

## General Terms and Conditions of Purchase of TERRITORY GmbH

### 1. Scope

1.1 The following General Terms and Conditions of Purchase ("GTCP") of TERRITORY GmbH, Am Baumwall 11, 20459 Hamburg, Germany, (hereinafter referred to as "TERRITORY", "Buyer", or "we") form the basis for all contracts in which deliveries and services, including consulting services, are provided to TERRITORY (all subsidiaries) by our contractual partner ("Supplier" or "you"). The Terms and Conditions of Purchase are designed for the business-to-business sector and apply only to companies, legal entities under public law, and special funds under public law. They do not apply to consumers. Our GTCP shall also apply to all future deliveries, services or offers to us, even if they are not agreed again separately.

1.2 In this GTCP, the generic masculine gender is uniformly used for simplification and better readability. In principle, persons of any gender are included, unless the meaning dictates otherwise.

1.3. Our GTCP shall apply exclusively; we do not recognise any terms and conditions of sale of the Supplier that conflict with or deviate from our terms and conditions, in particular on invoices or delivery notes, unless we have expressly agreed to their validity in writing. Our GTCP shall also apply if we accept the Supplier's delivery or service without reservation in the knowledge that the Supplier's terms and conditions conflict with or deviate from our terms and conditions. Even if we refer to a letter containing or referring to the Supplier's or a third party's terms and conditions, this does not constitute an agreement to their validity. A simple retention of title by the Supplier remains unaffected. By placing an order, you accept our terms and conditions as solely authoritative. Text form is sufficient for all "written" notifications or declarations under the GTCP.

1.4. Only those provisions of the contracting parties that deviate from these GTCP in the order or in other agreements or arrangements shall take precedence over these GTCP.

### 2. Orders and commissions

2.1. Insofar as our offers do not expressly contain a binding date, we shall be bound by them for one week after the date of the offer. The receipt of the declaration of acceptance by us is decisive for timely acceptance.

2.2. We are entitled to change the time and place of delivery as well as the type of packaging at any time by giving written notice of at least 10 calendar days before the agreed delivery date. The same applies to changes in product specifications insofar as these can be implemented within the framework of the supplier's normal production process without significant additional efforts, whereby in these cases the notification period pursuant to the preceding sentence shall be at least 14 calendar days. We shall reimburse the Supplier for any demonstrable and reasonable additional costs incurred as a result of the change. If such changes result in delays in delivery which cannot be avoided with reasonable efforts in the Supplier's normal production and business operations, the delivery date agreed originally shall be postponed accordingly. The Supplier shall notify us in writing of any additional costs or delays in delivery to be expected from him on careful assessment in good time before the delivery date, but at least within 3 working days after receipt of our notification pursuant to sentence 1.

2.3. We are entitled to withdraw from the contract at any time by written declaration stating the reason if we are no longer able to use the ordered products in our business operations or are only able to use them at considerable expense due to circumstances for which the Supplier is responsible and which occurred after the conclusion of the contract (such as the lack of compliance with legal requirements) or if the financial circumstances of the Supplier deteriorate after the conclusion of the contract in such a way that delivery in accordance with the contract cannot be expected.

2.4. If the Supplier acts as a subcontractor of TERRITORY in the projects carried out for its customers, then TERRITORY is bound

by the contract with its customer to certain specifications that are not negotiable. The customer and its requirements, such as its terms and conditions of purchase, shall be made known to the supplier in advance of an order being placed. Within the scope of the purpose of the contract, TERRITORY shall receive from the supplier permanently, spatially and temporally unlimited as well as transferable all rights of use and processing that are required to fulfil its own contractual obligations towards its customer in accordance with the latter's terms and conditions of purchase.

2.5. The commissioning of third parties to fulfil the services incumbent upon the Supplier shall require the prior written consent of TERRITORY, whereby consent may only be refused for good cause. If the third parties are to assume essential services set out in an individual order, TERRITORY may refuse consent in particular if the third parties do not directly submit to confidentiality and customer protection in favour of TERRITORY (contract for the benefit of third parties) in accordance with an agreement made between TERRITORY and the Supplier. The Supplier shall ensure that the third parties it has commissioned shall fulfil the obligations imposed on the Supplier under this contract and the individual contracts in such a way that TERRITORY can demand fulfilment directly from the third parties. The Supplier shall commission third parties exclusively on its behalf and at its own expense.

2.6. The Supplier shall pass on to TERRITORY any benefits such as discounts, reductions, bonuses or rebates granted by dealers, vendors, media or other third parties on the basis of commissioning by TERRITORY. Discounts shall only be passed on if they have actually been drawn by the Supplier and TERRITORY has paid the Supplier within the agreed due date.

### 3. Prices, terms of payment, invoice details

3.1. The price stated in the order is binding.

3.2. Unless otherwise agreed in writing, the price includes delivery and transport to the shipping address stated in the contract, including packaging.

3.3. Insofar as, according to the agreement reached, the price does not include the packaging and the remuneration for the packaging - which is not only provided on loan - is not expressly determined, this is to be charged at the demonstrable cost price. At our request, the Supplier must accept the return packaging at his own expense.

3.4. Unless otherwise agreed, we shall pay the purchase price within 14 days of delivery of the goods and receipt of the invoice with a 3% discount or within 30 days net. The receipt of our transfer request at our bank shall be sufficient for determining that the payment date for the goods has been upheld.

3.5. All order confirmations, delivery documents, and invoices must state our order number, the article number, delivery quantity and delivery address. If one or more of these details are missing and this causes delayed processing by us in the normal course of business, the due dates specified in Condition 3.4 shall be extended by the period of the delay.

3.6. In the event of a payment default, we shall only owe interest on arrears at a rate of five percentage points above the base interest rate in accordance with Section 247, German Civil Code (BGB).

3.7. In case of doubt, all prices stated in the contract are net excluding VAT. A daily rate corresponds to 8 working hours. Assignments less than or greater than 8 hours per day will be charged on a pro-rata basis. The Supplier shall charge a quarter of the hourly rate for each quarter of an hour that has elapsed and for the last quarter of an hour or part thereof per day.

3.8. In addition to the remuneration, value added tax shall be shown on the invoice at the statutory rate applicable at the time. The services/prices do not include ancillary costs (packaging, shipping costs, transport insurance, etc.) and travel costs (also for travel to TERRITORY as well as other expenses). Such ancillary costs shall be invoiced separately. Travel time shall only be subject to remuneration insofar as the Supplier is working for TERRITORY during this time.

3.9. In a contract for creative services, provisions are included for expenses incurred for collecting societies or artists' social

insurance. The Supplier shall indicate to TERRITORY the occurrence and, as far as possible, the amount of such expenses in its cost estimates before placing the order. TERRITORY shall reimburse the Supplier for the expenses listed in the contract for collecting societies and artists' social insurance in connection with services under this contract, if expressly agreed.

#### **4. Delivery time and delivery, transfer of risk**

4.1. The delivery time (delivery date or period) specified by us in the order or otherwise decisive according to these General Terms and Conditions of Purchase shall be binding. Early deliveries are not permitted.

4.2. The Supplier is obliged to inform us immediately in writing if circumstances occur or become apparent according to which the delivery time cannot be met.

4.3 If the date on which the delivery must be made at the latest can be determined on the basis of the contract, the Supplier shall be in default on expiry of this day without a reminder being required on our part.

4.4. In the event of a delayed delivery, we shall be entitled to the statutory claims without restriction, whereby we may only exercise a right of withdrawal or assert claims for damages in lieu of performance after the fruitless expiry of a reasonable grace period.

4.5. In the event of a delayed delivery, we shall be entitled, after prior written warning to the supplier, to demand a contractual penalty of 0.5%, up to a maximum of 5%, of the respective order value (net) for each commenced week of the delayed delivery. The contractual penalty shall be offset against the default damage to be compensated by the Supplier.

4.6. The Supplier is not entitled to make partial deliveries without our prior written consent.

4.7. Even if shipment has been agreed, the risk shall only pass to us when the goods are handed over to us at the agreed destination.

#### **5. Securing property**

5.1. We reserve the rights to ownership or copyright of orders we have placed, commissions as well as drawings, illustrations, calculations, descriptions and other documents made available to the Supplier. The Supplier may neither make them accessible to third parties nor use or reproduce them himself or through third parties without our express consent. He shall return these documents to us in full at our request if they are no longer required by him in the ordinary course of business or if negotiations do not lead to the conclusion of a contract. In this case, any copies made by the Supplier shall be destroyed; the only exceptions to this are storage within the scope of statutory storage obligations and the storage of data for backup purposes within the scope of normal data backup.

5.2. Tools and models which we make available to the Supplier or which are manufactured for contractual purposes and charged to us separately by the Supplier remain our property or pass into our ownership. The Supplier shall identify them as our property, store them carefully, protect them to a reasonable extent against damage of any kind and use them only for the purposes of the contract. In the absence of an agreement to the contrary, the contracting Parties shall each bear half of the costs of their maintenance and repair. However, insofar as these costs are attributable to defects in the items manufactured by the Supplier or to improper use on the part of the Supplier, its employees or other vicarious agents, they shall be borne solely by the Supplier. The Supplier shall notify us immediately of any damage to these tools and models that is not insignificant. Upon request, he shall be obliged to return them to us in proper condition if they are no longer required by him for the performance of the contracts concluded with us.

5.3. Retentions of title by the Supplier shall only apply insofar as they relate to our payment obligation for the respective products to which the supplier retains title. In particular, extended or prolonged reservations of title are not permitted.

#### **6. Warranty claims**

6.1. In the event of defects, we shall be entitled to statutory claims without restriction. However, the warranty period shall be 30 months in derogation thereof.

6.2. Deviations in quality and quantity are in any case deemed to be notified in good time if we notify the Supplier of same within 7 working days of receipt of the goods. Hidden material defects shall in any case be notified in due time if the notification is made to the Supplier within 7 working days after detection.

6.3. We do not waive warranty claims by accepting or approving submitted samples or specimens.

6.4. Once the Supplier is in receipt of our written notice of defects, the limitation period for warranty claims shall be suspended until the Supplier rejects our claims or declares that the defect has been rectified, or otherwise refuses to continue negotiations in respect of our claims. In the event of a replacement delivery and rectification of defects, the warranty period for replaced and rectified parts shall recommence unless we had to assume from the Supplier's conduct that the Supplier did not consider itself obliged to take the measure but only undertook the replacement delivery or rectification of defects as a gesture of goodwill or for similar reasons.

#### **7. Product liability**

7.1. The Supplier shall be responsible for all claims asserted by third parties for personal injury or property damage attributable to a defective product supplied by him and shall be obliged to indemnify us against any liability resulting therefrom. If we are obliged to deliver a recall to third parties due to a defect in a product supplied by the Supplier, the Supplier shall bear all the costs associated with the recall.

7.2. The Supplier is obliged to maintain product liability insurance at its own expense to the value of at least EUR 1 million per claim, which, unless otherwise agreed in individual cases, need not cover the recall risk or punitive or similar damages. The Supplier shall send us a copy of the insurance policy at any time upon request. The requirement of insurance cover does not constitute a release from or a limitation of the Supplier's own liability.

#### **8. Industrial property rights**

8.1. In accordance with Condition 8.2, the Supplier warrants that the products supplied by it do not infringe any third party industrial property rights of European Union member states or other countries in which it manufactures the products or has them manufactured.

8.2. The Supplier is obliged to indemnify us against all claims made against us by third parties due to the infringement of industrial property rights referred to in Condition 8.1 and to reimburse us for all necessary expenses in connection with this claim. This shall not apply insofar as the Supplier proves that it is neither responsible for the infringement of the property right nor should have been aware of it at the time of delivery if it had exercised due commercial care.

8.3. Our further legal claims due to defects of title of the products delivered to us remain unaffected.

#### **9. Performance standards**

9.1. The Supplier is responsible for the timely and flawless performance of the services to be rendered by him and is responsible for the acquisition of all necessary rights for the use of any third-party works. The Supplier shall provide its contractual services with the care customary in the industry in accordance with the current state of the art. If the Supplier provides texts, sound, images or data, the Supplier guarantees that these materials can be used for the contractual purpose.

9.2. The Supplier warrants that its services are free of any third-party rights and do not infringe any copyrights, title rights, trademark rights, patents, personal rights or other third-party rights. The Supplier is further responsible for and guarantees that content created by him or by his vicarious agents does not infringe the law, in particular does not violate competition, press or personal rights. The Supplier shall indemnify TERRITORY against all claims by third parties, in particular claims for compensation by their customers, as well as the reasonable costs

of legal defence arising from infringements of rights for which the supplier is responsible. TERRITORY shall inform the Supplier without delay of the claims asserted by third parties and give the Supplier the opportunity to acquire the necessary rights or to make changes that ensure that an infringement of rights no longer exists.

9.3. Otherwise, the statutory provisions of the law on contracts for work and services (order contract) shall apply to warranty and liability claims in the case of creative services, subordinate to Condition 6.

#### **10. Spare parts and accident prevention**

10.1. The Supplier is obliged to keep spare parts for the products delivered to us in stock for a period of at least 10 years after delivery.

10.2. If the Supplier intends to discontinue the production of spare parts for the products delivered to us, he shall inform us immediately after the decision on the discontinuation. This decision must - subject to Condition 10.1 - be at least 6 months prior to the cessation of production.

10.3. The Supplier shall document the whereabouts of parts replaced in the event of a malfunction and ensure the problem reports and defect findings. These parts may not otherwise be destroyed; they must be handed over to us on request, whereby we shall be liable for any avoidable additional costs. In the case of exchanged data carriers and permitted destruction, the Supplier shall ensure their disposal or reprocessing in compliance with data protection law. Proof of this must be provided at our request.

10.4. If the Supplier does not comply with an agreed deadline (recovery time) for the elimination of the defect, we shall be entitled to a contractual penalty for the time required beyond the end of the deadline until the elimination of the defect in the amount of 0.25 man-day rates of the supplier (net) per full hour, up to a maximum of 5 man-day rates. The contractual penalty shall be offset against any claims for damages.

#### **11. Employees commissioned by the Supplier**

11.1. The Supplier shall perform its contractual services through its own employees or freelancers it has commissioned. These shall be subject solely to the Supplier's instructions within the scope of the performance of the service. There shall be no hiring of employees in this respect. Accordingly, TERRITORY shall also not be authorised to issue instructions to the employees of the Supplier. It also has no authority to issue instructions to freelancers.

11.2. The Supplier assures that the remuneration it agrees with and pays its employees complies with no less than the provisions of the Minimum Wage Act (MiLoG). Upon the request of TERRITORY, he shall provide information on compliance with this commitment and submit the corresponding evidence. This shall include, in particular, records of the hours worked at TERRITORY and the remuneration paid for these hours, as well as the corresponding wage and salary lists. The Supplier may also submit a certificate from its tax advisor confirming that it is in compliance with the obligations under Section 20, MiLoG. The Supplier shall enable the implementation of suitable control measures, in particular the random questioning of its employees stationed at TERRITORY.

11.3. There must be compliance with the requirements of data protection during inspections. Insofar as evidence concerns workers' personal data, it is presented in partially pseudonymised form. The first and surname as well as the date of birth are excluded from this for verification purposes.

11.4. The Supplier undertakes to only use subcontractors and rental companies that at least meet the requirements of the MiLoG and is liable to TERRITORY for same.

11.5. The Supplier shall indemnify TERRITORY from wage claims of its employees as well as from wage claims of the employees of the subcontractors and rental companies hired by it, including the legal prosecution and defence costs incurred in connection therewith.

#### **12. Assignment**

The Supplier is not entitled to assign its claims arising from the contractual relationship to third parties. This shall not apply insofar as monetary claims are concerned.

#### **13. Legal compliance**

13.1. In connection with the contractual relationship, the Supplier shall be obliged to comply with the relevant statutory provisions applicable to it and its subcontractors. This concerns in particular anti-corruption and money laundering laws as well as antitrust, labour and environmental protection regulations.

13.2. The Supplier shall ensure that the products supplied by him comply with all relevant requirements for placing on the market in the European Union and the European Economic Area. Upon request, he shall provide us with evidence of conformity by submitting suitable documents.

#### **14. Compliance with the Supplier Code of Conduct**

The Supplier acknowledges the regulations of the 'Supplier Code of Conduct' of Bertelsmann SE & Co. KGaA and undertakes to act in accordance with them. The Code of Conduct for our business partners can be found [in German] at [www.ethik.bertelsmann.en](http://www.ethik.bertelsmann.en). It will be sent on request.

#### **15. Place of performance, place of jurisdiction, applicable law**

15.1. The place of performance for both parties and the exclusive place of jurisdiction for all disputes arising from the contractual relationship shall be the registered office of the commissioning branch of TERRITORY, or in case of doubt, Hamburg. We and the customer are also entitled to bring an action or initiate other legal proceedings at the general place of jurisdiction of the other Party. Mandatory statutory provisions on exclusive places of jurisdiction shall remain unaffected.

15.2. The laws of the Federal Republic of Germany shall apply to the exclusion of any conflict of laws provisions. The United Nations Convention on Contracts for the International Sale of Goods of 11.4.1980 (CISG) shall not apply.