20.4 The agency may mention the client in his website or in other media as reference customer. The agency may moreover reproduce in public the rendered services for purposes of demonstration or may point them out, unless the client can claim an opposite legitimate interest.

21 Final clause

- 21.1 All changes and supplements of contractual agreements must be stipulated in a written form for purposes of evidence. Notices of termination of work contract must be stipulated in a written form. Informations, which have to be stipulated in a written form, can be written in an e-mail.
- 21.2 Should single dispositions of the agreement between the parties be completely or partially effectless, than the efficacy of the residual dispositions will not be affected by it. The parties will in that case replace the invalid disposition with a valid one, which comes possibly close to the economic purpose of the invalid disposition. The same applies to possible gaps in the agreement.
- 21.3 The general terms and conditions of the client are not integral part of the contract.
- 21.4 The law of the Federal Republic of Germany is applicable to the exclusion of the Private International Law and of the law of UN Convention on Contracts for the International Sale of Goods.
- 21.5 Exclusive jurisdiction for all litigations resulting from the contract or in connection with the contract is the domicile of Djuma GmbH.