

When applying for a Trusted Shops Membership including the Trusted Shops Trustmark, the future member also applies for a guarantee contract with each Trusted Shops guarantor. The Trusted Shops guarantor is Atradius Credit Insurance, a subsidiary of the Atradius Credito y Caución S.A. de Seguros y Reaseguros, Opladener Straße 14, D-50679 Cologne (Germany) and the excess guarantor is R+V Versicherung AG, Raiffeisenplatz 1, 65189 Wiesbaden (Germany). The guarantee contract will be effective upon Trusted Shops' acceptance of the Member's membership application (the "Effective Date").

General Terms and Conditions of Trusted Shops Guarantee

§ 1 Objectives of Trusted Shops Guarantee

- After examination of the online store's solvency, Atradius adopts the commissioned guarantee to protect online trading by means of the Internet. Upon the online customer's request, Atradius is committed to render payments in the case of conditions presented in § 2 no. 3.
- Procuration and execution of the Trusted Shops guarantee shall be assumed by Trusted Shops GmbH, Cologne (hereinafter Trusted Shops) on behalf and by order of Atradius.

§ 2 Scope of Assumption of Liability

- The online store requests an appropriate guarantee amount, based on its estimated online turnover per fiscal year. Upon credit assessment, the warranties based on fixed value dates are credited depending on the acknowledged guarantee amount.
- Atradius shall be entitled to limit or void the guarantee amount in the future in the following circumstances: elevation of risk, information that implies a decline in solvency of the online shop or any other justifiable reasons. Upon completion of this contract, the online shop is assigned to the guarantee amount as termed in Trusted Shops guarantee agreement, until further notice. As soon as online sales reach 70% of the acknowledged guarantee amount, Trusted Shops will attempt to adjust the guarantee amount adequately in collaboration with Atradius. This may be dependent on a new credit assessment of the online store in accordance with § 3.
- By means of this Trusted Shops guarantee, Atradius ensures refund of the client's advance payments in cases stated in the guarantee (attachment TS-GAE).
- If the online customer fails to meet a deadline at no fault of their own, Atradius may consider the deadline as adhered to.

§ 3 Requirements for Assumption of Liability

- To enable Atradius to adequately assess credit before accepting the liability risk, the online shop shall disclose their bank account and authorise a credit report. If this information does not suffice for a concluding assessment or if the requested guarantee amount is insufficient, other documents shall be rendered to Atradius upon request: e.g. annual financial statements of the two previous years and an illustration of the business development since the last accounting date. For the duration of this contract, the customer shall hence submit subsequent annual financial statements to Atradius unprompted.
- Furthermore, for the duration of this contract the customer shall inform Atradius about all significant changes which could be relevant to its credit evaluation: such as changes in shareholders, investments, withdrawal of lines of credit, etc.
- For the duration of the Trusted Shop guarantee, Atradius may demand information on current business developments and other relationships that may be important for the assessment of credit at any time.
- Atradius pledges to keep all information, data and documents obtained from the online store in relation to the Trusted Shops guarantee agreement confidential. It will be used solely for means of credit assessments.

§ 4 Conduct of Coverage Mandates

For adoption, change and conduct of Trusted Shops warranties the following takes effect:

- The online store*

a) is entitled to offer its customers protection of their online commercial activities on their website, as long as the requirements for assumption of liability by Atradius are met;

b) commits to abide by the terms of use as stated in the general membership conditions in section 10 for the duration of this contract;

2. Atradius

a) shall maintain an account for the online store, which provides information on the utilization of the guarantee coverage of commercial online activities;

b) debits the warranties from the aforesaid account from the date of issue. It is closed out after completion of the transaction that is covered by the guarantee.

§ 5 Utilisation

1. The online store

a) shall take all measures necessary to avoid a case of damage, according to the diligence of a proper merchant;

b) shall provide appropriate proof of delivery in the case of demands made on Atradius within 5 business days; shall provide information upon delivery of merchandise, whether the delivered object of purchase was returned within contractually agreed terms;

c) in the case of a claim, the online store shall provide all documents and information necessary to process the liability of Atradius, especially specific proof of delivery dates, receipts of delivery and reimbursements, as well as detailed evidence on traces of use or other circumstances that may cause depreciation or deductions.

2. Atradius

a) if claims are asserted for liability, Atradius is entitled to make payments; they are not required to verify if the online store is entitled to affirmative defences or objections against the claim;

b) if claims are asserted for liability, Atradius is entitled to pay the difference between the purchase price and reimbursement, if the customer disputes the online store's authority to claim a depreciation or deductions;

c) the online customer under coverage, will be informed about possible reservations on part of the online store;

d) may make payments to those, that are deemed authorized to receive it in due diligence;

e) will inform the online store immediately in the case of a payment.

§ 6 Agreement on Recourse claims

The online store shall refund Atradius for all payments made for the Trusted Shops guarantee in addition to further claims for compensation including costs. Atradius will bill the online store with detailed listings of these payments every last day of the month. The advance payments by Atradius made between the time of transfer up to its refund by the online store shall be interest-bearing according to §§ 288 par. 2, 247 BGB (German Civil Code). Apart from that, Atradius may demand provision of money by the online store, from the point of utilisation of the guarantee.

The online store shall compensate Atradius for all expenses deriving from prosecution and other costs arising for Atradius based on demands made by online customers using the Trusted Shops guarantee.

Based on handling processes Trusted Shops may settle payments. In such cases, they may be considered payments made by Atradius to the online store. Trusted Shops GmbH shall be entitled to claim the right of recourse for Atradius.

§ 7 Premium

The amount of the premium conforms to the effective utilization of the guarantee scope (limit) offered by Atradius, according to the following calculation formula: sum of warranties x duration in days x option rate as per guarantee contract.

§ 8 Agents

Provided that the online store is not a contractual partner of the final customer in relation to delivery or service, but mediates the completion of sales or service contracts (agent), the store must ensure that the contractual parties of the sales or service contract (service providers) fulfill the conditions stipulated as mentioned in § 5 for the full contract duration. Atradius may enforce the contract against the online store as stipulated in § 6 mentioned above, if they are liable to make payments to a customer of a service provider within the scope of § 5 par. 2.

§ 9 Termination of Contract

1. The Trusted Shops guarantee contract ends automatically with the saturation of the acknowledged guarantee coverage or termination of the membership contract between the online store and Trusted Shops GmbH

2. All parties are entitled to terminate the contract for extraordinary causes. Cause for an extraordinary termination without notice by Atradius is especially present if:

- the online store fails to refund payments made by Atradius for guarantee claims of online customers (including associated expenses and interests) within seven days after notification of payment (§ 6); or
- if false information has been given to Atradius in relation to the proper assessment of solvency, unless these statements are not based on intent or gross negligence; or
- based on the judgement of Atradius, the online store faces a significant endangerment or deterioration of assets or the online store is declared insolvent in terms of the Insolvency Statute.

The online store can be held liable for utilized guarantee claims of yet existing Trusted Shops warranties even after termination of contract.

§ 10 Liability of Atradius

Atradius can be held liable by the online store for intent and gross negligence but not for the following: damages caused (full or in part) by war, acts of war, terrorist attacks, civil disturbances, strike, confiscation, obstruction of payments or movement of goods by higher powers, natural disasters or nuclear power.

§ 11 Final Provisions

1. Changes or additions to the Trusted Shops guarantee contract apply only, if stated per addendum or if otherwise confirmed by Atradius in writing. Verbal side agreements are not valid. Declarations of intent and other notifications require the written form.

2. The Trusted Shops guarantee contract shall be subject to German law.

3. Place of fulfillment and jurisdiction is Cologne.

4. The online store may direct complaints to the "Bundesanstalt für Finanzdienstleistungsaufsicht" (German Federal Financial Supervisory Authority) -

Insurance Department - Graurheindorfer Str. 8,
53117 Bonn.