



General Membership Conditions

§ 1 Object of the Trusted Shops Membership

- 1.1 The concession of servitude rights concerning the Trusted Shops brands, the Analysis of the Online-Shops, the Allocation of the Trusted Shops Online-Systems, the Marketing-, PR- and Support Services, the processing of Damage Claims and Complaints by Trusted Shops as well as the Payment of Contributions, the Advertisement- and the Participation Responsibility of the Online Shops shall be regulated as follows.
- 1.2 With conclusion of the contract, Online-Shop declares to function as a contractor in accordance with § 14 BGB. The Trusted Shops membership commences upon acceptance of the membership application by Trusted Shops.

§ 2 Utilisation of Trusted Shop Brands; Review

2.1 Extent of Servitude Rights

Trusted Shops grants the non-exclusive and non-transferable right to Online-Shop for utilisation of the brand names "Trusted Shops" (in word) and "Trusted Shops Guarantee" (logo) together with the texts supplied by Trusted Shops and in unmodified form, size, design and description mentioned on the first page of their membership contract and reviewed by Trusted Shops Online-appearance with a link to the verification-system provided by Trusted Shops adhering to the following conditions for the duration of the contract.

Further, upon agreement with Trusted Shop, the Online-Shop may refer to the brand names on additional pages of the Online-appearance mentioned in their membership contract and reviewed by Trusted Shop as well as in brochures and catalogues that refer to their Online-offers. No other servitude rights were agreed upon.

2.2 Duration of Utilisation

Upon an successful first review of the Online-Shop by Trusted Shops, the servitude will be issued for the duration of 12 months, effective with the commencement of the membership. At the end of a 12 months duration Trusted Shops will review the Online-Shop again (standard review), and if appropriate, will grant servitude for another 12 months duration. Online-Shops does not have legal entitlement to further servitude.

2.3 Reviews

Utilisation of brands is permissible only after the first review is finalised and released by Trusted Shops. (conveyance of Shop-ID). The first review shall be conducted, based on the quality criteria, with the aid of an review protocol which may be issued to Online-Shop upon prior request. Periodic follow up reviews shall be conducted annually.

2.4 Audit Rights

Trusted Shops is authorised to intermittently conduct audits on their own accord or through third parties to verify compliance with the conditions outlined in § 2.5. The Online-Shop is obligated to furnish extensive particulars and make available all relevant information regarding the purpose at their expense. Upon prior appointment with Trusted Shops they are further obligated to enable the respective review by disclosing business documents or technical procedures on location.

2.5 Conditions for Utilisation

The servitude is valid only as long as the Online-Shop

- is in compliance with the regulations of the valid edition of the quality criteria (enclosure TS-QAL), based on the most end user friendly interpretation;
- offers their customers (Internet customers) the Trusted Shop Guarantee based on the conditions of the Trusted Shop Guarantee Contract (pre-requisite is the prior formation of an additional guarantee contract);
- complies with the membership conditions regarding notification- and participation obligations (§5 of these membership conditions) and
- refrains from utilisation of self- or third party designed seals of approval, trust symbols, guarantee seals or others that may be anti-competitive or in violation of the brand name rights. If additional seals of approval are used, these must be issued by a neutral party based on objective review criteria, which demands requirement that exceed the legal guidelines and conducts audits on a regular basis.

The servitude shall be deemed invalid, as soon as and for as long as the Online-Shop fails to comply with one or more of the aforementioned conditions. In this event Trusted Shop may set the seal status to "blocked", so that the refund option guarantee for Online Shop customers is no longer available.

Trusted Shops is authorised to adapt the quality criteria (annex TS-QAL) to the respective valid legal definitions and jurisdiction, whereas the most user friendly interpretation of the law and the most user friendly higher court jurisdiction shall apply. In this event the Online-Shop shall be notified of the revision via email and is obligated to publish the changes within an acceptable time frame as requested by Trusted Shops, but no later than within the scope of the next standard evaluation.

2.6 Misuse of Servitude; Contract Penalties

If the conditions outlined in § 2.5 are not adhered to but the Online-Shop utilises one or more Trusted Shop brand names, Trusted Shops may demand that the Online-Shop adheres to the conditions outlined in § 2.5 within a designated period of time or to remove the brands and all references to Trusted Shop from their Online-appearance (warning).

If the Online-Shop continues to use the seals despite the warning and without adhering to the conditions of § 2.5, Trusted Shops may terminate the contract immediately and impose a contract penalty in the amount of EU-RO15,000.00 in the event of culpable conduct by the Online-Shop. Recipient of the contract penalty shall be a consumer protection organisation to be selected by Trusted Shops. Further claims by Trusted Shops for unauthorised utilisation of brands shall therein not be affected.

§ 3 Trusted Shop Services

3.1 Allocation of the Trusted Shop Online-systems

During authorised utilisation Trusted Shops shall provide Online-Shop with an Online-system for use by their customers featuring the following functions:

- Online-Shop customers may access information regarding the Online-Shop (i.e. company name, company address, legal structure etc.) as well as the validity of the seal with a mouse click on the Trusted Shops seal.
- Online-Shop customers may apply for the Trusted Shops guarantee online. Utilisation of the Trusted Shops guarantee is optional for Online-Shops customers; the application is offered to the customer at an appropriate point during the shopping process. The customer shall receive a corresponding online confirmation upon registration.

3.2 Processing of Damage Claims and Complaints

In the event of occurring problems with a warranted merchandise purchase (i.e. failure to deliver merchandise) the customer has the option to contact Trusted Shops directly online. Trusted Shops shall than further process the complaint.

3.3 Marketing-, PR- and Support Service

Trusted Shops shall render the agreed upon packaging related Marketing-, PR- and Support services as outlined in the service agreement.

§ 4 Prices and Terms of Payment; Direct Debit Authority

The amount of the membership fee depends on the the Trusted Shops service package as well as on the annual revenue of Online-Shops at the beginning of the fiscal year, which has been truthfully documented in the membership contract and is reflected in the price list that is relevant at contract formation. The variable premium for the Trusted Shops guarantee is also included in the general membership fee.

4.1 Due Date

The set up fee is due at the time of contract formation. The membership fee, based on annual payment, is due prior to begin of the respective contract year. In case of monthly payment, the first three monthly instalments are due at the date of contract formation and thereafter in advance, at the beginning of each month.

4.2 Rebates

A rebate granted to Online-Shops for use of a specific shop system shall be deemed invalid upon conversion to another shop system; § 5.2 shall hereby remain unaffected.

4.3 Product Cost Analysis

Online-Shops shall provide unsolicited information regarding their actual accumulated gross revenue at the end of each fiscal year.

In the event the actual sales exceeded the calculated preliminary sales profit by 10%, a subsequent payment in the amount of the overage based on the percentage shall be rendered for the lapsed fiscal year. If the Online-Shop is re-classified to a sales category, other than outlined in the price list, due to sales exceedance, payment in the amount of the difference between the previous and the current sales category shall be rendered for the lapsed fiscal year.

The membership fee calculated for the lapsed fiscal year may be ascertained as the new contribution for the following year Trusted Shops. The fee may be recalculated during the fiscal year if it becomes apparent within 3

months that the actual sales will significantly exceed the preliminary sales projection; the average monthly sales figure projected on the fiscal year shall be used as calculation basis.

4.4 Cost Adaption

If payroll costs, material costs or market related acquisition costs should rise after the lapse of the first fiscal year, Trusted Shops is authorised to raise the membership fee to appropriately adapt to the rising costs. Online-Shop is authorised to exceptional termination only if the costs increase by more than 5% per fiscal year.

4.5 Direct Debit Authority

With formation of the contract Online-Shop revocably authorises Trusted Shops to debit the named account by direct withdrawal for payments due, (membership fees and dues for the membership contract as well as premiums and refunds from the guarantee contract). If the account lacks sufficient funds, the account holding credit institute is not obligated to render encashment. Partial encashment is not rendered with direct debit procedure. Trusted Shops may charge a return fee in the amount of EUR 20.00 for processing and bank fees for each returned direct debit request. Online-Shop may provide proof that damages have not occurred or that the resulting claim of indemnification is less than the flat rate.

4.6 Default of Payment

Trusted Shops reserves the right to block the seal and to discontinue the agreed upon service if the Online-Shop is in arrears of rendering the fees due.

§ 5 Notification- and Participation Obligations of Online-Shops

5.1 Allocation of Utilisation Conditions

The Online-Shop must allocate the technical requirement needed to utilise the Online-system provided by Trusted Shops within three month of contract commencement and adapt business practices to the quality criteria (enclosure TS-QAL) in accordance with the Trusted Shops first or annual review protocol.

The Online-Shop shall inform Trusted Shops as soon as the review protocol has been implemented. If the quality criteria thereafter is not fulfilled of more than three months have passed since the preparation of the evaluation protocol and the implementation by Online-Shops, the servitude for Trusted Shops brands will not be granted. Upon request by Online-Shops, Trusted Shops will review the pending required changes until utilisation conditions are satisfied. Costs incurred for such additional reviews due to fault of Online-Shops may be charged in accordance with the price list.

5.2 Revision of Online-Appearance

The Online-Shop is obligated to immediate notification of any revisions of their Online-appearance that may affect the certification criteria, (i.e. translation into foreign languages, changes of general business practices etc.), in the event this was implemented after the last review, or if the seal is used in additional Online- appearances that differentiate from the Online-appearance implemented at the time of the last review by Trusted Shops. The cost for additional necessary evaluations or utilisation of the seal may be calculated in accordance with the price list.

5.3 Processing of Damage Claims and Complaints

The Online-Shop must answer all inquiries by Trusted Shops and customers within five business days in writing or via email as applicable for the entire duration of the contract. All documents necessary for processing must be submitted within this time frame independent of whether the customer has or has not obtained a reimbursement guarantee. The Online-Shop must specifically refer to the contact person, offer definite information regarding the delivery date, submit delivery- and refund receipts as well as supply detailed information with regard to signs of wear and tear or other circumstances that may warrant depreciation or deduction.

If the Online-Shop violates this participation obligation, Trusted Shops may impose a general processing fee in the amount of EUR 25.00 per damage claim or complaint. Online-Shop may provide proof that damages have not occurred or that the resulting claim of indemnification is less than the flat rate.

§ 6 Liability

6.1 It is indicated, that Trusted Shops only reviews the compliance with the conditions for servitude as outlined in § 2.5. Due to the legal advice law, Trusted Shops cannot and may not conduct an extensive legal review. Therefore a positive review result does not include the assertion that the Online-appearance of Online-Shops is in compliance with all pertinent clauses such as regulation regarding the fair trade law, abuse of contract clauses or technical perfection.

6.2 Trusted Shops is not liable for minor violations of duties insofar these do not include essential contractual responsibilities, affect life, health and body or are subject to the product liability law. The same is applicable to violations of implementation aids.

§ 7 Facilitation Activities

In the event that Online-Shop is not the contract partner of end users in regard to delivery or service but facilitates the execution of sales and service contracts through an information portal, use of shop software or similar platforms (facilitator), it shall ensure that the contract partner of the sales- and service contract (service provider) is in compliance with the obligations as outlined in the aforementioned §§ 2 and 5. If service providers are in violation of the aforementioned obligations, the facilitator may be held liable for the in § 2.6 agreed upon sanction. The facilitator must disclose all applicable service providers, including complete provider qualification and contact person to Trusted Shops.

§ 8 Duration of Contract, Contract Extension and Contract Termination

8.1 The duration of the contract is for 12 months. The Trusted Shops membership contract is extended for one year unless terminated 3 month prior to the end of the 12 months time frame. § 2.2 The right for exceptional termination for important reasons shall remain untouched.

8.2 An important reason for exceptional termination by Trusted Shops is validated especially if

- a) the Online-Shop is in repeated violation of a reporting or participation obligation as outlined in § 5, despite warning, or devoutly and finally refuses to fulfil with these obligations,
- b) the Online-Shop reports its predicted or actual sales volume untruthfully or
- c) the Online-Shop is in arrears of two consecutive monthly payments.

§ 9 Contract Amendments

Amendments of the general membership conditions (TS-GTM) and prices are announced to the Online-Shop in writing. The amendments are considered approved if the Online-shop does not object in writing. Trusted Shop shall advise of this consequence in their informational correspondence. The objection must be received within one month upon receipt of the informational correspondence.

§ 10 Final Provisions

10.1 Statements regarding the membership contract are valid only if submitted in writing to i.S.v. § 126b BGB. Terminations must be submitted in writing (§ 126 BGB).

10.2 The German Law is applicable to all disputes concerning the membership contract. Venue for both parties is Cologne.

10.3 If a provision of the general membership conditions is invalid, the remaining conditions shall therefore not be affected. The invalid condition shall be replaced with on that relates economically closest to significance and purpose and within the scope of the law to the invalid condition. The same applies to possible regulation gaps.