

# Business Terms

## General Business Terms

1. EMS DEBITA KG (henceforth referred to as "EMS") collects debts in Germany and other European countries. These must be undisputed. The debts submitted for collection are composed of principle (main) claim and extras (interest on main claim, incidental and handling costs, legal procedure expenses).

2. With order placement a handling fee is due. This corresponds to a 1,5 fee according to § 13, paragraph 1 RVG (Law regarding fees to be applied by lawyers in Germany). According to German legislation (BGB=Civil Code, § 280) the debtor is liable for these costs (damages for default of payment) for which reason EMS will claim these "extras" along with the principle debt from the debtor in the customer's name. EMS will not charge any commission on collected amounts to the customer. This one will in his turn cede his claim for reimbursement of interest and damages against the debtor to EMS. Once the order for collection has been submitted EMS is entitled to the aforementioned handling fee also in the case that the customer receives direct payment from the debtor or any third party paying in behalf of the debtor.

3. Any incoming amounts of money paid by or in behalf of the debtors, whether to the customer directly or into EMS' third party account, will be booked in the following priority order acc. to German Law (Civil Code, (BGB), § 367): Fees first, interest afterwards, principal claim. The customer is liable for handling fees and procedure cost to the extent these cannot be charged to the debtor for reasons beyond EMS' control.

4. In case the debt turns out irrecoverable already in the course of the amicable procedure EMS will waive their regular handling fees only invoicing a modest flat-rate (ranging from 50€ to 150€ depending on debt value; see price-list) to the customer. If however the customer wants to stop the procedure before the legal procedure has established that the debt cannot be recovered he will be in charge of the regular handling fees. If after a judicial procedure the lawyer (in cooperation with EMS) cannot be paid by the debtor because the latter is insolvent or has disappeared EMS will extend a term of payment to time indefinite (until the debtor pays in the future) in behalf of the customer. That one will only be charged the flat-rate plus third party charges (if applicable). This does not apply to lawsuits, i.e. when the debt goes to court.

5. In the case of a lawsuit, if you call on our associated lawyers, we offer you an extraordinary share in the coverage of these lawyers' regular fees if your (defeated) debtor turns out insolvent: For values in dispute over 1.000,00 € 10% share, over 5.000,00 €: 20% and over 10.000,00 €: 30%. If any future time payment can be obtained from the debtor EMS is entitled to reimbursement of the respective amounts.

6. Supplementary services such as observation of debtor who filed an affidavit of insolvency (after delivery of legal title or court sentence), tracing of debtor, calls at debtor's private residence or place of work, investigations to be carried out in order to obtain required information on the debtor (e.g. solvency), etc. will be charged separately according to our price-list (please go to our contact-form on our website to demand price-list).

7. The customer takes the following basic commitments: a) only to submit claims for collection which are true, due, legally founded and which have not been denied by the debtor for valid reasons; any disregard of this basic rule makes the customer liable for payment of EMS' regular handling fees (flat-rates will not apply in this case) and all appertaining procedure cost to the extent that these will not be covered by the debtor. b) to abstain from interfering into EMS' negotiations with the debtor without EMS' prior consent and from calling on other third parties whatever their identity for collection of the same claim (such would be considered as order cancellation). c) to inform EMS DEBITA without delay about any payments (or returns of goods) directly made to the client by the debtor after placement of order as well as objections or any other relevant declarations made by the debtor. d) to make sure as to the exactness and completeness of all information provided about the claim as well as about the debtor (EMS DEBITA is not liable for the loss of documents put at their disposal).

8. EMS is not liable for damages due to slight negligence or prescription of interest or legal titles. As far as debts without legal title are concerned EMS is liable for damages because of prescription up to a limit of 100.000,00 €. Up to this amount EMS has an insurance in place. EMS is liable only for the prescription of debts submitted more than 6 months prior to prescription deadline and if this deadline had to be evident to EMS.

9. A customer cancelling his order or stopping a procedure already running before the debtor's insolvency could be ascertained by means of adequate measures in the course of a legal procedure (not lawsuits) will be liable for the regular amount of handling fees (normally charged to the debtor).

10. EMS executes collection orders exclusively on the basis of their terms and conditions. Business terms of customer are not accepted. If any agreement is made deviating from EMS' terms and conditions it will be valid only if drawn up in writing and duly signed by EMS' authorized staff.

11. Legal venue: In case of any legal proceedings between EMS and one of their customers the competent court will be the District Court (Landgericht) Heidelberg (Germany).

12. If any of these terms proved to be invalid or not applicable for whatever reason than the intended purpose of it shall be respected. At any rate the invalidity of one term would not affect the rest of these terms and conditions.

*In order to obtain further details as well as prices for other services please contact us by email, fax or phone.*