



Debt Collection Team AG

We bring back money!

GENERAL TERMS AND CONDITIONS AND POWER OF ATTORNEY

22.07.23. These GTC can also be viewed at <https://inkasso-team.com/en/>

1. Mandates:

The contractor takes care of the collection of claims in German-speaking countries, partly Europe-wide and worldwide, irrespective of whether they are disputed or undisputed, untitled or titled, but always within the debtor's financial possibilities as well as within the legal framework.

2. Offers:

- 2.1. The contractor shall inform an interested party¹ of the conditions in the initial correspondence or verbal contact. These are also publicly viewable on the website: <https://inkasso-team.com/en/conditions/>
- 2.2. The contractor examines enquiries and prepares a preliminary analysis including preliminary research at its own expense to check the preconditions for case acceptance and the collectability of the funds.
- 2.3. After completion of the preliminary analysis including preliminary research and at least one telephone or personal meeting, the interested party receives an offer as well as the templates for the collection contract, general terms and conditions and, depending on the case, other documents. What is valid is what is subsequently agreed upon in a personalized collection contract.
- 2.4. If the enquirer accepts the offer, the provider draws up the contract documents and signs them.
- 2.5. If the enquirer subsequently rejects the offer without justification or with reference to the financial conditions as they were previously known to him, he will be liable to pay the costs of the preliminary research. The same applies if the enquirer wishes to have a personalized collection contract drawn up after the preliminary analysis has been carried out but does not sign it.
- 2.6. The time required for the preliminary analysis is usually 1-3 hours, that for the preparation of the contract documents 1 hour. The hourly rates according to section 7.5 apply.
- 2.7. If a client later places an order in the same case, the payment for preliminary analysis and, if applicable, contract preparation will be credited against the down payment.

3. General power of attorney:

- 3.1. The client grants the contractor and any third parties commissioned by the contractor power of attorney to initiate collection proceedings against the debtor and to accept monies from the debtor with debt-discharging effect.
- 3.2. The principal or the principal¹ must inform the agent truthfully and completely about the case and provide the agent with all essential information and documents concerning the debtor and the claim. Incorrect information or information that is incomplete in material respects shall entitle the agent to terminate the mandate as an exception to Clause 12.1. Any advance payment not yet used shall be forfeited in favor of the contractor.
- 3.3. In the case of existing titles, such as court judgements, certificates of loss, etc., these must be handed over to the contractor in the original.
- 3.4. Furthermore, any collection orders, assignments, or powers of attorney regarding the debtor in question to third parties and companies must be withdrawn when the order is placed or may not be issued without the written consent of the contractor. Infringements entitle the contractor to terminate the mandate with simultaneous forfeiture of the down payment as an exception to Clause 12.1.

4. **Authority to negotiate:** The client grants the contractor full authority to negotiate and make decisions regarding the claims in question. This means that the client expressly agrees that partial payments may be made and / or the claim may be increased or reduced.

5. **Power of attorney:** The client grants the contractor the power of attorney to carry out debt collection / default summons and other legal collection measures, as well as criminal charges. The client also grants the contractor the power of attorney to instruct lawyers for further legal actions, if necessary (subject to the provisions in sections 10 and 11).

6. Settlement:

- 6.1. The Contractor shall carry out the collection on its own authority and at its own discretion. The client or the principal have no authority to issue instructions. However, we are always grateful for advice and suggestions from the client and will implement them if suitable and accepted by us.
- 6.2. The collection will be carried out as soon as possible, but no time schedule can be predicted, or the contractor committed to fixed dates by the client.
- 6.3. The contractor only accepts mandates for which there is a realistic chance of repayment based on a preliminary examination. However, it cannot explicitly give any guarantee of success, not even regarding the amount or the time of an expected repayment of funds.
- 6.4. The principal may not contact the debtor himself or take any measures concerning him during the term of the mandate. Exceptions must be agreed in writing with the agent. Infringements entitle the contractor to terminate the mandate with simultaneous forfeiture of the deposit in the sense of an exception to Clause 12.1.

7. Down payment (upfront fee, deposit):

- 7.1. When placing the order, the client shall make a down payment on the contingency fee in the agreed amount. The down payment shall be used for the initial expenses and costs of the case work. The client may at any time request the submission of the project account ("logbook"), which shows all expenditures, hourly rates and expenses.
- 7.2. The amount of the down payment is 5 % to 20 % of the amount of the claim and depends on the amount of the claim and the expected costs. It is capped at CHF/EUR/USD 100'000.-- The exact amount of the down payment will be quoted bindingly after preliminary analysis including preliminary research. Plus value added tax VAT 7.7 % (CHE-458.288.961). Clients domiciled outside Switzerland are exempt from VAT.
- 7.3. The deposit is due upon signature of the collection contract.
- 7.4. For down payments greater than CHF/EUR/USD 15'000.--, instalments (part payments) are possible. The instalments are not dependent on a specific progress of performance and are due at the agreed time regardless of this.
- 7.5. The deposit covers the following services: All documentation, research and analysis expenses, all correspondence with the client as well as with the debtor and other parties involved, postage, telecommunication, travel and other expenses, all other investigation costs of the contractor, personal visits to the debtor by employees of the contractor as well as all other appropriate measures, regular reporting on the status of the case, whereby the intervals depend on the development of the case. The hourly rates are: senior staff / specialists for complex and international cases CHF 250/hour, debt collection staff CHF 150/hour, secretarial services etc. CHF 100/hour.
- 7.6. No further costs will be incurred beyond the down payment (subject to Clause 11).
- 7.7. The down payment cannot be refunded but can only be offset against the success commission defined in Clause 7.

8. Success fee:

- 8.1. The contractor shall carry out the collection on success base.
- 8.2. The success fee is agreed on a case-by-case basis and ranges between 5 % - 40 % of the recovered amount, depending on the expected expenditure and the amount of the claim. The rate applicable in the individual case is defined in the offer and in the contract. Plus value added tax VAT 7.7% (CHE-458.288.961). Clients domiciled outside Switzerland are exempt from VAT.

¹ All references to persons are always intended to be gender-neutral, even if they are not always written out in full for the sake of readability.

- 8.3. In the event of total payment or partial payments by the debtor, the contractor shall immediately settle with the client. Partial payments can be grouped together (e.g., semester-by-semester settlement in the case of monthly partial payments).
- 9. Reporting:**
- 9.1. The contractor shall record all activities, expenses, and income in a logbook (project accounting), as well as all important events, investigation results, documents, etc. in a detailed case documentation. The client may request access to these documents at any time, insofar as they are not already communicated to him by the contractor as part of the reporting.
- 9.2. The contractor shall regularly inform the client in writing and/or verbally about the status of the collection. It provides information in summary form and is not obliged to report every single step or detail "online", so to speak. The intervals between reports may vary and depend on the progress of the collection activities or results. There is no entitlement to reporting at a fixed time determined unilaterally by the client.
- 10. Settlement:**
- 10.1. Upon complete closure of the claim (debtor pays the full amount of the claim), the advance payment shall be refunded in full by the contractor to the client.
- 10.2. In the event of partial payments by the debtor, settlement with the principal shall be made on a pro rata basis, i.e., the down payment shall be refunded in proportion to the partial payment to the total amount of the claim.
- 11. Legal collection:**
- 11.1. In addition to direct debt collection, the contractor shall carry out and coordinate legal debt collection insofar as this is necessary. Insofar as it is not authorized to carry out such actions itself, it shall commission lawyers in consultation with the client.
- 11.2. Legal costs such as debt collection / default summons, opening of legal proceedings, advance payments to courts, lawyer's fees, etc. are to be borne by the client. They are not included in the down payment.
- 11.3. The contractor shall only incur such costs with the consent of the client. The client shall be informed in advance about legal steps, their justification or necessity and the cost consequences and may agree or refuse to the implementation.
- 11.4. The contractor shall pay the legal costs in advance to the contractor or, in consultation with the contractor, directly to the relevant authority, service provider or lawyer.
- 12. Duration of mandate / termination:**
- 12.1. The contractor shall pursue the debtor for an unlimited period. It waives its right to terminate the contract. Once the down payment has been used up, the contractor shall continue to work at his own expense. Any minus amounts in the logbook (project accounting) shall be borne exclusively by the contractor. The client does not have to pay anything extra, except for legal costs according to 11.1.
- 12.2. The client has the right to terminate the mandate at any time.
- 12.3. In the event of termination by principal, the deposit shall be forfeited in favor of the contractor insofar as it has not already been used up by the previous expenses. This regulation is a compensation for the impossibility of a success fee due to the termination by the client.
- 12.4. Furthermore, in the event of termination by the principal, the success commission defined in the contract remains due in full should the debtor make repayments during two (2) years after termination. The same applies to payments made by the debtor directly to the principal beforehand, during the term of the contract.
- 12.5. If the agreed down payment or an agreed partial payment is not paid, the contractor has the right, after the first and second reminder and 30 days after signing the collection agreement, to cease its activities and to cancel the mandate in the sense of an exception to section 12.1. In this case, the client shall owe a compensation payment (interim payment) of 40% of the agreed down payment, in the case of agreed partial payments 40% of the remaining down payment amount. This down payment shall be due immediately. The interim payment serves to cover the costs of the contractor for acquisition, case analysis, preparation of the contract documents, preparation of the case documentation and the reservation of capacities for case processing, depending on the case also for advance payments to freelancers, as well as a substitute for the now impossible success commission.
- 12.6. In the event of termination of the collection contract by the client without the deposit having been paid in full, an interim payment of 40% of the agreed or remaining deposit shall be due for immediate payment. This provision serves to cover the contractor's costs for acquisition, case analysis, preparation of the contractual documents, preparation of the case documentation and the reservation of capacities for case processing, depending on the case also for advance payments to freelancers, as well as a substitute for the now impossible success commission.
- 13. Suspension:**
- 13.1. The debt collector has the right to suspend a case if it becomes apparent during the course of the case that the debtor demonstrably has no means, can no longer be found, the legal basis for the claim no longer exists or, contrary to expectations, could not be established or other circumstances, such as imprisonment, serious illness, need of social assistance, etc., currently make it impossible to repatriate the money. Another reason for suspension would be a seriously disturbed relationship of trust between the client and the contractor, which would make cooperation impossible, or steps taken by the client which endanger the safety of the debt collection staff.
- 13.2. Suspension means that the collection contract remains valid unless the principal terminates it, but activities are suspended until new indications arise (e.g., resumption of professional activity by the debtor, existence of a legal title, etc.). The contractor reviews the situation periodically (usually annually) and reports to the principal. If there are corresponding indications, case processing is resumed.
- 14. Cancellation policy:**
If the collection contract has been concluded outside the contractor's offices or exclusively by telephone and e-mail (remote contract), a private client from Germany has a 14-day right of revocation in accordance with any applicable German law (§ 356 of the German Civil Code). If the client wishes the contractor to start work immediately after the order has been placed, he must expressly waive this right of withdrawal in the collection contract. With the visa of the GTC, the client expressly waives his right of withdrawal.
- 15. Final provisions:**
- 15.1. **Swiss law shall apply. Place of jurisdiction is Basel.**

Visa Client: