AEQUIFIN

# General terms and conditions for users of the AEQUIFIN platform (Platform Contract and Terms of Use)

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## A. General provisions

### 1. Concept

1.1. AEQUIFIN GmbH & Co. KGaA, Zeillerstrasse 20, 82031 Grünwald, Germany (hereinafter referred to as “AEQUIFIN”) operates the website AEQUIFIN.com (“Platform”).

The Platform allows natural and legal persons which are, become or may become party to a legal dispute (“Litigants” or individually “Litigant”) to find partners to assist them with the pursuit and assertion of their claims.

The Platform enables natural and legal persons – whether or not in return for a share of the liquidation proceeds – to support the legal and/or financial concerns of the Litigants or to become otherwise involved in the event of a deficit of justice (the “**Sponsors**” or individually a “**Sponsor**”).

Moreover, Lawyers (*Rechtsanwälte*) licensed to practice in the Federal Republic of Germany (“**Registered Lawyers**” or individually a “**Registered Lawyer**”), who represent the Litigants in the assertion of their claims on the basis of a Mandate agreement entered into with the Litigant and under which payment obligations arise on the part of the Litigant in the event that sponsorship is not forthcoming, may register on the Platform. Apart from the registration, the Registered Lawyers do not have any contractual relationship with AEQUIFIN (for details, see clause B.).

1.2. A dispute (hereinafter referred to as “**Dispute**”, “**Case**”) for purposes of these general terms and conditions (“**GTC**”) constitutes every judicial and/or extrajudicial pursuit of and/or defence against claims, demands, legal positions and rights, regardless of the type of court or type of proceedings. Cases are presented on the AEQUIFIN platform by registered lawyers. Companies ("**Business**") that have their own legal department with lawyers admitted in Germany or an in-house lawyer are entitled to present cases themselves with the consent of AEQUIFIN.

1.3. Litigants without a mandated Registered Lawyer can describe their case through the menu item Case Request (hereinafter "Case Request"). Case Requests are automatically forwarded to Registered Lawyers by the AEQUIFIN Platform in an anonymized form.

1.4. In a legal project ("Legal Project") within the meaning of these GTC, users as project owners ("Project Owner") can pursue the enforcement and/or defense of claims, demands, legal positions and rights of one or more affected parties against one or more opposing parties in court and/or out of court.

1.5. In a legal clarification project ("Legal Clarification Project") within the meaning of these GTC, Project Owners may work towards clarification or amendment of the legal situation. A Legal Clarification Project may relate to a topic under public or private law that has significance beyond the respective individual case.

1.6. Funds from sponsorships shall be received by trustees ("Trustee") and disbursed in accordance with the concept upon corresponding request of the Lawyer of the Litigant, unless otherwise agreed in the sponsorship contract. Payments from sponsors shall be made to escrow accounts. Pending appropriation, the funds received shall be administered by the trustee.

For the use of funds from sponsorships in litigation financing with AEQUIFIN quota balancing, the regulations in the "General Terms and Conditions regarding litigation funding with AEQUIFIN Quota Balancing" shall apply.

1.7. AEQUIFIN provides a Platform for Litigants, Sponsors, Lawyers, Project Owners and other parties involved (in general "**User/s**"), which offers them the opportunity of initiating and concluding litigation financing agreements ("sponsoring agreements" or individually "sponsoring agreement"). Users are permitted to use the Platform in different capacities in the context of these GTC; for instance both as a Sponsor and as a Litigant. No contract is concluded with AEQUIFIN regarding the implementation or financing of the Disputes, Legal projects or legal clarification projects uploaded onto the Platform by the Litigant or its Lawyer.

1.8. Information about legal matters is provided by registered lawyers, companies and project owners via the AEQUIFIN platform ("**Case Concept**").

Users may receive information about Case Concepts on an ongoing basis without obligation ("**Subscribe**").

Legal statements are to be taken exclusively from the Case Concepts. The information, documents and statements contained therein are not reviewed by the platform or evaluated with regard to the prospects of success of the case.

Documents are to be made available in a secure data room to the AEQUIFIN platform. A data room provided by AEQUIFIN may be used as data room or Users may use their own secured data rooms linked via the AEQUIFIN Platform.

AEQUIFIN is not liable for the security of third party data rooms.

For cases to be financed by means of AEQUIFIN Quota Balancing, separate terms and conditions for the Case Concept apply, which are determined in the "General Terms and Conditions regarding litigation funding with AEQUIFIN Quota Balancing"

1.9. AEQUIFIN does not provide any legal or tax advice and, in particular, does not make any content-related statements of its own regarding potential chances of legal success of the Disputes and proceedings uploaded onto the Platform and about which information is shown on the Platform. In the event that any statements are made regarding the chances of success of Disputes, Legal projects or legal clarification projects (e.g. in a Case Concept), these originate only from the Users, esp. from the Litigants, Project owners and/or their Lawyers who shall be solely liable for this information.

1.10. The Users of the AEQUIFIN Platform may conclude individually designed Sponsorship Agreements with each other and, in particular, jointly determine the economic conditions.

1.11. The AEQUIFIN Platform also offers the possibility to determine an "optimal" and for all Sponsors applicable percentage participation in a possible financial litigation success ("**Liquidation Proceeds**"), the AEQUIFIN Quota ("**AEQUIFIN Quota**"), in a transparent procedure, the AEQUIFIN Quota Balancing ("**AEQUIFIN Quota Balancing**"). In this procedure, contractual terms and conditions apply which are presented in the separate "General Terms and Conditions regarding litigation funding with AEQUIFIN Quota Balancing".

## 2. Registration and platform contract (not necessary for sponsors of legal clarification projects according to F.4. of these GTC)

2.1. In order to register, Users must be at least 18 years of age. In the case of legal entities, the person acting on behalf of the legal entity must be at least 18 years of age.

2.2. Both natural and legal persons may register on the Platform. Only the Lawyer of the Litigant may present a Dispute for the potential Sponsors on behalf of the Litigant, unless the Litigant is a company.. If the Litigant has not yet mandated a Lawyer, it is able to use the Platform to find a Lawyer who is also registered on the Platform-

2.3. There is no right to registration. A User may be denied registration for the following reasons in particular:

- clear lack of acceptance of the authority of the courts and the legal system
- clear rejection of the Ethical Guidelines of the AEQUIFIN Platform
- inadequate credit standing
- inadequate neutrality (when registering as a Sponsor)
- criminal record

2.4. The use of some functions of the Platform requires prior registration. US citizens, persons with permanent place of residence in the US or companies with registered office or branch office in the US must report this fact to AEQUIFIN and enter into an individual agreement with AEQUIFIN before using this Platform.

2.5. Only the respective registered Users in their capacity as economic beneficiaries (for the purpose of the German Anti Money Laundering Act [*Geldwäschegesetz*]) may use the Platform, make offers and enter into contracts regarding Disputes. If a user registers on the platform as a representative of a company, foundation or other legal entity, proof of the authorization to sign must be provided to the platform, for example an excerpt from the register or a power of attorney. The platform must be notified of any changes regarding the authorization to sign.

2.6. If a User has a conflict of interest in a Dispute or a conflict of interest threatens, it is obliged to disclose this to the Registered Lawyer of the Litigant.

2.7. During registration a User selects the role in which it wishes to use the Platform, i.e. as a Litigant, a Sponsor, a Lawyer etc. By submitting the registration form, the User accepts these GTC and confirms that it has read the privacy statement and accepts it. After sending the registration form, the User receives an email with an activation link to the email address

provided by it. By clicking the activation link, the User confirms the accuracy of the email address provided by it (double-opt-in procedure). AEQUIFIN notifies the User of the successful registration by email ("**Confirmation of Registration**"). If a legal representative is acting on behalf of the User, such representative declares, upon clicking the activation link, that it is authorized to make all declarations of intent both to AEQUIFIN and other Users.

2.8. By confirming the Registration AEQUIFIN accepts the User's offer regarding the conclusion of a contract to use the Platform in accordance with these GTC ("**Platform Contract**").

2.9. Upon conclusion of the Platform Contract, the User receives an account (the "**Account**"). This Account entitles the User to use the Platform.The User is obliged to keep its password for the Account safe and to carefully protect access to its Account. The User shall ensure that no unauthorised third party gains access to the password. The User is obliged to keep the password confidential and to change it without delay if it suspects that unauthorised third parties have gained access to the password. Users are obliged to notify AEQUIFIN without delay if there are signs that their account has been misused by third parties.

2.10. The User undertakes to secure the systems it uses to access the Platform against unauthorised access by third parties by taking reasonable safety measures (e.g. virus protection, firewall).

2.11. The User undertakes to only upload truthful and complete information to the Platform. If the data submitted by it changes, the User is obliged to correct the details via its Account.

2.12. The User indemnifies AEQUIFIN against all claims by third parties which are based on a culpable breach of the User's obligations listed in this clause 2.

2.13. AEQUIFIN is entitled to temporarily suspend a User's Account if the User commits a serious breach of its contractual obligations under the Platform Contract (including these GTC).

2.14. The User is obliged to refrain from uploading any information and data onto the Platform which (i) infringes the rights of third parties, (ii) promotes hatred or (iii) infringes personality rights and/or is unlawful in other ways or is relevant to criminal law and/or contains indecent and/or pornographic and/or content that may be harmful to young people.

2.15. The User undertakes, in the description of the Dispute, to include personal data (e.g. name, date of birth, address, telephone number) and the personality rights of any third parties (e.g. personal data of potential defendants, witnesses etc.) only in the event and to the extent legally permitted in particular with regard to the exercise of the freedom of expression. The User must strictly abide by confidentiality obligations under data protection law as well as other statutory or contractual confidentiality obligations with regard to details to be published regarding the Dispute and/or in the Case Concept.

2.16. The User is obliged to perform no actions relevant to the Sponsorship via the AEQUIFIN Platform with regard to Cases, Requested Cases, Cases in which a Lawyer has been mandated , Legal Projects and Legal Clarification Projects without the involvement of the Platform and/or AEQUIFIN.

This does not include the Litigant and the Lawyer entering into a Mandate agreement (clause B.2.1). In particular, the User shall refrain from entering into any contractual agreements or other agreements with the Litigant outside of the sponsorship contract, and shall take steps to ensure that such agreements are not entered into, in particular if this occurs

outside of the Platform Contract and/or for purposes of circumventing the Platform Contract or AEQUIFIN. In the event of a breach of this obligation, the Litigant shall always procure that AEQUIFIN is put in the position it would have been in if these contractual agreements or other agreements made between the Sponsor and the Litigant outside of the Platform Contract or without the involvement of AEQUIFIN did not exist and the original sponsorship contract applied and had to be fulfilled. Contractual arrangements between the Litigant and the Lawyer of the Litigant outside of the sponsorship agreement are permitted.

**3. Fees**

3.1. Registration on the AEQUIFIN Platform and the use of the AEQUIFIN Platform is free of charge, unless a sponsoring contract is concluded or other services listed in the respective current price sheet published on the platform are used. Other individually contractually agreed services remain unaffected by these GTC.

3.2. In case of the signing/conclusion/brokering of litigation financing contracts for a case presented on the AEQUIFIN Platform, Registered Users owe AEQUIFIN a fee ("Brokerage Fee") for the brokerage service in accordance with the AEQUIFIN fee table which is valid at the time of the brokerage service. Opportunity brokerage service to conclude a Litigation Financing Agreement shall be deemed to have been provided in any case if a User has either created a Case, a Legal Project or a Legal Clarification Project on the AEQUIFIN Platform or has used information deposited on the AEQUIFIN Platform with respect thereto.

3.3. If sponsoring contracts are concluded in AEQUIFIN quota balancing, special fee conditions apply in accordance with the "General Terms and Conditions regarding litigation funding with AEQUIFIN Quota Balancing".

All fees are quoted inclusive of statutory value added tax.

**4. Contractual Duration and Termination**

4.1. The Platform Contract is entered into for an unlimited period of time.

4.2. The Platform Contract may be terminated by either party giving one month's notice in text form to expire at the end of a month. A termination of the Platform Contract shall not affect the fee claims of AEQUIFIN which have arisen or will arise from the use of the platform.

4.3. The rights and obligations arising from contracts entered into among Users, i.e. between, for instance, the Litigants and the Sponsors or between the Litigants and the Lawyers shall not be affected by a termination of the Platform Contract (for whatever reason).

4.4. The aforementioned provisions shall not affect the right to terminate the Platform Contract without notice for good cause. As a general rule, a termination for good cause is only possible following receipt of a warning unless the breach of contract is so serious and/or cannot be remedied so that a warning is not reasonable.

4.5. AEQUIFIN shall, in particular, have a right to terminate the contract with the User without notice for good cause if

- other provisions refer to this clause 4.5;
- the User breaches one or several contractual obligations laid down in clause A.2. and/or H.2. of these GTC.

## B. The Lawyer and the Litigant on the Platform

### 1. Registration

1.1. Lawyers (*Rechtsanwälte*) admitted to the bar in Germany (zugelassene Rechtsanwälte) may register to become Registered Lawyers. AEQUIFIN reserves the right to refuse registration without giving reasons. AEQUIFIN reserves the right to allow the registration also of lawyers not admitted in Germany who have the know-how, expertise and experience to handle the respective disputes. Only Registered Lawyers acting as Lawyers of the Litigant may use the Platform to upload Disputes of Litigants, unless the Litigant is a company.

1.2. Lawyers must register in the capacity in which they have entered into the client-Lawyer contract, i.e. if the entity entering into the client-Lawyer contract is a partnership, a law firm with limited liability or any other type of law firm that entity must be registered on the Platform. Lawyers must designate an authorised representative of the firm (e.g. a partner) who will act as case handler overseeing the Dispute. To become acquainted with the functionality of the platform it is sufficient that a lawyer registers as such. The registration of the law firm is not necessary with regard to that.

1.3. AEQUIFIN is entitled to verify the details provided by the Lawyer, in particular with regard to a valid admission. Lawyers expressly authorise AEQUIFIN to make enquiries at the relevant bar association in that regard.

1.4. AEQUIFIN is entitled to publish the name and contact details of the Registered Lawyer, the law firm and the case handler on the Platform.

### 2. Client-Lawyer contract

2.1. The Lawyer and the Litigant enter into a client-Lawyer contract outside of the Platform which is neither influenced nor brokered by AEQUIFIN. It is entirely the responsibility of the Litigant to mandate a Lawyer suitable for its Dispute.

2.2. The Litigant is obliged to grant to its Lawyer (Lawyer of the Litigant) an authorisation to receive payments, a release from the confidentiality obligation vis-à-vis AEQUIFIN and the Sponsors as well as an irrevocable mandate whereby the Lawyer of the Litigant must transfer all funds received in the context of the Dispute to the Trustee without delay.

2.3. The Litigant is obliged to mandate its Lawyer, who intends to prepare a Case Concept on the Platform in its capacity as Lawyer of the Litigant, to upload into the Data Room a Mandate agreement pursuant to clause 2.1. as well as an authorisation to receive payments and an irrevocable mandate pursuant to clause 2.2, signed by the Litigant.

### 3. Representation of the Litigant

3.1. The Lawyer of the Litigant shall represent the Litigant both in relation to the Dispute and in relation to the declarations of intent submitted via the Platform.

3.2. If the Litigant is a Business and a Sponsor who is a Consumer revokes the sponsorship contract, the Litigant is under an obligation with regard to the declaration of revocation made by the Sponsor to grant its Lawyer of the Litigant authority to receive such revocation. The Litigant is obliged to mandate its Lawyer to ensure that the declaration of revocation can be

easily received (in particular by checking inboxes and spam filters) and to transfer it to the Litigant without delay.

3.3. If the Litigant is a Consumer and a Sponsor is a Business and the Litigant wishes to revoke the sponsorship contract with such a Sponsor, it shall grant its Lawyer of the Litigant power of Lawyer and mandate him or her to declare a revocation of the contract to the Sponsor on behalf of the Litigant.

3.4. The Lawyer of the Litigant shall inform AEQUIFIN without delay about all revocations which he or she receives or declares as representative of the Litigant or of which he or she becomes aware in any other way.

## C. Case Enquiry on the AEQUIFIN-Platform

1. Litigants can use the form “Submit Case Enquiry” to submit a Case Enquiry and present key information regarding the Dispute in which they are involved. The Litigant is obliged to present all details regarding its Dispute fully, comprehensively and accurately and not to conceal or misleadingly present essential things

2. By clicking the button “Submit Case Enquiry” the Litigant confirms that (i) with regard to the claims and legal positions asserted by it, it is entitled to assert such claims and legal positions in court and outside of court, and (ii) that there are no reasons that forbid, hamper or render it impossible for the Litigant to be involved in such legal dispute regarding the claims and legal positions alleged by him.

3. The Litigant shall fill in the form in accordance with applicable data protection laws, which in particular require it to render the names of parties involved in the proceedings (natural persons) and other details of the Case anonymous.

4. The Case Enquiry is logged on the Platform upon receipt of a confirmation email. After it has been logged AEQUIFIN will, after carrying out an internal check, notify the Litigant whether and to what extent AEQUIFIN will make the Case Enquiry of the Litigant available to Registered Lawyers, if the Litigant has not already engaged a lawyer.

5. Following a positive decision of AEQUIFIN regarding the Case Enquiry, it is made available to the Registered Lawyers if the Litigant has not already engaged a lawyer. AEQUIFIN will notify the Litigant of the Registered Lawyers who are interested in taking on the Dispute, thus enabling the Litigant to choose a Lawyer which seems to be the suitable and to mandate him or her to take on its Dispute.

6. It is solely down to the Litigant to enter into a Mandate agreement with its Registered Lawyer of choice with regard to the Dispute in question. AEQUIFIN does not provide any advisory or brokerage services whatsoever and checks neither the professional qualifications of the Lawyer in general nor in relation to the specific Dispute.

7. The Registered Lawyer shall notify AEQUIFIN as soon as he or she has been mandated to represent the Litigant in relation to the Dispute and shall prepare a Case Concept (clause C.1) for the Dispute.

## D. The Sponsor

### 1. Assessment of a Dispute, a Legal Project or a Legal Clarification Project by the Sponsor.

1.1. For the assessment of a sponsorship, information is provided on the AEQUIFIN platform in the Case Concept. The Sponsor should carefully review this information for its decision on financial support.

Regarding sponsorships in litigation funding with AEQUIFIN quota balancing, special obligations for affected parties and attorneys apply. These are deposited in the "General Terms and Conditions for Litigation funding with AEQUIFIN Quota Balancing".

1.2. The Sponsor bears the sole responsibility and risk of deciding whether or not to offer financial support for a Dispute. Any financial support of a Dispute may result in the loss of the whole of the sponsorship amount.

1.3. To perform an assessment, Sponsors are entitled to have any Case Concepts that have been uploaded onto the Platform reviewed by their own advisors (e.g. Lawyers). The Sponsors shall place these advisors under a duty to maintain confidentiality with regard to the facts underlying the Case Concept unless they are already subject to a statutory obligation to maintain confidentiality.

### 2. Exclusion of conflicts of interest

The Sponsor confirms in relation to Disputes whose Case Concept the Sponsor views on the Platform (i) that it is not the defendant and/or the party against whom a claim is made by the Litigant, or (ii) that it was not prompted by the defendant and/or the party against whom a claim is made by the Litigant (directly or indirectly via third parties) to register on the Platform as a Sponsor, for instance in order to obtain possible information regarding the Dispute; (iii) that it does not have any legal or commercial conflict of interest with regard to the Dispute to which the sponsorship relates and (iv) that the Case Concepts are not (also) viewed for a purpose other than the support of the Dispute or for a purpose that constitutes an abuse in relation to AEQUIFIN, the Litigant, the Registered Lawyer or the other Sponsors.

### 3. Exclusion of a Sponsor

The Litigant is entitled, in justified cases and following prior approval by AEQUIFIN, to exclude certain Sponsors from sponsoring a Dispute or to only open up sponsorship to a limited group of Sponsors.

### 4. 4. Assignment

The sponsorship contract as well as all rights and claims of the Sponsor thereunder may only be assigned, transferred, pledged or otherwise encumbered if AEQUIFIN has consented in advance; this is because AEQUIFIN has a legitimate interest in knowing the identity of the Sponsor.

**5. Exclusion of set-off and retention rights**

Users have rights of set-off and retention rights against AEQUIFIN only to the extent that their claims have been upheld and declared unappealable by a court of law and/or are undisputed or if there is a relationship of reciprocity between the claims and claims of AEQUIFIN, unless this clause would make the exercise of a right of withdrawal more difficult.

## E. Legal Projects

Legal projects are designed based on individual agreements between project owners and the AEQUIFIN platform. All components of a Legal Project are presented in its Case Concept.

## F. Legal Clarification Projects

1. Legal Clarification Projects aim to clarify or change the legal situation and can be related to a topic subject to public law or civil law with an impact beyond the individual case in question. The project character arises from the fact that it is not only possible to work towards a change in the law by litigation but it is also possible to include additional measures as part of the project and the sponsoring like e.g. a media campaign or a publication in the literature. Also possible are legal impact projects without any litigation. Sponsors, who are interested in a clarification regarding the project´s topic can support the litigant´s (legal) action with their sponsorings.

2. The project owner prepares a budget showing the expected costs and the intended use of funds. The project schedule and budget may be modified during the course of the project if new findings or other factual reasons make this necessary. The project owner is obliged to ensure to the best of his knowledge and belief that the funds received from sponsors are used exclusively and efficiently to achieve the project objective.

   The project budget may be divided into project stages to achieve intermediate goals, which provide important information about the chances of success and how the legal clarification project will proceed. Once a project stage is fully funded, the funds can be drawn down by the project owner and used to fund the project stage.

   If it is no longer possible to achieve the project goal, the project owner is obliged to terminate the project immediately in the most cost-effective way as well as to inform the sponsors about the reasons. In this case, no further funds may be used beyond this. Furthermore, AEQUIFIN is to be informed in order to ensure that the delivery of sponsorships is terminated.

3. By using the payment form on the Platform and accepting this General Terms and the data protections clauses a sponsor can support Legal Clarification Projects.

4. Sponsoring a legal clarification project is possible without a registration. Certain functions, in particular access to access-protected documents and an overview of sponsorships made in the past, require registration and login prior to submission of the sponsorship.

5. If a sponsor wishes to receive a donation receipt it is possible to click on the button “donation receipt” if the sponsoring exceeds 200.00 EUR and the litigant has activated this function.

6. The litigant is responsible for issuing the donation receipt.

7. The project owner must specify the person who will receive, manage and distribute the funds to be paid in connection with the project as trustee, whereby this person must be a lawyer, auditor or tax advisor licensed in Germany. The trustee monitors the use of funds to ensure that sponsoring amounts are used in accordance with the project budget. The trustee is also authorized to make expenditures that indirectly promote the project goal.

8. The technical processing of the use of funds is carried out by the trustee of the Legal Clarification Project.

9. AEQUIFIN accepts no liability in this context.

10. The aimed goals and the consumption of the sponsored amounts are described in the Case Concept of each respective case . In addition it is described how to proceed if the project is finalised without consumption of all sponsored amounts.

11. As far as sponsors may ask for the repayment of not consumed sponsoring amounts, the trustee can charge a processing fee defined in the AEQUIFIN fee table. A prerequisite for a claim for reimbursement is that the sponsor is registered and logged in on the AEQUIFIN platform when submitting its sponsorship.

## G. Ethical Guidelines and Refusal of a Case

The Ethical Guidelines apply to any use of the Platform in the version published on the Platform. Users are obliged to comply with the Ethical Guidelines. The Litigant therefore does not have any right for a Dispute presented the Litigant, a Legal Project or a Legal Clarification Project to be accepted onto the Platform if there has been a breach of the Ethical Guidelines, these GTC or applicable laws. AEQUIFIN is entitled to refuse the leads, Case Concepts and Disputes presented to AEQUIFIN by the Litigants or their Lawyers via the Platform and to refrain from making these available on the Platform for other Users. A refusal is also permissible if the publication of the Case poses important economic risks for the Platform. AEQUIFIN will notify the Lawyer of the Litigant or the Litigant / Project Owner in a suitable way in the event that such decision is taken. Neither the Lawyer of the Litigant nor the Litigant or the Project Owner shall have any claim for a refund of costs or other financial compensation claims against AEQUIFIN.

## H. Using the Platform

### 1. Intellectual property

1.1. All elements of the Platform, i.e. data and materials including images, graphics, illustrations, designs, symbols, photographs, texts and other representations (hereinafter referred to as the "**Content**") are owned by AEQUIFIN or by the licensor of AEQUIFIN and are protected by copyright, trademarks and/or other rights for the protection of intellectual property.

1.2. The User may use the Platform and its Content – for example store, print or provide to third parties – provided that such use is directly connected to the intended purpose of the Platform.

1.3. Any other use and/or reproduction of the Content without the express prior consent of AEQUIFIN breaches applicable laws and is not permitted under these GTC.

1.4. The use of automated systems or software for the extraction of data from the Platform, in particular for commercial purposes, is not permitted.

1.5. The User grants AEQUIFIN a non-exclusive right to store, copy and process material, data and information transmitted by Users or received on their behalf to the extent to which this is necessary for the provision of the services by AEQUIFIN in accordance with the Platform Contract.

## 2. Permitted use of the Platform

Unless AEQUIFIN gives its prior consent, the Platform may be used only within the limits of the concept described in clause A.1. and in accordance with these GTC. Any use of the Platform by Users in contravention of this is impermissible and entitles AEQUIFIN to terminate the Platform Contract with the respective User pursuant to clause A.4.5 and to claim Damages pursuant to clause H.6 and assert any other claims (Claim for removal and injunction etc.).

An instance of use in contravention of the concept of the Platform and/or these GTC shall, in particular but not limited to, include the use of the Platform for purposes

- of market research, site analysis, competitor or competition analysis;
- of acquiring buyers or suppliers of goods and services;
- of competitors of AEQUIFIN or individual Users enticing away Users of the Platform;
- of journalistic research and reporting without the prior consent of AEQUIFIN as well as the lawyer responsible for the legal case in question;
- of tracing, pursuing or any other stalking or harassment of other Users;
- of spying out other Users and their private or business secrets;
- which contravene prevailing law, these GTC or the Ethical Guidelines of the Platform;
- of collecting data and information regarding the private or business relationships of other Users.

## 3. Availability

AEQUIFIN endeavours, to the extent technically possible and economically viable, to offer unlimited availability of the Platform. AEQUIFIN does not, however, assume any liability in that regard. In particular maintenance work, safety and capacity reasons, technical circumstances as well as events outside of the domain of AEQUIFIN may lead to the Platform being temporarily unavailable.

## 4. Data protection

AEQUIFIN processes personal data of Users to the extent necessary in accordance with the data privacy statement. During the implementation of the Platform Contract AEQUIFIN will comply with all data protection provisions applicable to AEQUIFIN, in particular the Gen-

eral Data Protection Regulation and the German Federal Data Protection Act (Bundesdatenschutzgesetz). In addition, AEQUIFIN will take the technical and organisation measures required to ensure the reasonable protection of personal data.

**5. Liability of AEQUIFIN**

5.1. AEQUIFIN´s liability for slight negligence in case of essential contractual obligations (Kardinalpflichten) is restricted to predictable damage.

5.2. Moreover, the preliminary contract, contractual and non-contractual liability is limited to intent and gross negligence except for damages resulting from injury to life, the body or health based on breach of duty by AEQUIFIN.

5.3. AEQUIFIN is liable to the User for damages and for the reimbursement of expenses in accordance with the statutory provisions in the event of liability under the German Product Liability Act (*Produkthaftungsgesetz*) and in the event that AEQUIFIN has granted an express guarantee.

5.4. The limitation of liability also applies to employees or persons employed in performing a contractual obligation for whom AEQUIFIN is vicariously liable (*Erfüllungsgehilfe,* hereinafter referred to as “Vicarious Agents”).

**6. Liability of the User**

In the event that Users culpably breach one or more of their contractual obligations, they shall be liable to compensate AEQUIFIN for all resulting direct and indirect loss or damage, including any pecuniary loss. This liability may also result in Users, *inter partes*, having to indemnify AEQUIFIN against any third-party claims that may arise from these breaches.

**I. Miscellaneous**

**1. These GTC and general provisions**

1.1. If you are dissatisfied with the services provided by AEQUIFIN or if you have any other comments or feedback, please contact us at AEQUIFIN GmbH & Co. KGaA, Bavariafilmplatz 7, 82031 Grünwald, Germany, email: info@aequifin.com.

1.2. Users will be notified of any changes to these GTC in a suitable manner associated with the request for approval. If a user does not accept the amended GTC, he or she will not be able to submit new Case Requests, act as a Litigant or as a Lawyer or submit new sponsorship bids.

1.3. In the event of the death of the Litigant or the Sponsor, both the Platform Contract and the sponsorship contracts shall be continued with the respective heirs.

1.4. These GTC shall contain the entire and complete mutual contractual obligations of AEQUIFIN and the Users in relation to the object of the contract.

**1.5.** In the event that individual provisions of these GTC be or become invalid, or should gaps in these GTC become apparent, this shall not affect the validity of the remaining provisions. The invalid provision shall be replaced by a valid provision which most closely reflects the purpose of the invalid provision. In the event of a gap, a provision shall be deemed to have

been agreed that would have been agreed in accordance with the objective of this agreement if the parties would have considered the matter at the outset. This shall also apply in the event that the invalidity of a provision is based on a measure of the extent of the performance or the time (deadline or date) laid down by this agreement; in such a case, a legally permitted measure of performance or time (deadline or date) that most closely reflects the intended provision shall be considered to replace the original agreement.

**2. Governing law, jurisdiction and authoritative GTC version**

2.1. These general terms and conditions shall be subject to the law of the Federal Republic of Germany to the exclusion of (i) the rules of private international law, and (ii) the UN Convention on Contracts for the International Sale of Goods.

2.2. For Users who are merchants within the meaning of the German Commercial Code (*Handelsgesetzbuch*), a special fund under public law or a legal person under public law, Munich, Germany, shall be the exclusive place of jurisdiction for all disputes arising out of or in connection with these GTC.

2.3. This English version of the GTC is for orientation only. Only the German version is legally binding.

# General Terms and Conditions regarding litigation funding with AEQUIFIN Quota Balancing

Last updated: 07/30/2021

## A. Functionality of the AEQUIFIN Quota Balancing

### 1. 1. AEQUIFIN Quota Balancing

AEQUIFIN Quota Balancing is a transparent mechanism with which an “ideal” percentage share – applicable to all Sponsors – in possible financial proceeds from litigation (**"liquidation proceeds"**) – the AEQUIFIN Quota (“**AEQUIFIN Quota**”) is calculated (for further details regarding the Quota Balancing Process, see clause E.2. below).

The AEQUIFIN Platform enables Litigants to get access to Sponsors who might support the litigant´s case with regard to his lawsuit. It is possible that

- the Litigant defines a financial goal in accordance with his claim or
- the Litigant defines a financial goal detached from his claim (e.g. when defending against claims or regarding unquantifiable claims or regarding claims without a measurable financial benefit, e.g. like toleration or omission claims). This is the Expected Value (see C.1.3.6. of this terms).

The following terms and conditions define the legal relationships with regard to that and apply in connection with the "General terms and conditions for users of the AEQUIFIN platform" (**"Platform Contract and Terms of Use"**), which are available on aequifin.com/agb.

### 2. Sponsoring with contracts as a result of the AEQUIFIN Quota Balancing

The Sponsors may receive a share of the proceeds from the litigation. The Litigant will receive funds to finance its claims through a mechanism known as “AEQUIFIN Quota Balancing” which is used for the conclusion of sponsorship contracts.

## B. The Litigant and its Dispute

### 1. The Litigant as a natural person with a Lawyer

If the Litigant has already mandated a Lawyer to represent it in its Dispute, this Lawyer must register on the Platform, except when the Litigant is a company as defined in the General terms and conditions for users of the AEQUIFIN platform (Platform Contract and Terms of Use) A.1.2. The further process and the obligations of the Litigant and the Lawyer are set out in the provisions under clause C.

### 2. The Litigant as natural person without a Lawyer

If the Litigant has not yet mandated a Lawyer to represent it in its Dispute, it is strictly required that the Litigant mandates a Lawyer to receive litigation funding, in particular the presentation of the Dispute to potential Sponsors. To that end AEQUIFIN offers the option of finding a Lawyer via the Platform.

### 3. The Litigant as a legal person with a Lawyer

If the Litigant is a company and has already mandated a Lawyer to represent it in its Dispute, the company may act in a legally binding manner on the Platform, by activating the respective extension in its user settings. The company also may instruct the Lawyer to provide all information necessary to receive litigation funding on the Platform.

### 4. The Litigant as a legal person without a Lawyer

If the Litigant is a company and has not yet mandated a Lawyer to represent it in its Dispute, the company may use the Platform in order to receive litigation funding, without mandating a Lawyer. The company needs to active the respective extension in its user settings. In addition AEQUIFIN offers the option of finding a Lawyer via the Platform.

## C. The Lawyer of the Litigant, the Litigant and the Dispute

### 1. Presentation of the Case on the Platform (Case Concept)

### 1.1. Obligations of the Lawyer of the Litigant

The mandated Registered Lawyer of the Litigant ("**Lawyer of the Litigant**") or the company is entitled and obliged to include in the Case Concept all information relevant to a possible Sponsor of the Case. The Lawyer of the Litigant must check any mandates issued by the Litigant or by other interested parties. The Lawyer of the Litigant or the company is responsible for the accuracy and completeness of the Case Concept.

### 1.2. Obligations of the Litigant

#### 1.2.1 Information about any Non Disclosure Agreements

The Litigant is obliged to inform its Lawyer of the Litigant of any non-disclosure agreements it has entered into with third parties to allow the Lawyer of the Litigant to check whether they prohibit the disclosure of certain information or data on the Platform.

#### 1.2.2. Litigant must allow to examine whether his claim is free of rights of third parties and that he is authorised to dispose

In addition, the Litigant has to provide to its Lawyer of the Litigant all information required for him or her to check that the Litigant is authorised to dispose of the claims and legal positions alleged by it – if and to the extent that they exist – and that the alleged claims and legal positions have in particular not been assigned, pledged and/or seized. If a company acts without a lawyer, the company confirms by publishing the case on the AEQUIFIN Platform that to the best of it´s knowledge it is authorised to dispose of the claims and legal positions alleged by it and that the alleged claims and legal positions have in particular not been assigned, pledged and/or seized.

#### 1.2.3. Litigant must inform about any counterclaims

In addition, the Litigant is obliged to notify its Lawyer of the Litigant about any counterclaims and the underlying facts to allow the Lawyer of the Litigant to assess the risks

of a possible set-off and/or counterclaim. If a company acts without a lawyer, the company informs in the case concept to the best of it´s knowledge about any counterclaims and the risk of a potential set-off and/or a cross action.

### 1.3. Information in the Case Concept

The case concept shall contain the following information:

#### 1.3.1 Key information and assessment in the Case Concept

The Case Concept must contain the key information regarding the Dispute in question (e.g. concerning the facts of the case) and the legal framework including an evaluation of the opportunities and risks ("**Executive Summary**").

#### 1.3.2. Data Room

##### 1.3.2.1. Link to the Data Room

The Case Concept must include a link to a secure virtual Data Room, into which the Lawyer of the Litigant can upload documents (e.g. extrajudicial correspondence, pleadings, expert opinions) regarding the Dispute.

##### 1.3.2.2. Statement of claim or draft / case budget

The Lawyer of the Litigant is strictly required to upload into the Data Room the statement of claim or a draft statement of claim as well as a written case budget with a detailed list of costs.

##### 1.3.2.3. Expected price changes

Any expected price changes must be listed in the case budget.

##### 1.3.2.4. Power of attorney and agreements

The Lawyer of the Litigant is also strictly required to upload into the Data Room

- his or her power of Lawyer,
- the Mandate agreement and other agreements with the Litigant as well as
- the authorisation to receive payments and the irrevocable mandate issued by the Litigant to the Lawyer of the Litigant pursuant to clause C.4.1.

#### 1.3.3. The Lawyer is responsible for regulating access to the Data Room / Content / Data Protection

The Lawyer of the Litigant is responsible for regulating access to the Data Room (e.g. only if a non-disclosure agreement is in place with the User accessing the Data Room) as well as the content of the Data Room, and must take in particular applicable data protection provisions into account.

#### 1.3.4. Total Financing Amount

The amount of financing required for the Dispute in question, including trustee and administration costs ("**Total Financing Amount**") and the amount of fees payable to AEQUIFIN. The Total Financing Amount includes all costs, expenses and fees expected, after thorough checking, for the assertion of the claims and legal positions of the Litigant as well as for the defence against any expected counterclaims, including the following costs which shall be broken down individually, namely

- procedural and court costs until a final and binding decision has been reached (i.e. for courts of all instances in the jurisdiction in question),
- Lawyers' fees of all parties (i.e. for courts of all instances in the jurisdiction in question),
- enforcement costs,
- the Case Trustee´s fees,
- the AEQUIFIN Service Fee (Sponsor) provided that the Expected Value does not amount to 0 (in which case no AEQUIFIN Service Fee (Sponsor) is payable) as well as
- the AEQUIFIN Service Fee (Litigant) payable by the Litigant to AEQUIFIN provided that this is to be financed out of the sponsorship amount.

When calculating the Total Financing Amount, the Lawyer of the Litigant shall take into account any own funds of the Litigant ("**Own Funds**"), which are not part of the Total Financing Amount. Regarding the Own Funds of the Litigant, clause E.5. shall apply *mutatis mutandis*.

### 1.3.5. Litigation Objective

The litigation objective ("**Litigation Objective**"), i.e. the amount of the claim being asserted or defended against. In cases without a financial target (e.g. a cease and desist order) EUR 0 shall be inserted. The same applies in relation to claims with a purely notional value (e.g. claim for restitution of items belonging to the Litigant without any measurable material value, such as diaries, letters). If the Litigation Objective has an economic value but the possible proceeds from the litigation cannot be clearly defined (claim for restitution of an item with a tangible value), no amount shall be entered as Litigation Objective; in this case the Expected Value (see below) shall apply as the basis of calculation for the share of the Sponsors in the proceeds from the litigation.

### 1.3.6. Expected Value

The financial value of the claim to be asserted or defended against which the Lawyer of the Litigant considers realistically achievable after weighing up the opportunities and risks and taking into account reference scenarios including the risk that the claim may not be enforceable ("**Expected Value**"). The Expected Value will usually be the amount below which a settlement is not viable in the opinion of the Lawyer of the Litigant. In the event of claims of purely notional value, the Expected Value is the monetary value that the Litigant places on the Dispute being resolved successfully, i.e. a fictitious value that the Litigant is prepared to share with the Sponsors on a pro rata basis. The Expected Value is always used as the basis of calculation for the share of the Sponsors

in the proceeds from the litigation if it is not possible for the liquidation proceeds to be calculated from the outcome of the legal proceedings (see Litigation Objective). In this case, the Expected Value can be determined freely.

### 1.3.7 Credit Standing of the Opposing Party

Details regarding the credit standing of the opposing party (or parties) of the Litigant ("**Credit Standing of the Opposing Party**").

### 1.3.8. Litigant Quota

The Litigant may offer Sponsors who are supporting the Dispute a Share of the Liquidation Proceeds, which is known as the Litigant Quota ("**Litigant Quota**"). The Litigant Quota is the share which denotes the percentage up to which the Litigant is prepared to allow Sponsors to participate in any liquidation proceeds (clause E. 9).

Example: if the Litigant Quota is 10%, in the event of liquidation proceeds amounting to EUR 100,000 Sponsors would receive a maximum Share of the Liquidation Proceeds of EUR 10,000 (10% of EUR 100,000); in the event of more than one Sponsor, this Share of the Liquidation Proceeds needs to be split between the Sponsors.

### 1.3.9. No reduction of the Litigant Quota after the Dispute has been made available to Sponsors

After the Dispute has been made available to the Sponsors on the Platform, the Litigant Quota may only be increased (in favour of Sponsors), but it may not be reduced.

### 1.3.10 Minimum Sponsorship Amount

The lowest possible amount with which the Sponsor may support the Litigant in these proceedings ("**Minimum Amount**").

### 1.3.11 Case Trustee

Details of the person who takes receipt, administers and distributes the monies payable in connection with the Dispute ("**Case Trustee**"); the Trustee must be a Lawyer (*Rechtsanwalt*), tax consultant (*Steuerberater*) or auditor (*Wirtschaftsprüfer*), licensed to practise in Germany, and must not be identical to the Litigant, the Lawyer of the Litigant and the Sponsors involved in the Dispute.

### 1.3.12. The Case Trustee´s Fee / Terms of the Trust Agreement

Details of the fee charged by the Case Trustee for its work ("**Trustee Fee**") as well as other terms and conditions of the contract to be entered into with the Case Trustee ("**Terms of the Trust Agreement**").

### 1.3.13 Offer Duration

An offer Duration, i.e. a Duration to be determined by the Platform (e.g. 20 days from publication of the Case Concept approved by AEQUIFIN on the Platform), within which a sufficient number of binding commitments by Sponsors (individually or jointly) to pay the Total Financing Amount in accordance with the terms of the Litigant Quota or a lower distribution quota has to have been received ("**Offer Duration**").

#### 1.3.14 Statement as to whether the Litigant is a Consumer

A statement as to whether the Litigant is a Consumer (within the meaning of sec. 13 of German Civil Code), in which case he or she has a right to revoke the sponsorship contracts entered into in the context of the Share Balancing Process with Sponsors who are Businesses (within the meaning of sec. 14 of German Civil Code). In this case the Case Concept shall also contain the information that after the Quota Balancing Process has been completed successfully, a 20-day waiting period ("**Transaction Period**") applies during which the Sponsors do not yet have to make any payments.

#### 1.3.15 Statement about participation in the sponsorship

If the Litigant is a Business, a statement as to whether and to what extent the Litigant will participate in the sponsorship by way of a Declaration of Cost Assumption (clause G.2.7, 2.8 (second alternative)) in the event of revocation of sponsorship contracts.

#### 1.3.16 Additional information

Additional information regarding the Case, such as videos or promotional content, may be included.

The Lawyer of the Litigant or the company is obliged to make only accurate and truthful statements in relation to the Dispute and to make his or her opportunities-risk assessment and determine the Expected Value to the best of his or her knowledge and belief and based on the appropriate information.

#### 1.3.17 Deviating provisions

To the extent that Users wish to agree on contractual terms and conditions that deviate from the GTC, such terms and conditions shall be transparently presented in the Case Concept prior to the commencement of the AEQUIFIN Quota Balancing, subject to AEQUIFIN's prior consent.

#### 1.3.18 Indemnification

The Lawyer of the Litigant shall indemnify AEQUIFIN against all claims of other Users and other third parties which are based on a culpable breach of the aforementioned obligation for which he is responsible.

## 2. Publication of the Case on the AEQUIFIN Platform (Release)

### 2.1. AEQUIFIN´s Release

Once the Case Concept has been fully finalised, the Lawyer of the Litigant shall click the button "Publish Case" to confirm on the Platform that the Case Concept is complete and accurate and to release the Case Concept to AEQUIFIN to be published on the Platform ("**Release**"). The acting person thereby declares to have been authorized by the Litigant to accept the General Terms and Conditions for Litigation Funding with AEQUIFIN Quota Balancing. If the case is released in the further course, the AEQUIFIN Service Fee according to clause G 2.2 arises in case of premature termination of the case by the Litigant.

### 2.2. Release and Ethical Guidelines

To the extent that a Case complies with the Ethical Guidelines as published on the Platform ("Ethical Guidelines"), it will be released by AEQUIFIN on the Platform with the associated Case Concept.

After that sponsors can

- view the Case Concept,
- ask questions to the Lawyer of the Litigant about the dispute, and
- offer their financial support for the dispute.

**3. AEQUIFIN carries out the Case approval pursuant to clause 2. as swiftly as possible.**

The Lawyer of the Litigant or the company is obliged to remind AEQUIFIN in writing of any deadlines that need to be met in relation to the Dispute. Such reminder is only deemed to have been issued if AEQUIFIN has confirmed its receipt in writing.

AEQUIFIN is not under any obligation to carry out the pre-release check within a certain timeframe. Only the Litigant or the Lawyer of the Litigant shall be responsible for monitoring and meeting deadlines.

Upon Release of the Case pursuant to clause C.2.1., the Lawyer of the Litigant and the Litigant are deemed to have given their consent to AEQUIFIN notifying interested Sponsors and other Users about the publication of the Case on the Platform.

All details, data and information regarding the uploaded Disputes are not checked by AEQUIFIN for their legality, accuracy and completeness or otherwise in legal terms, neither in the interest of the Litigant nor in the interest of potential Sponsors.

Following Release pursuant to clause C.2., any changes to the details contained in the Case Concept pursuant to clause C.1.3 are only possible in the event of material changes to the legal position, to supreme court rulings or to the facts of the case. AEQUIFIN must be informed of any changes prior to publication and is entitled not to approve the changes for publication.

Following expiry of 6 months from the end of the Offer Duration regarding a Dispute for which no sponsorship is forthcoming, AEQUIFIN is entitled to delete any Case Concept that had initially been published on the Platform and all data and information received in this context.

After the Quota Balancing Process has been concluded, the Case Concept is only accessible for Sponsors involved in the Case.

**4. Receipt of money and mandating of the Lawyer of the Litigant**

4.1. The Litigant shall be obliged to irrevocably mandate its Lawyer of the Litigant to require that payments from all parties involved (opposing party, court, other third parties) in relation to the Dispute are made only into the Trustee account (clause D.3) (to the extent that no right to set-off, retention right or other legal basis precludes this), i.e. that for instance in the event of payment demands, following a successful legal action or in the context of compulsory enforcement measures the Lawyer of the Litigant requests

that payment or distribution of proceeds and all other amounts and refunds is made into the Trustee Account. In the event that payment into the Trustee account is not possible in certain cases or is not made, the Litigant is obliged to authorise its Lawyer of the Litigant to take receipt of the proceeds and other payments in connection with the Dispute and to irrevocably mandate him or her to transfer all monies received to the Case Trustee without delay (clause D.6.).

4.2. The Litigant may only take receipt of monies in the context of the Dispute following distribution by the Trustee in accordance with these GTC and not directly from Sponsors, opposing parties or other third parties.

**5. Termination of the Mandate agreement by the Litigant**

5.1. The Litigant may only terminate the Mandate agreement with the Lawyer of the Litigant prior to the conclusion of the Dispute for good cause and after prior notification of AEQUIFIN. Good cause is, in particular, a breach of contractual obligations by the Lawyer of the Litigant. The Litigant must ensure that the Mandate agreement is continued by a Registered Lawyer under the same terms and in accordance with the budget published in the Case Concept. Addition fees prescribed by law shall be borne by the Litigant.

5.2. If the Litigant terminates the Mandate agreement without good cause or fails to mandate another Registered Lawyer to continue the Case, it shall be liable to compensate the Sponsors of the sponsorship contract in question and AEQUIFIN for any resulting loss or damage as well as any loss of profits.

5.3. In the event that the Litigant changes its Registered Lawyer, AEQUIFIN has a claim vis-à-vis the Litigant for payment of a service charge pursuant to the AEQUIFIN fee table applicable at the time the Registered Lawyer changes or the service in question is rendered.

## D. The Case Trustee, the Litigant and the Sponsor

### 1. Payments to the Case Trustee

The Sponsorship Amounts payable following the successful completion of a Quota Balancing Process are not paid directly to the Litigant or the Lawyer of the Litigant, but are instead paid to the Trustee. The same applies to proceeds and other payments in the context of the Dispute. If the Litigant or the Lawyer of the Litigant receive proceeds or other payments in the context of the Dispute, they shall transfer them to the Trustee as soon as they have received them. In relation to the Lawyer of the Litigant this shall only apply to the extent that such transfer is not precluded by a right to set-off, a retention right or any other legal ground.

### 2. Conclusion of the Trust Agreement

By uploading the Case Concept released by AEQUIFIN, both the Litigant and the Lawyer of the Litigant are deemed to have submitted an offer to enter into a contract with the Trustee in accordance with the terms of these GTC as well as any other terms of the Trust Agreement laid down in the Case Concept ("**Trust Agreement**"). Together with the offer of sponsorship and in accordance with clauses E.4.2 to 4.10 the Sponsors

make an offer to enter into a Trust Agreement so that only Sponsors involved in a Dispute following a successful Quota Balancing Process enter into a Trust Agreement with the Trustee. The Trustee accepts all offers in advance by agreeing to being named in the Case Concept; however such offers are made on the condition precedent that a successful Quota Balancing Process and, as a consequence, sufficient sponsorship contracts pursuant to clause E.4 are entered into to finance the Dispute in question. In relation to the conclusion of the Trust Agreement and all statements made and information provided and other actions taken in that regard, AEQUIFIN acts as a mere messenger (not an agent) in each case. AEQUIFIN does not check any statements and information for their legality, accuracy and completeness unless there is a statutory obligation to do so.

**3. Trust Account**

The Trustee maintains a suitable account with a credit institution authorised to conduct business in the Federal Republic of Germany, which is used for the administration of the monies referred to in clause D.1 (the "**Trust Account**").

**4. Obligation to notify the Litigant and the Lawyer**

The Trustee is obliged to notify the Litigant and the Lawyer of the Litigant without delay about the receipt of Sponsorship Amounts in the Trust Account.

**5. Disposition of the Sponsorship Amounts**

The Trustee shall dispose of the Sponsorship Amounts in consultation with the Lawyer of the Litigant but is not bound by the latter's mandates. The Trustee shall use the Sponsorship Amounts only to finance the Dispute, i.e. to make advance payments on court fees, pay fees of the Lawyer of the Litigant and other fees.

**6. Irrevocable mandate**

The Sponsor and the Litigant hereby irrevocably mandate the Trustee to handle the Sponsorship Amounts in accordance with the above clauses.

**7. Legal Consequence due to the revocation of a sponsorship contract by the User as the Litigant**

If, due to the revocation of a sponsorship contract by the User as the Litigant, no sponsorship comes into effect and the User goes on to reach a settlement of the Dispute with the opposing party, the User must allow himself to be treated vis-à-vis the Sponsors of the failed sponsorship as well as vis-à-vis AEQUIFIN as if no revocation had occurred.

## E. The sponsorship

### 1. The Q&A phase

1.1. Prior to the start of the AEQUIFIN Quota Balancing Process, Sponsors have the opportunity to ask questions on the Platform which arise from their analysis of the information on the Case. The questions are forwarded by email to the Lawyer of the Litigant.

The Lawyer of the Litigant shall determine the duration of the question and answers phase.

1.2. The responses of the Lawyer of the Litigant to the questions raised by the Sponsors will be published in the Case Concept. The Lawyer of the Litigant may provide requested documents via the Data Room if he or she considers this relevant.

1.3. The Lawyer of the Litigant shall exercise his or her professional judgment in determining whether or not to answer any questions; there is no obligation to answer any questions. It is possible for the current questions and answers phase to be extended for good cause provided that AEQUIFIN consents.

## 2. The AEQUIFIN Quota Balancing Process

### 2.1. Start and duration

The AEQUIFIN Quota Balancing Process commences after completion of the Q&A phase and lasts for the fixed Duration set out in the Case Concept. During this time Sponsors can submit their sponsorship proposals on the Platform in the appropriate field.

### 2.2. BEST Sponsorship or Limit Sponsorship

Sponsors may make offers in the form of a **BEST Sponsorship** or a **Limit Sponsorship**.

BEST Sponsorship involves the Sponsor offering Sponsorship Amounts without a particular demand for a Share of the Liquidation Proceeds (0% Share of the Liquidation Proceeds). In this case, the Sponsor is prepared to sponsor the Case without any share in the proceeds of the litigation.

When choosing Limit Sponsorship the Sponsor combines the offer of a sponsorship fee with the demand for a Minimum Quota in the proceeds of the litigation (Minimum Quota, Share of the Liquidation Proceeds). In this case the Sponsor is therefore only prepared to sponsor the Case if it gets at least a Minimum Quota in the proceeds of the litigation.

### 2.3. Legally binding declarations

The sponsorship offers (BEST Sponsorship, Limit Sponsorship) constitute legally binding declarations of intent on the part of the Sponsor, which cannot be altered after they have been submitted. It is, however, possible for the Sponsor to reduce the Minimum Quota in favour of the Litigant until the AEQUIFIN Quota Balancing Process has been completed; an increase is not permitted. In the same way, it is possible for the Litigant to increase the Quota Offered the Litigant in favour of Sponsors until the AEQUIFIN Quota Balancing Process has been completed; a reduction is not permitted. At the end of the fixed Duration of the AEQUIFIN Quota Balancing Process it may be the case that there is not enough time to implement a reduction of the requested quota.

### 2.4. AEQUIFIN Quota

The Quota Balancing Process is a complex software mechanism which calculates what is known as the AEQUIFIN Quota from the offers made by Sponsors with regard to the

Dispute of the Litigant. The AEQUIFIN Quota is equivalent to the highest Minimum Quota of all sponsorship offers demanded after completion of the AEQUIFIN Quota Balancing Process in order to fully finance the required sponsorship (threshold quota). All qualifying sponsorships will receive this quota – i.e. the BEST Sponsorships as well as all sponsorships with a lower requested Minimum Quota. If the AEQUIFIN Quota Balancing Process arrives at an AEQUIFIN Quota higher than 0%, Sponsors will receive a share in the financial proceeds from litigation equivalent to the AEQUIFIN Quota.

**2.5. AEQUIFIN Quota Balancing Process ends when the fixed Duration expires**

The AEQUIFIN Quota Balancing Process does not terminate once the required amount of Sponsorship Amounts has been reached but continues throughout the fixed Duration. If the required sponsorship amount is reached, the bar for the required sponsorship in the case summary turns green and the first AEQUIFIN Quota calculated is displayed in the case summary. The AEQUIFIN Quota is subject to change until the completion of the AEQUIFIN Quota Balancing Process. Upon completion, the final AEQUIFIN Quota calculated is displayed and the Sponsors will be notified by email.

**2.6. Qualifying Sponsorships**

If the qualifying sponsorship offers suffice to finance the Dispute, a sponsorship comes into effect. The sponsorship offers are ranked in the order of how beneficial they are for the Litigant. Sponsorships with the lowest Minimum Quota are most beneficial for the Litigant. BEST Sponsorships are recognised with a Minimum Quota of 0 and are therefore most beneficial for the Litigant. If several sponsorship offers with the same Minimum Quota are made, these are ranked according to the order in which they were made.

**2.7. Sponsorship comes into effect / Sponsorship comes not into effect**

If, by the time the fixed Duration of the AEQUIFIN Quota Balancing Process expires, an insufficient number of qualifying sponsorship offers has been made by Sponsors (1st alternative) or if, following a successful Quota Balancing Process, one or more sponsorship contracts have been validly revoked due to an existing right of revocation on the part of Consumers and the sponsorship contracts that have not been revoked cover less than 90% of the required Sponsorship Amounts (2nd alternative, clauses G.4.9, 4.10), no sponsorship of the Dispute comes into effect unless

in cases covered by the 1st alternative or – provided that the Litigant did not issue a revocation itself and as far as there is no Declaration of Cost Assumption by AEQUIFIN (see below) – in cases covered by the 2nd alternative, the Litigant makes a legally binding statement promising to pay the outstanding amount itself ("**Declaration of Cost Assumption by Litigants**") and/or

AEQUIFIN or a third party designated by AEQUIFIN makes a legally binding statement in cases covered by the 2nd alternative promising to pay the outstanding amount itself ("**Declaration of Cost Assumption by AEQUIFIN**").

(together "**Declarations of Cost Assumption**")

**2.8. Declaration of Cost Assumption by the Litigant**

The Litigant is only able to issue a Declaration of Cost Assumption in cases covered by the 1st alternative if, following completion of the AEQUIFIN Quota Balancing Process, there is an insufficient total number of sponsorship offers. A Declaration of Cost Assumption of the Litigant is therefore excluded in cases in which, while a sufficient number of sponsorship offers was submitted at the time of completion of the Quota Balancing Process, the sponsorship fails because the sponsorship offers require a higher quota than the Litigant Quota which is always the case if the Litigant Quota was below the highest sponsor quota at the end of the AEQUIFIN Quota Balancing Process. In cases covered by the 1st alternative, the Litigant is therefore also entitled pursuant to C.1.3.15 to increase the Litigant Quota at any time until completion of the AEQUIFIN Quota Balancing Process given that an increase of the Litigant Quota must be declared in priority to a Declaration of Cost Assumption and no Declaration of Cost Assumption may be made if the required Sponsorship Amounts could have been raised by increasing the Litigant Quota. In cases covered by the 2nd alternative, the Litigant is only able to make a Declaration of Cost Assumption if it has not revoked a sponsorship contract itself and only as far as there is no Declaration of Cost Assumption by AEQUIFIN which already sufficiently covers the Sponsorship Amounts.

The Sponsorship Amounts promised by the Litigant in the Declaration of Cost Assumption by Litigants is treated as Own Funds of the Litigant pursuant to clause C.1.3.4 and is quota-neutral for the Sponsors of the Dispute.

### 2.9. Declaration of Cost Assumption by a third party

In the event that, in cases covered by the 2nd alternative, AEQUIFIN or a third party designated by AEQUIFIN make a Declaration of Cost Assumption, the Declaration of Cost Assumption shall constitute a legally binding offer to enter into a sponsorship contract under identical terms of the revoked sponsorship contract. When the Lawyer of the Litigant uploads the Case Concept released by AEQUIFIN onto the Platform, the Litigant is deemed to have declared its legally binding acceptance of such an offer made by AEQUIFIN or a third party designated by AEQUIFIN.

### 2.10. Conditional Declaration of Cost Assumption

The Declarations of Cost Assumption are made on condition that all Declarations of Cost Assumption made (i.e. the Declaration of Cost Assumption by AQUIFIN and/or the Declaration of Cost Assumption by Litigants) suffice to cover the required Sponsorship Amounts. In addition, the following shall apply in relation to Declarations of Cost Assumption: In the event that, from the number of sponsorship contracts entered into with the help of Declarations of Cost Assumption (or Own Funds provided in the case of a Declaration of Cost Assumption by Litigants) so many Declarations of Cost Assumption or sponsorship contracts are validly revoked that the non-revoked Declarations of Cost Assumption or sponsorship contracts together with the other contracts cover a total of less than 90% of the required Sponsorship Amounts, then all Declarations of Cost Assumption shall be ineffective and the sponsorship contracts entered into with the help of Declarations of Cost Assumption shall be annulled (condition subsequent).

### 2.11. Payment obligations

If the Litigant and/or AEQUIFIN and/or a third party designated by AEQUIFIN made a Declaration of Cost Assumption which has become effective pursuant to the above clauses E.2.7 to 2.10, they are obliged to pay the respective amount to the Trustee in accordance with clause D.5, applied *mutatis mutandis*.

## 3. AEQUIFIN Sponsor Protection

3.1. Sponsors shall be able to trust in the Expected Value. A judicial decision or a settlement may lead to financial proceeds from legal proceedings that are below the Expected Value. The Sponsors, however, have no say in any settlement. The AEQUIFIN Sponsor Protection is meant to counteract any excessive Expected Value. In addition, it is meant to compensate for a lack of say on the part of Sponsors.

3.2. That is why the Effective Quota in the distributed proceeds from litigation increases in favour of Sponsors the higher the volume of sponsorship and the more the proceeds from litigation are below the Expected Value ("**Effective Quota**"). Prior to making a sponsorship offer, interested sponsors have the option of using the "Sponsorship" input screen to calculate the Effective Quota for the sponsorship in various possible scenarios.

3.3. The AEQUIFIN Sponsor Protection is calculated using the following formula:

Effective Quota = (RS + RS * (1 - LP/EV) + (LE - RS - RS * (1 - LP/EV)) * AQ / LP

RS: Required Sponsorship

EV: Expected Value

LP: Liquidation Proceeds

AQ: AEQUIFIN Quota

- In the AEQUIFIN Sponsor Protection, the share of the Sponsors may not exceed the liquidation proceeds because the Litigant is not meant to be under an obligation to make additional payments. In that case the share of the Litigant is zero.

- In addition, Sponsors shall not be put in a more advantageous position than they would have been in had the Expected Value been achieved. That means that the share of Sponsors may not exceed the value of the AQUIFIN Quota × Expected Value.

- In individual cases, sponsorship can be agreed without sponsor protection at the request of the person concerned. This must then be documented in the case concept so that it is recognizable to the sponsors.

## 4. Contracts between the Litigant and the Sponsors

### 4.1. Start of the Quota Balancing Process

The Quota Balancing Process starts when a Case is published on the Platform (clause C.2.); this process is used to calculate whether and on what condition a Litigant will receive support from Sponsors with regard to its Dispute.

### 4.2. Legally binding declarations of the parties

When the Lawyer of the Litigant uploads the Case Concept released by AEQUIFIN onto the Platform, the Litigant is deemed to have declared its legally binding acceptance of the offers made by Sponsors in the context of the Quota Balancing Process. Only offers made by Sponsors are deemed to have been accepted which are equivalent to the Litigant Quota laid down by the Litigant at the time the offer is made, i.e. which are not higher than the Litigant Quota (example: if the Litigant Quota is 20% at the time the offer is made, only offers that require a share in the proceeds of 20% or less will be deemed to have been accepted). The offers of the Sponsors shall remain legally binding and open for acceptance until the Quota Balancing Process has been completed. By changing the Litigant Quota in favour of the Sponsors, the Litigant can therefore still accept offers made by Sponsors until the end of the Quota Balancing Process that were initially not equivalent (example: in its offer a Sponsor requests a share in the proceeds of 25% – if the Litigant Quota amounted to 20% at the time the offer was made, it shall not be deemed to have been accepted by the Litigant. If the Litigant changes the Litigant Quota to 25% by the end of the Quota Balancing Process, it is deemed to have accepted the equivalent offer of the Sponsor).

### 4.3. Maximum amount / final amount

The sponsorship amount included in the offers made by Sponsors constitutes a maximum amount up to which Sponsors are willing to provide sponsorship. There is no right on the part of Sponsors, however, for the whole amount to be taken into account. The Litigant and the Sponsors agree and are aware that the contracts entered into pursuant to clause 4.2 in relation to the sponsorship amount offered by the Sponsor are only specific to the extent that the amount offered by the Sponsor constitutes a maximum amount that may not be exceeded. The final amount is only known at the end of the Quota Balancing Process. The Litigants and the Sponsors accept the sponsorship amount determined at the end of the Quota Balancing Process for the respective contract as binding for their respective contracts (example: if, in the event of a required sponsorship amount of EUR 10,000, three contracts with a maximum offer of EUR 4,000 each have been entered into for the same share, the sponsorship of the contract entered into last is reduced to EUR 2,000 given that the remaining EUR 2,000 are no longer required for the sponsorship).

### 4.4. AEQUIFIN Quota is binding

The Litigant and the Sponsors agree and are aware that the contracts entered into pursuant to clause 4.2 in relation to the final quota of the Sponsor in the proceeds are only specific to the extent that this quota may lie between the minimum quota requested by the Sponsor and the maximum Litigant Quota. The final quota (AEQUIFIN Quota) is only known at the end of the Quota Balancing Process. The Litigants and the Sponsors accept the AEQUIFIN Quota as binding for their contracts provided that the AEQUIFIN Quota lies within the defined limits, i.e. that it does not exceed the Litigant Quota and does not fall below the quota in the proceeds required by Sponsors.

### 4.5. Changes of the required quota in the proceeds only be valid if it is made for the benefit of the Litigant

If the Sponsor changes the required quota in the proceeds via the Platform during the Quota Balancing Process, this shall constitute a unilateral change of performance in relation to the sponsorship contracts with the Litigant which have already been entered into at that point; such change to the required quota in the proceeds shall only be valid if it is made for the benefit of the Litigant.

### 4.6. Sponsorship contract legally binding

Any sponsorship contract entered into in accordance with clauses E.4.2 to 4.5 between the individual Sponsors and the Litigant shall be legally binding, however only

- subject to the alternative conditions precedent that either (i) at the end of the Quota Balancing Process so many contracts have been entered into in accordance with clauses E.4.2 to 4.5 that the sponsorship amounts offered therein amount to no less than the Total Financing Amount as defined in the Case Concept or that (ii) the sponsorship amounts offered in the contracts entered into in accordance with clauses E.4.2 to 4.5 together with a Declaration of Cost Assumption made by the Litigant in accordance with clauses E.2.7, 2.8 (1st alternative) amount to no less than the Total Financing Amount as defined in the Case Concept

as well as

- subject to the condition subsequent that the individual contract has been entered into subject to a quota that deviates from the AEQUIFIN Quota determined at the end of the Quota Balancing Process to the disadvantage of the Litigant (example: required sponsorship amount = EUR 10,000, Litigant Quota 20%, 1st sponsorship offer with a requested share in the proceeds of 20%. The sponsorship contract entered into on this basis pursuant to clause E.4.2 will be automatically annulled at the end of the Quota Balancing Process if, by then, sponsorship contracts are entered into with the Litigant that are more advantageous for it and which suffice to finance the sponsorship amount; i.e., for instance, if another sponsorship offer is made for EUR 8,000 with a requested share in the proceeds of 10% and another sponsorship offer for EUR 2,000 with a requested share in the proceeds of 5% – and the AEQUIFIN Quota would be 10% – and is accepted pursuant to clause E.4.2);

as well as

- subject to the condition subsequent that in the context of the Quota Balancing Process an individual contract was entered into later than contracts with the same quota which suffice in order for the sponsorship amount to be reached (example: if the required sponsorship amount is EUR 10,000 and three contracts with the same quota of EUR 5,000 each have been entered into, the contract entered into last pursuant to clause E.4.2 – on the basis of the last sponsorship offer – will be automatically annulled given that it is no longer required for the sponsorship amount).

### 4.7. No sponsorship contract came into effect

If, by the time the Quota Balancing Process is completed, insufficient sponsorship offers have been made by Sponsors which do not amount to at least the Total Financing Amount and no Declaration of Cost Assumption has been made by the Litigant in ac-

cordance with clauses E.2.7, 2.8 (1st alternative) after completion of the Quota Balancing Process or if the (overall) Total Financing Amount is reached but there is an insufficient number of Sponsors who are willing to pay their respective sponsorship amounts in return for the Litigant Quota or a lower quota, no sponsorship contracts come into effect.

**4.8. Information about effective sponsorship contract**

If a sponsorship contract has come into effect in accordance with the aforementioned clauses, the Litigant and the Sponsors who have become contractual parties to the sponsorship contract will be notified about the conclusion of the contract by email ("**Confirmation Email**").

**4.9. Condition subsequent if the Litigant is a Consumer**

4.9.1. In the event that the sponsorship of a Dispute involves a Litigant who is a Consumer and at least one of several sponsorship contracts concluded in accordance with the above provisions with the Litigant has been entered into with a Business, the following shall apply in addition: If the Consumer validly revokes so many of the sponsorship contracts with Businesses that the non-revoked contracts taken together amount to less than 90% of the required sponsorship amount and no Declaration of Cost Assumption by AEQUIFIN in accordance with clauses E.2.7 to 2.10 (2nd alternative) has been made following the revocation or revocations with the effect that at least 90% of the required sponsorship amount is achieved, all other sponsorship contracts entered into regarding the Dispute with the Litigant who has exercised its right of revocation are also automatically annulled (condition subsequent).

4.9.2. The Sponsors affected by the annulment do not have a claim for Damages or reimbursement of expenses, based on the revocation by the Litigant, against the Litigant who has exercised its right of revocation and/or AEQUIFIN; this shall not include a reimbursement of any Sponsorship Amounts that have already been paid.

**4.10. Condition subsequent if the Litigant is a Business**

4.10.1. In the event that the sponsorship of a Dispute involves a Litigant who is a Business and at least one of several sponsorship contracts concluded in accordance with the above provisions with the Litigant has been entered into with a Consumer, the following shall apply in addition: If so many of the sponsorship contracts entered into with Consumers are validly revoked that the non-revoked contracts taken together amount to less than 90% of the required sponsorship amount and no Declaration of Cost Assumption by AEQUIFIN and/or Declaration of Cost Assumption by the Litigant in accordance with clauses 2.7 to 2.10 (2nd alternative) have been made following the revocation or revocations with the effect that at least 90% of the required sponsorship amount is achieved, all sponsorship contracts entered into regarding the Dispute with the Litigant are automatically annulled (condition subsequent).

4.10.2. The Sponsors and the Litigant who are affected by the annulment do not have a claim for Damages or reimbursement of expenses, based on the revocation by one or several of the Sponsors, against the Sponsor or Sponsors who has/have exercise its/their right of revocation and/or AEQUIFIN; this shall not include a reimbursement of any Sponsorship Amounts that have already been paid.

### 4.11. AEQUIFIN´s role is being a messenger (not an agent)

In relation to the conclusion of the sponsorship contract and all statements made and information provided and other actions taken in that context by the Litigant or the Sponsors, in each case AEQUIFIN acts as a mere messenger (not an agent) of the Litigant or the respective Sponsor. AEQUIFIN does not check any statements and information provided by the Litigant and/or the Sponsors for their legality, accuracy and completeness unless there is a statutory obligation to do so.

### 4.12. Damages

If the Litigant culpably takes actions which jeopardise the successful conduct of the Case or run counter to the objectives set out in the Case Concept, it shall be liable to compensate the Sponsor for any resulting loss or damage as well as any loss of profits. In the event that Disputes which are pro bono, i.e. without Sponsors receiving a financial share in the proceeds, and which are aimed at fundamentally clarifying a legal issue are terminated prematurely at the instigation of the Litigant or the Lawyer of the Litigant, the Sponsors may demand repayment of their Sponsorship Amounts from the Litigant if AEQUIFIN has consented.

### 4.13. Purpose of the sponsorship contracts may not be jeopardised

Sponsors are under an obligation not to jeopardise or thwart the purpose of the sponsorship contracts; in particular they must not prevent the Litigant from bringing or make it harder for it to bring the Dispute to a successful conclusion.

## 5. Payment of Sponsorship Amounts

### 5.1. The sponsorship limit

5.1.1. A registered Sponsor has a personal sponsorship limit. This dictates the maximum total amount of the required sponsorship amount he may place Cases with AEQUIFIN Quota Balancing on the AEQUIFIN Platform.

A prerequisite for a sponsorship limit is that collateral in the amount of the desired sponsorship limit is deposited with a Limit Trustee registered on the platform. Collateral can be:

a) Prepayment

The Sponsor may deposit by wire transfer or other supported payment service provider an amount into an escrow account in the name of the Limit Trustee. Upon receipt of such amount, the Trustee will notify the Sponsor of the receipt of payment.

b) Bank guarantee

aa) Beneficiaries under the bank guarantee (“Bankgarantie oder Bankbürgschaft”) must be all Litigants registered on the AEQUIFIN platform, as security for all claims of the Litigants against the sponsor arising from any sponsorship agreements with the sponsor.

bb) The guarantor must be a credit institution authorized to conduct business in Germany.

cc) The guarantee document must be given to the Limit Trustee for fiduciary safekeeping. The Limit Trustee is entitled to realize the collateral if the case trustee has notified him that the sponsor has not settled due claims.

dd) In the event that BaFin orders measures in accordance with section 46 of the KWG with respect to the guarantor bank or an application for insolvency is filed, the sponsor is obliged to provide an identical guarantee from another credit institution authorized to conduct business in Germany.

c) Other guarantees

Alternatively, a guarantee from another third party may be provided, but such guarantee will only be accepted with the express consent of AEQUIFIN.

5.1.2. The Limit Trustee confirms to the platform which collateral has been deposited by the sponsor and in what amount.

5.1.3. The Sponsor may use the unencumbered portion of its Sponsorship Limit ("Free Sponsorship Limit") to submit Sponsorship Bids on the AEQUIFIN Platform.

5.1.4. If the sponsor submits a sponsorship bid during a quota balancing, the sum of sponsorships submitted by the sponsor in active Quota Balancing ("open sponsorships") is increased by the amount of the sponsorship bid and the free sponsorship limit is reduced by the same amount.

5.1.5. If a sponsorship agreement is concluded (successful Quota Balancing and bid is taken into account), the sum of the sponsorships committed by the sponsor ("committed sponsorships") is increased by the amount of the sponsorship and the open sponsorships are reduced by the same amount.

5.1.6. If no sponsoring contract is concluded (no successful Quota Balancing or successful Quota Balancing but bid is not considered), the open sponsoring bids are reduced in the amount of the unsuccessful sponsoring bid and the free sponsoring limit is increased in the same amount.

5.1.7. If funds are called by the Case Trustee, they will be transferred by the Limit Trustee to the Case Trustee at the expense of the deposited prepayment. Committed sponsorships are reduced by the same amount.

5.1.8. If no prepayment is deposited or if the deposited prepayment is insufficient to transfer the funds requested by the Case Trustee, the Sponsor will receive a request from the Limit Trustee to deposit the missing funds into the Case Trustee's account. The Sponsor incurs a liability to the Case Trustee in the amount of the missing prepayment.

5.1.10. If the Sponsor fails to comply with the payment request, the Limit Trustee is entitled to call upon the deposited guarantees (“Bankgarantien oder sonstige Garantien bzw.Bankbürgschaften) on behalf of the Litigant benefiting from the guarantee in order to be able to bring the Litigant´s claims (which are due because of the the Case Trustee's payment request) to fulfillment.

5.1.11. The amount of deposited bank guarantees is reduced by the amount of the recovered guarantee. Free sponsorship is reduced by the same amount. Liabilities to Case Trustees are reduced by this amount. Committed sponsorships are also reduced by the same amount.

5.1.12. For a sponsorship limit above EUR 10.000 the successful completion of a video identification procedure is also required.

**5.2. Confirmations by the sponsor**

The Sponsor confirms that (i) it will only commit to financing Disputes on the Platform if it has the means to meet such commitment, (ii) it has sufficient financial means to pay the respective Sponsorship Amounts which it has committed to in relation to Disputes uploaded onto the Platform at the agreed times, and (iii) there are no (legal or actual) reasons that would ban, prevent and/or make it harder for the Sponsor to finance the respective Dispute (in part). As a general rule, upon completion of the sponsorship contract the Sponsor must pay the whole of the Sponsorship Amounts into the Trust Account. Alternatively, the Sponsor may make its payments later, following a specific request by the Lawyer of the Litigant, the Trustee or AEQUIFIN, which may be made at any time, provided that prior to participating in a Quota Balancing Process the Sponsor has provided a bank surety bond from a credit institution that is subject to financial supervision of an EU state in order to safeguard the funding commitment and/or to ensure the safe processing of payments.

**5.3. Confirmations also apply for the payment of own Funds by the Litigant**

The above provisions contained in clause 5.1 and 5.2 shall apply, *mutatis mutandis*, for the payment of Own Funds by the Litigant if the Litigant is using Own Funds to fund part of its Dispute, either from the outset or retrospectively by making a Declaration of Cost Assumption by the Litigant, and for the Sponsorship Amounts owed by AEQUIFIN or a third party designated by AEQUIFIN due to a Declaration of Cost Assumption by AEQUIFIN, who respectively enter into sponsorship contracts with the Litigant in accordance with clause E.2.7 to 2.10.

**5.4. Legal consequences if a Sponsor fails to pay the Sponsorship Amount**

If, following the expiry of a grace period, a Sponsor still fails to pay the Sponsorship Amounts and no sufficient, enforceable guarantee exists, the Litigant is entitled to withdraw from the sponsorship contract with the Sponsor concerned with immediate effect. AEQUIFIN and third parties designated by AEQUIFIN are entitled to continue the sponsorship in place of the Sponsor by entering into a sponsorship contract with the Litigant under identical terms. If the sponsorship is discontinued, the proceeds fall to the other Sponsors of the Dispute on a pro rata basis. The other Sponsors are not obliged to make any additional payments; any funding gaps can be closed by way of supplementary financing (clause E.8). Alternatively, the Litigant may provide the failed Sponsorship Amounts as Own Funds by making a Declaration of Cost Assumption; in that case clauses 5.1 and 5.2 apply *mutatis mutandis*.

**5.5. Legal consequences if more than 10 percent of the required Sponsorship Amounts fail**

If more than 10 percent of the required Sponsorship Amounts fail, i.e. are not paid by the defaulting Sponsors even after expiry of a grace period and neither AEQUIFIN nor third parties designated by AEQUIFIN and/or the Litigant raise the missing amount in accordance with clause G.5.4 above, AEQUIFIN is entitled to reverse the Quota Balancing Process at the request of a Sponsor. In the aforementioned case, the Sponsors therefore irrevocably authorise and mandate AEQUIFIN to declare their withdrawal from their sponsorship contracts vis-à-vis the Litigant.

**6. Use of the Sponsorship Amounts**

6.1. The Sponsorship Amounts may only be used to achieve the Litigation Objective; proceedings must be conducted in an efficient and economic manner.

6.2. The Litigant is obliged to treat the name(s) of Sponsors of which it has become aware confidentially. The Litigant undertakes, in particular, to refrain from contacting them directly or enabling third parties to contact them for purposes of litigation financing.

**7. Conduct of the Case by the Lawyer of the Litigant**

7.1. The Lawyer of the Litigant or the company (respectively its litigation counsel) shall request that the Trustee pay to him or her the required sponsorship amount at the time in order to conduct the Case, provided that monies are payable to him or her (e.g. Lawyers' fees) or it is mandatory that he or she make payments; in all other cases, the Lawyer of the Litigant shall instruct the Trustee to pay to third parties (e.g. payment to the opposing party in accordance with a court order determining costs). All payments requested from the Trustee by the Lawyer of the Litigant (either to the Lawyer of the Litigant or to third parties) shall be paid after the Trustee has carried out a document check. The document check involves the formal check of invoices and/or fee notes to verify that the amount invoiced has been calculated mathematically correctly, that the recipient of the invoice and party issuing the invoice are named correctly on the invoice, that VAT is shown correctly and that a VAT ID number is included. Once the Trustee has received the required Sponsorship Amounts, the Lawyer of the Litigant starts pursuing the Litigation Objective. He or she acts independently and on the basis of the Case Concept created by him or her and is responsible for the use of the Sponsorship Amounts. Once the Trustee has received 90% of the required sponsorship fees the Lawyer of the Litigant must commence the conduct of the Case.

7.2. The Lawyer of the Litigant or the company shall inform the chosen Sponsors on a regular basis, i.e. usually on a quarterly basis and at least once a year, in accordance with the specifications laid down on the AEQUIFIN Platform regarding the relevant developments and the conclusion of the proceedings (e.g. court notices, settlement offers, changes in law or case law). To that end, the Lawyer of the Litigant shall use the notification feature for Sponsors on the Platform and shall upload documents in the Data Room managed by him or her in accordance with clause E.1.3.2. The Litigant releases its Lawyer of the Litigant from its confidentiality obligation in that regard.

**8. AEQUIFIN supplementary financing**

8.1. If it transpires during the proceedings regarding the Dispute that the Sponsorship Amounts are insufficient, the Litigant is obliged to determine the need for a **supplementary financing volume** and to initiate an AEQUIFIN Supplementary financing.

8.2. The Sponsors involved in the first financing round shall be asked first, whether they wish to participate in the supplementary financing volume in accordance with their current share in the Sponsorship Amounts and under the same terms of the AEQUIFIN Quota. If all Sponsors involved agree to a Supplementary financing within the prescribed time limit and the agreed Sponsorship Amounts have been transferred no later than 7 days after that time limit has expired (condition), the **supplementary financing sponsorship** is deemed to have been agreed subject to the same terms as applied in the first round and the Sponsors are obliged to make payment in accordance with clause 5, applied *mutatis mutandis*.

8.3. If no supplementary financing sponsorship pursuant to clause 8.2 comes into effect, the Litigant or the company is obliged to mandate its Lawyer of the Litigant to offer an AEQUIFIN supplementary Quota Balancing Process on the Platform. The AEQUIFIN supplementary Quota Balancing Process shall be used to determine an AEQUIFIN **supplementary financing quota** according to which the Sponsors providing supplementary financing will, in the event of success, be given priority in participating in the liquidation proceeds. In order to prevent a possible blocking of supplementary financing, the Litigant is not able to designate a Litigant Quota in the AEQUIFIN supplementary financing. The supplementary Quota Balancing Process is carried out in accordance with clauses 4.2 to 4.10, applied *mutatis mutandis*, subject to the special rule that the Litigant Quota amounts to 100%, i.e. that the Litigant accepts every sponsorship offer pursuant to clause 4.2.

8.4. After deduction of the Share of the Liquidation Proceeds of the supplementary financing sponsors and the AEQUIFIN fee, the remaining liquidation proceeds from the completed Case shall be divided between the original Sponsors and the Litigant in accordance with the rules of the original AEQUIFIN Quota Balancing Process at the ratio determined by the AEQUIFIN Quota.

## 9. Distribution of the proceeds of the funded legal proceedings

In the event that the Litigant wins the Dispute (in whole or in part) and in the event that liquidation proceeds are generated, the Trustee distributes the proceeds of the funded legal proceedings pro rata to the Sponsors and the Litigant.

The “Liquidation Proceeds” comprise: (i) every pecuniary benefit the Litigant obtains due to a court ruling or decision made by a public authority, a judicial or extrajudicial settlement, the outcome of a mediation, an acknowledgement or in any other way with regard to the Dispute and/or the facts of the case laid down in the Case Concept, (ii) less any cost reimbursement proceeds (e.g. reimbursement of court costs and Lawyers’ fees).

Sponsorships already requested by the Case Trustee but not used or required will be refunded to the sponsors in proportion to their share of the total sponsorship.

Sponsorships not yet requested by the Case Trustee and also not required remain with the sponsors.

In the event that cost reimbursement proceeds are received, these shall be divided between the Sponsors in accordance with their share in the sponsorship. The Litigant and AEQUIFIN shall not receive any cost reimbursement proceeds.

The Case Trustee shall pay the Sponsors their share in the liquidation proceeds and the cost reimbursement proceeds less the AEQUIFIN Share of the Liquidation Proceeds (Sponsors) following Release by the AEQUIFIN Platform. Sponsors may opt to deposit their respective share of the process proceeds to their deposited prepayment, thereby increasing their free sponsorship limit.

After that, the Case Trustee shall pay the Litigant its share in the liquidation proceeds less the AEQUIFIN Share of the Liquidation Proceeds (Litigant).

Even if the Litigant prevails in the Dispute, either partly or wholly, there may be a risk that the claim is not enforceable against the other side. That means that there is a risk on the part of the Sponsors that the Litigant is not able to meet claims of Sponsors to be paid a share in the proceeds, either at all or in full, if the proceeds have not been received by the Lawyer of the Litigant or the Trustee. In that case the Litigant is only obliged to carry out the usual enforcement measures via its Lawyer of the Litigant. The Sponsors do not have any further rights and claims against the Litigant regarding any assertion or enforcement risks that may exist.

If the Litigant loses the Dispute, the Trustee shall repay any unused Sponsorship Amounts to the Sponsors according to their respective shares. There is no obligation on the part of the Litigant to make any other reimbursements to the Sponsors.

## F. Obligations of the Lawyer and the Litigant

1. With the Release of the Case Concepts the Lawyer of the Litigant confirms that (i) with regard to the claims and legal positions asserted by the Litigant who has mandated him or her with the assertion of such claims and legal positions he or she is authorised to assert these claims and legal positions in court and outside of court on behalf of the Litigant, (ii) the Litigant has irrevocably granted him or her authority to receive payments and to transfer any monies received (clause C.4.1.) and (iii) there are no reasons that forbid, hamper and/or render it impossible for the Lawyer of the Litigant to conduct a legal dispute regarding the claims and legal positions alleged by the Litigant.

2. In the event that the Mandate agreement is terminated, the Litigant must ensure that the Mandate agreement is continued by a Registered Lawyer under the same terms and in accordance with the budget published in the Case Concept. The new Lawyer must register on the AEQUIFIN Platform in accordance with the general terms and conditions.

3. In the event that a Registered Lawyer takes over the Mandate agreement of a Litigant after a sponsorship contract or sponsorship contracts have already been concluded with regard to the Dispute, the Litigant is under an obligation to ensure that the Mandate agreement is continued subject to the terms of the previous Registered Lawyer and in accordance with the budget published in the Case Concept.

4. If the Litigant realises or is informed by his Lawyer of the Litigant that the assertion of the claims of the Litigant in the Dispute have no prospect of success for actual or legal reasons or due to a lack of solvency of the opposing party/parties or for other reasons, the Litigant shall inform AEQUIFIN of this without delay, stating the reasons. At the same time the Litigant shall propose a Registered Lawyer to AEQUIFIN, who shall pre-

pare a second opinion on the question of whether the claim has any prospect of success. As soon as AEQUIFIN has approved the proposal of the Litigant regarding the second Lawyer, the Litigant shall mandate him or her to prepare the second opinion. If the second Lawyer confirms that the proceedings have no prospect of success, the Litigant shall terminate the proceedings regarding the Dispute without delay in the most cost-effective way. The Trustee shall reimburse the Sponsors for any Sponsorship Amounts that remain, i.e. that are not used for Sponsorship Amounts used for the conduct of proceedings or for the second opinion. If liquidation proceeds arise, such proceeds shall be dealt with in accordance with clause E. 9.

## G. Fees

### 1. AEQUIFIN fee table

The amount of the fees defined by this Terms and Conditions will be determined in the AEQUIFIN fee table which is valid at the time the respective agreement is concluded.

### 2. AEQUIFIN Service Fee (litigant)

### 2.1. Definition of the AEQUIFIN Service Fee (Successful Quota Balancing Process)

To the time when the AEQUIFIN Quota Balancing Process is successful AEQUIFIN charges a fee as a percentage of the Sponsorship Amounts defined in the case concept. To the extent that the AEQUIFIN Service Fee (Litigant) is funded by the Sponsors as part of the Case Budget pursuant to G.2.5, AEQUIFIN shall be entitled to collect such amount from the Case Trustee.

### 2.2. Definition of the AEQUIFIN Service Fee (premature termination by the litigant)

(1) If the litigant terminates the Q&A-phase or the Quota Balancing Process after the Release of the case (see C.2) and before the AEQUIFIN Quota Balancing Process is completed (see E.2.5./2.7), AEQUIFIN charges a fee as a percentage of the Sponsorship Amounts defined in the case concept and a fee as a percentage on the Expected Value according to clause 3.

This shall not apply if the termination was initiated by the Litigant because circumstances arose after the release due to which the enforcement of the claims of the Litigant in the event of a dispute is futile for reasons of fact, law or lack of creditworthiness of the opposing party or parties or for other reasons.

(2) If, after the release of the case and before the scheduled end of the quota balancing, the Litigant achieves liquidation proceeds (see E.9) or acquires the right to such liquidation proceeds, it shall owe AEQUIFIN, in addition to G.2.2.(1), the AEQUIFIN success fee (Litigant) pursuant to G.4.

If sponsorship bids have already been submitted as part of Quota Balancing, the Litigant shall also owe the sponsors a share of the liquidation proceeds. All bids ranked according to the described quota balancing rules (see E.2.) will be taken into account up to the amount of sponsorship required. Sponsorship bids that are associated with a minimum quota equal to or smaller than the affected party quota are entitled to a share equal to the Litigant Quota.

**2.3. Due date of the AEQUIFIN Service Fee (Successful Quota Balancing Process)**

This fee shall become immediately due when the AEQUIFIN Quota Balancing Process ended successfully.

**2.4. Due date of the AEQUIFIN Service Fee (premature termination by the litigant)**

This fee shall become immediately due when litigant terminated the Quota Balancing Process.

**2.5. AEQUIFIN Service Fee (Litigant) to be financed out of the sponsorship amount.**

With AEQUIFIN´s prior consent the AEQUIFIN Service Fee (litigant) can be financed out of the sponsorship amount. The Litigant needs to include the fee into the amount of financing required for the Dispute in question (see C.1.3.4 "**Total Financing Amount**").

**2.6. Additional remuneration for possible additional Services and Communication activities of the AEQUIFIN Platform**

If additional Services and Communication activities are requested, AEQUIFIN agrees with the Litigant on additional fees.

**3. AEQUIFIN Service Fee (sponsor)**

**3.1. Definition of the AEQUIFIN Service Fee (sponsor)**

Regarding a case with an Expected Value AEQUIFIN charges the sponsor who has entered into a sponsoring agreement with a Service Fee to the time when the Quota Balancing Process is successful as a percentage of the Expected Value multiplied with the percentage of the sponsors share of the **Total Financing Amount**. AEQUIFIN is entitled to claim this amount from the Case Trustee.

**3.2. Due date of the AEQUIFIN Service Fee (Successful Quota Balancing Process)**

This fee shall become immediately due when the AEQUIFIN Quota Balancing Process ended successfully.

**3.3. 3.3 AEQUIFIN Service Fee (sponsor) is part of the sponsoring**

The AEQUIFIN Service Fee (sponsor) is part of the sponsoring and will be included into the Total Financing Amount defined by the litigant (see C.1.3.4).

**3.4. Alternative of a monthly retainer fee**

It is possible that the lawyer of the litigant agrees with AEQUIFIN on a monthly retainer fee. If the Expected Value amounts to 0, no AEQUIFIN Service Fee (sponsor) will be charged.

**3.5. Non-application of the AEQUIFIN Service Fee (sponsor)**

If the Expected Value is zero, no AEQUIFIN Service Fee (sponsor) applies.

## 4. AEQUIFIN Share of the Liquidation Proceeds (Litigant)

In the event that legal proceedings yield financial proceeds, AEQUIFIN has a claim vis-à-vis the Litigant for a Share of the Liquidation Proceeds amounting to a percentage of the share of the Litigant in the liquidation proceeds ("**AEQUIFIN Share of the Liquidation Proceeds (Litigant)**"). The payment is due 14 days after receipt of the Liquidation Proceeds on the trustee´s bank account. AEQUIFIN is entitled to claim this amount from the Case Trustee.

## 5. AEQUIFIN Share of the Liquidation Proceeds (Sponsor)

In the event that legal proceedings yield financial proceeds, AEQUIFIN also has a claim vis-à-vis the Sponsors for a Share of the Liquidation Proceeds amounting to a percentage of the share of the Sponsors in the liquidation proceeds ("**AEQUIFIN Share of the Liquidation Proceeds (Sponsor)**"). The payment is due 14 days after receipt of the Liquidation Proceeds on the trustee´s bank account. AEQUIFIN is entitled to claim this amount from the Case Trustee.

## 6. Remuneration in the event of a supplementary financing / any other additional remuneration

### 6.1. Remuneration in the event of a supplementary financing

In the event of a possible supplementary financing described in E.8 the fee arrangements defined in E. 1 and E.2 shall apply accordingly, in addition to the fees already agreed on.

Regarding a supplementary financing by current sponsors according to E.8.2 AEQUIFIN may charge an additional fee defined in the AEQUIFIN fee table which is valid at the time of the closing of the supplementary financing or the use of a service.

### 6.2. Other Additional Remuneration

If additional service and communication measures are to be carried out for a case, other additional remuneration shall be paid, which AEQUIFIN shall agree with the Litigant.

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