

General licence conditions for Schmetterling brands

1. General:

The following conditions ("conditions of use") apply to brand licence agreements and other agreements on the granting of brand licences (the "licence agreement") between Schmetterling Reisen GmbH & Co. KG or other companies in the Schmetterling Group ("SCHMETTERLING"), and a licensee, its 100 per cent subsidiaries, branches and other companies (hereinafter "licensee"). The conditions of use define those conditions, under which the licensee may use the brands and logos of SCHMETTERLING defined in the licence agreement in or on its products, promotional material, websites or other services (the "goods of the licensee").

2. Granting of licence

Schmetterling is the owner or exclusive licensee of various brands and logos ("brands"). With the licence agreement, SCHMETTERLING shall issue the licensee a non-exclusive, non-transferable, restricted licence to use the brand(s) stated in the licence agreement, and moreover to do so in the manner **described in the licence agreement, pursuant to these conditions of use and the guidelines in Appendix A (the "presentation guidelines") or any revisions thereof**. The licensee shall take appropriate efforts to abide by revised lists of licensed brands or *presentation guidelines* which differ from Appendix A.

3. Duration

- 3.1. The right of use for the brands shall apply from the date of its issuing until such time as a party terminates the agreement at its own discretion by issuing the other party with written notification, wherein a notice period of one month shall be observed.
- 3.2. The agreement shall end without termination being required upon the legally effective liquidation of the contract brands.
- 3.3. Regardless of other orderly stipulations of termination or facts of termination governed in the licence agreement or these conditions of use, the licence agreement can be terminated by Schmetterling with immediate effect for the following reasons:
 - if the licensee, its the commercial representatives, wholesalers or importers use the contact brands for products/services which are not covered by the licence agreement of the conditions of use, or which the licensee has not approved, provided this usage is not terminated immediately, and no later than 5 calendar days after receipt of a written cease and desist warning;
 - if the licensee breaches its core obligations from the licence agreement or these conditions of use, or another significant provisions of these conditions of use, provided this breach of contract is not resolved within 5 days of written warning being issued by Schmetterling. This includes, in particular but not exclusively, any breach of the restrictions under Paragraph 5 as well as any breach of the obligation under Paragraph 6.2;
 - if the licensee is liquidated or insolvency proceedings are initiated for the assets of the licensee, or if the initiation of insolvency proceedings is rejected for lack of assets, or if similar serious proceedings are brought against the licensee.

4. Consent to transfer

- SCHMETTERLING is entitled to transfer the licence agreement as well as these conditions of use to one of the Schmetterling Group companies, e.g. a Schmetterling Trademark company. By signing the licence agreement and consenting to these conditions of use, the licensee confirms its approval of such a transfer to a company defined under Sentence 1.

5. Restrictions

5.1. The licensee may NOT:

- give away or transfer the licensed brands. Nor shall the licensee have the right to issue sub-licenses within the framework of this agreement without the prior written consent of SCHMETTERLING, except for the purposes of reproduction, such as for packaging or advertising;
- use or reproduce the licensed brands for any purpose other than that stated in the licence agreement WITHOUT the prior agreement of SCHMETTERLING;
- alter the licensed brands in any way that contradicts the presentation guidelines;
- use the licensed brands together with its own brands or those of third parties such that a brand combination or group brand arises;
- present the licensed brands in such a way that there exists the impression that its goods or services are provided by SCHMETTERLING or are prepared under the supervision of SCHMETTERLING.

5.2. The licensee shall accept and hereby declare its agreement that all rights, titles and claims relating to the licensed brands shall remain with SCHMETTERLING, and that any and all usage of these brands on the part of the licensee shall be for the benefit of SCHMETTERLING.

5.3. The licensee may NOT

- implement any campaigns which could damage the reputation or goodwill of SCHMETTERLING or its brands
- no undertake any campaigns which place in question the ownership of the licensed brands by SCHMETTERLING
- place into question the rights or claims of SCHMETTERLING to the licensed brands, or cultivate doubt in this regard
- make any attempts to have licensed brands or any similar trademarks or logos or such which contain licensed brands registered as brands, business or domain names in any country.
- use the licensed brands on or in conjunction with pornographic, or morally questionable materials (incl. websites) or any other materials which contradict the reputation of SCHMETTERLING as a provider of high-quality services;
- continue to use the licensed brands on or in conjunction with materials which represent a defamation of SCHMETTERLING, its suppliers, or its customers;
- continue to use the licensed brands on or in conjunction with materials which breach the state and federal law of Germany, or the rights and stipulations of other countries.

5.4. In case of a breach of the licence agreement, these conditions of use, or the presentation guidelines provided by SCHMETTERLING, SCHMETTERLING can push for an action for injunction beyond the other legal remedies available to it.

6. Obligations of the licensee

6.1. The licensee shall use the licensed brands in accordance with the licence agreement, these conditions of use, and the presentation guidelines attached as Appendix A, or instructions issued by SCHMETTERLING from time to time. Such usage includes, but is not limited to, the use of corresponding brand symbols and cooperative information in conjunction with the licensed brands and goods or promotion of the licensee. The licensee shall further declare its agreement to accept and abide by revision of Appendix A on the part of SCHMETTERLING which shall only be subject to a commercially acceptable phase-out period for the inventory and packaging of the licensee concluded before notification of the revision by SCHMETTERLING. The licensee shall bear all costs for changes to its goods which result from the revisions of Appendix A on the part of SCHMETTERLING.

6.2. The licensee shall always indicate contract brands with the note of entry ® and shall make clear that this is a registered brand of SCHMETTERLING.

7. Cooperation.

Upon request and at the expense of SCHMETTERLING, the licensee shall present all necessary samples or issue documents which protect or ensure the rights of SCHMETTERLING to the licensed brands, or which allow SCHMETTERLING to ensure or maintain rights to the licensed brands. The licensee shall further declare its agreement to provide contact details and to keep SCHMETTERLING up to date regarding elements thereof, specifically for the purpose of delivering notifications regarding the license agreement, these conditions of use, or revisions to Appendix A.

8. Notification of breach of licence

The licensee shall inform SCHMETTERLING immediately in writing of any and all uses of the licensed brands, or brands or names which could be easily confused with these, which breaches the rights of SCHMETTERLING. The licensee may not undertake any action in this respect without the prior written approval of SCHMETTERLING. The licensee shall support SCHMETTERLING and its legal counsel to the fullest extent in all legal actions or other actions deemed appropriate by SCHMETTERLING in order to protect the rights, titles and claims of SCHMETTERLING regarding the licensed brands.

9. Procedure in case of breach of licence

In case of a breach of the rights to licensed brands, or the use of names, trademarks or logos significantly similar to such on the part of third parties, SCHMETTERLING alone shall have the right to take corresponding steps against the offending party at its own discretion, and to conduct corresponding discussions, including settlement negotiations, and to withhold any and all damage compensation payments resulting from such proceedings.

10. Quality control & inspection

The licensee may only use the licensed brands in the manner stated here and only so long as the quality of such usage and the products and materials themselves demonstrate the same high standard as all products and services of SCHMETTERLING.

11. Prior submission of samples

Upon request, the licensee shall present SCHMETTERLING with samples of all materials with the licensed brands before their commercial use for the purposes of inspection and approval. If justified, SCHMETTERLING has the right to object to all samples, the use of dissemination of which SCHMETTERLING considers damaging to its recognition value of the quality image of the licensed brands, or which do not fulfil the requirements of these guidelines of the licence agreement with SCHMETTERLING. In case of such objection, the licensee shall modify the affected materials accordingly before their use/dissemination. The licensee shall assume the costs for necessary revisions or modifications to its goods in order to guarantee fulfilment of the quality specifications of SCHMETTERLING.

12. Warranty and liability

- 12.1. The licensee shall reimburse and indemnify SCHMETTERLING regarding all third-party claims which arise from and in connection with contract products, provided SCHMETTERLING cannot be held at least predominantly accountable for the claims and liability. SCHMETTERLING shall be held predominantly accountable for damages which arise on the grounds of its authority to give directives according to this agreement. Otherwise § 254 German Civil Code (BGB) shall apply.
- 12.2. SCHMETTERLING does not assume any guarantee that the rights of third parties will not be breached by the use of the contract brands. SCHMETTERLING declares, however, that it is not aware of such rights. No liability shall be assumed for freedom from defects, and in particular for independence from property rights of third parties.
- 12.3. SCHMETTERLING guarantees that the brand issued has not been pledged as security, that no exclusive rights of use or other rights to use in rem have been issued, and that the contract brand is not the subject of a debt enforcement procedure, and is not subject to any other on-going proceedings.

13. Miscellaneous

- 13.1. Amendments, additions or deletions relating to this agreement must be submitted in written form. The same shall apply for the amendment, addition or deletion of this requirement of written form.
- 13.2. If one or several provisions of this contract are or become ineffective, this does not affect the effectiveness of the remaining provisions of this agreement. The ineffective provision shall be replaced by such which most closely reflects the financial aim of the original. The same shall apply in the event of an omission in the agreement which requires regulation.
- 13.3. The law of the Federal Republic of Germany applies. The place of jurisdiction is Bamberg, insofar as this is legally permissible.

14. Appendix A