

## **General Terms and Conditions of Business for Deliveries from Double Q to Third Parties**

The following Terms and Conditions of Business at Double Q apply for all contracts with entrepreneurs as defined by Section 14 of the German Civil Code (“BGB”). They equally apply for all future business relationships with the contractual partner, even without renewed expressed agreement. Terms and conditions on the part of the client shall not become contract content, even without expressed objection on the part of Double Q. As opposed to terms and conditions on the part of the client which become content of the contract, the Terms and Conditions of Business at Double Q remain in force insofar as the client’s terms and conditions do not regulate the following points.

### **1. Subject Matter of Performance and Deliverables**

1. Performance obligations on the part of Double Q ensue solely from the respective order on the part of the client insofar as said order has been accepted by Double Q in writing / per telefax. Tenders or proposals from Double Q are non-binding and subject to alteration.
2. Deliverables which are not quoted in the tender or proposal but are instead rendered at the client’s instruction or due to erroneous information provided by the client can be invoiced separately.

### **2. Provisioning of Deliverables by Double Q**

1. If the client stipulates material modifications of the subject matter of the contract after conclusion of the contract, each of the agreed delivery dates shall be replaced by the next possible date. This equally applies in the event that the client does not undertake necessary acts of co-operation (e.g. release approvals) or contractually stipulated partial payments or instalments by the due dates.
2. If Double Q is hindered in complying with delivery dates due to force majeure, both partners to the contract are entitled to rescission from the contract, whereby claims to damages and/or compensation are ruled out. If the non-compliance with delivery dates is attributable to force majeure, e.g. mobilisation, war, rebellion, strike or lockout or to similar occurrences for which Double Q is not accountable, said delivery dates are extended for the periods of time during which the occurrence of force majeure or the performance-hindering repercussions due to the occurrence persist.
3. The objects supplied by Double Q remain the property of Double Q until payment has been made in full. In the event that the client resells said supplied objects, the client assigns its claims resulting from the resale to Double Q; Double Q accepts this assignment.

### **3. Acceptance Approval**

1. Acceptance approval of the deliverables rendered by Double Q takes place at an approval appointment. If the client or a representative authorised by the client does not appear at the agreed approval appointment, acceptance approval is deemed to have occurred. This equally applies when the client utilises the deliverables without objection.
2. Acceptance approval is deemed to have taken place after 12 (twelve) days have elapsed when Double Q has notified the client of the ensued completion in writing.
3. Insignificant deficiencies do not pose an obstacle to acceptance approval.

### **4. Rights to Deliverables from Double Q**

1. Insofar as it has not been explicitly agreed otherwise, the client is entitled to use the deliverables from Double Q solely within the framework of the expressly or tacitly envisaged chronological, geographical or content-related purpose. Uses above and beyond this are permissible solely following written consent by Double Q.
2. Drafts, production documents and assembly documents remain the property of Double Q, even in the event of conveyance in the form of a data file. Upon request by Double Q the client is obliged to hand over all reproductions made or to the destruction thereof.
3. Double Q can make use of the deliverables towards self-promotion within a scope customary to business practice. Double Q is permitted to state the client's corporate designation thereby, provided that the client does not prohibit this in writing.
4. Insofar as the client provides materials (e.g. drafts, photos, designs) for the deliverables from Double Q, the client is responsible that they do not infringe upon any rights whatsoever held by third parties, e.g. copyrights or industrial property rights. Double Q is not obliged to perform verification thereof on its own. In the event and to the extent that a claim is lodged against Double Q, the client indemnifies Double Q against claims of this nature upon first demand.

### **5. External Deliverables**

1. Double Q is authorised to commission those external deliverables envisaged as a part of order fulfilment on behalf of the client and for the client's account. Upon request by Double Q the client grants authorisation in writing to do so.
2. With respect to those external deliverables envisaged as a part of order fulfilment, the right to proper and timely self-delivery remains reserved. Double Q shall notify the client promptly regarding the non-availability of an external deliverable and develop alternatives. In this case the client is entitled to give notice of termination; clause 7. applies correspondingly thereby.

3. If Double Q concludes contracts on its own behalf and for its own account regarding external deliverables of this nature, the client indemnifies Double Q internally against liabilities incurred, particularly from the obligation towards payment of consideration.

## **6. Remuneration, Due Date, Arrears**

1. Agreed remunerations are net sums without deduction or cash discount, and are payable subject to addition of the legally applicable sales tax or VAT.
2. The client reimburses Double Q for expenses towards fulfilling the commissioned order (e.g. external deliverables, costs of couriers, travel expenses) in addition to the remuneration paid to Double Q. Double Q levies a service fee amounting to 12% of the respective net payment for the handling and stewardship of external deliverables.
3. The remuneration is due upon acceptance approval of the outcomes pertaining to performance. The client can offset solely using accounts receivable which are uncontested or have been established to be legally binding. If performance in instalments is agreed, the respective partial acceptance approval applies as the due date for agreed partial payments. Without an agreement regarding the amount of such partial payments, at least half of the total remuneration is due upon the first partial acceptance approval. Double Q can invoice for partial payment in accordance with performance progress.
4. If a lump-sum remuneration is agreed, Double Q charges for additional deliverables or services which become necessary due to wishes for modification on the part of the client or due to unforeseen circumstances for which Double Q is not accountable at an hourly rate of EUR 130 per hour.
5. In the event that payment is overdue, Double Q can charge interest on payments in arrears amounting to 10% above the base rate of interest (Section 247 of the German Civil Code ["BGB"]). However, it remains open to the client to prove that the damage caused by being overdue does not lie more than 8% above the base rate of interest.
6. The client is entitled to offset solely using accounts receivable which are uncontested or have been established to be legally binding.

## **7. Premature Termination**

If the client cancels the commissioned order prior to its execution by Double Q, Double Q can assert a lump-sum amount of 15% of the total value of the commissioned order instead of the entitlements resulting from Section 649 of the German Civil Code ("BGB") for expenditures incurred and foregone profit. This entitlement does not exist when the client proves that the

amount due Double Q pursuant to Section 649 of the German Civil Code ("BGB") is substantially less than this lump-sum amount.

## **8. Warranty**

1. The client is obliged to inspect performance rendered by Double Q promptly upon receipt and equally obliged to lodge prompt complaint with Double Q regarding possible deficiencies. The client communicates complaints with respect to apparent deficiencies in writing within 5 (five) workdays after performance has been provided; with respect to deficiencies which are not obviously apparent, within 2 (two) weeks after detecting the deficiency. Periods for lodging a complaint are safeguarded by mailing punctually. Once the period for lodging a complaint has elapsed, the deliverable from Double Q is deemed to be approved with respect to the deficiency and Double Q as exempted from the warranty.
2. In the event of merely insignificant deviation from the agreed condition or quality or in the case of insignificant impairment of usability, no claims towards deficiency exist. Double Q is obligated to subsequent rectification in the course of supplementary fulfilment, though not to new production. A demand for subsequent rectification is to be communicated in writing while granting a period for subsequent rectification of at least 10 (ten) work days. If the subsequent rectification along with a second attempt towards subsequent rectification are unsuccessful, the client has the option to demand a reduction in price or to rescind the contract.
3. Without prejudice to further entitlements on the part of the supplier, in the event of an unfounded complaint the commissioning party is to reimburse the supplier for expenses towards verification of the deficiency and – where requested – towards rectification thereof.

## **9. Liability**

1. Double Q and its vicarious agents are liable in the event of a breach of material contractual obligations (cardinal obligations) and for injury to persons' lives, bodily harm to persons and damage to persons' health, even in the case of slight degrees of negligence pursuant to statutory provisions. The same equally applies in the case of product liability claims. For other damages, Double Q is liable only in the case of wilful or grossly negligent conduct. Claims made due to the culpable breach of material contractual obligations are limited to the foreseeable direct damage typical to the contract. Subject to proof of greater damages, this amounts at the most to 3 (three) times the value of the commissioned order.

## **10. Limitation Period**

1. Regardless of the legal ground, the limitation period for claims and rights due to deficiencies in deliverables from Double Q is 1 (one) year. This does not apply in cases pursuant to Section

438 (1)1 of the German Civil Code (“BGB”) [defects in title in the case of immovable objects], Section 438 (1)2 of the German Civil Code (“BGB”) [building structures and objects for building structures], Section 479 (1) of the German Civil Code (“BGB”) [claims to recourse on the part of the entrepreneur], or Section 634a (1)2 of the German Civil Code (“BGB”) [building structures or works, the success of which comprises the rendering of planning or supervisory services for them]. In these cases the limitation period is 3 (three) years.

2. The limitation periods as per subclause 1. equally apply for all claims for damages or compensation against Double Q existing in connection with the deficiency, independent of the claim’s legal basis. Insofar as claims for damages or compensation against Double Q exist which are not in connection with the deficiency, the limitation period set out in the first sentence of subclause 1. applies.
3. The limitation periods pursuant to subclauses 1. and 2. apply with the following restriction:
  - a. In general, the limitation periods do not apply in the case of wilful actions or in the case of fraudulent non-disclosure of a deficiency.
  - b. Furthermore, the limitation periods do not apply for claims for damages or compensation in the event of a grossly negligent breach of obligation, in the case of a culpable breach of material contractual obligations which does not consist of the rendering of a deficient performance of work, in cases of culpably caused injury to life, limb or health, or in the event of claims pursuant to the German Product Liability Act. The limitation periods for claims for damages or compensation equally apply for the reimbursement of futile expenditures.
4. For all claims, the limitation period commences with delivery; in the case of performances of work with acceptance approval. Insofar as it has not been explicitly defined otherwise, the statutory provisions regarding commencement of the limitation period, the suspension of expiration and the suspension and recommencement of time limits remain unaffected. A change in the burden of proof to the detriment of the client is not associated with the aforementioned provisions.

## **11. Concluding Provisions**

1. The venue for the court of jurisdiction is Hamburg, Germany.
2. German law is applicable to the contractual relationship, with the exception of the United Nations Convention on Contracts for the International Sale of Goods and the provisions for referral stated for conflict of law within German private international law.
3. Any collateral agreements made verbally are invalid. Amendments or supplements occur solely via the executive management at Double Q. Agreements made verbally or statements

given by other persons are valid only when confirmed in writing by the executive management at Double Q.