



## General Terms and Conditions

(Last changed January 2025)

### 1. General

- 1.1 Our General Terms and Conditions apply exclusively; we do not recognise any terms and conditions of the ordering party which contradict or deviate from our Terms and Conditions. Our Terms and Conditions shall also apply if we render services without express reservation, despite being aware of conflicting or deviating terms and conditions of the ordering party.
- 1.2 Our Terms and Conditions shall also apply to all future business with the ordering party.

### 2. Conclusion of the contract/Content of the contract

- 2.1 Our offers are always non-binding. Offers designated by follow red as a "cost estimate", "cost framework", "cost outline" or "rough cost calculation" are not binding.
- 2.2 The contract is concluded upon confirmation of the order by follow red.
- 2.3 If offers are prepared based on the ordering party's specifications and documents provided by the ordering party or by the respective issuing office, follow red shall not be liable for the correctness or suitability of these documents unless failure to recognise that such documents are erroneous or unsuitable is wilfully intentional or grossly negligent.
- 2.4 follow red retains the ownership of and copyright over cost estimates, drawings and other documents; these must not be made accessible to third parties.
- 2.5 follow red reserves the right to make improvements and changes which deviate from offers and brochures, provided these improvements and changes do not adversely affect the intended purpose and are within reason for the ordering party.

### 3. Cooperation on the part of the ordering party

- 3.1 The ordering party shall assist in specifying the services of follow red, in particular by providing the required information, documents and prompt notification regarding any special requirements and risks.
- 3.2 The ordering party shall provide follow red with the necessary items and resources (cf. Section 6.4) and ensure the necessary working conditions.

### 4. Scope of services

- 4.1 follow red shall act exclusively as a service provider for the ordering party, supporting the ordering party in executing its actions or projects, unless other arrangements are agreed upon.
- 4.2 The contractual obligations of follow red are primarily derived from the specification of services. follow red generally takes on the service of conceptualising projects as well as their commercial and organisational implementation.
- 4.3 follow red shall not be liable for the legal admissibility of the actions developed and implemented unless such actions constitute cases of wilful intent or gross negligence or violation of essential contractual obligations (cardinal obligations; cf. Section 8.4).

### 5. Prices

- 5.1 The quoted prices shall only be valid if the contract is concluded in its entirety as offered and not only in part.
- 5.2 follow red shall be entitled to provide partial services and bill these separately.
- 5.3 All prices are exclusive of the respective statutory VAT at the rate applicable at the time of service provision.
- 5.4 If follow red commissions third parties or enterprises within the scope of this contract to provide services in follow red's name and on follow red's account, follow red shall not be obliged to account for the services provided by third parties or to furnish invoices from the persons commissioned by follow red.
- 5.5 Services provided at the request of the ordering party which are not included in the offer shall be billed additionally according to follow red's current rates. This shall also apply to additional expenses incurred as a result of incorrect information, incomplete preparatory work performed by the ordering party, transport delays which arise through no fault of follow red's own, or untimely or inadequate preparatory services rendered by third parties inasmuch as these parties are not vicarious agents of follow red.

### 6. Transport/Packaging

- 6.1 The (delivery) items are always shipped at the ordering party's expense and risk unless other arrangements are agreed upon. In the absence of specific instructions, follow red shall determine the shipping method at its own discretion, with no responsibility borne for special packaging, and shall choose the route it deems most suitable.
- 6.2 follow red shall be entitled but not obliged to take out transport insurance, the costs of which are to be borne by the ordering party.
- 6.3 Any claims brought against the transport company shall be assigned to the ordering party upon request.
- 6.4 Items of the ordering party's which follow red requires for the provision of services must be delivered free of charge to follow red, or to the location specified by follow red, at the agreed upon time. The return shipments of such parts shall be made carriage forward from the place of use at the ordering party's risk.
- 6.5 The ordering party shall be liable for any loss of or damage to the materials shipped which occurs during transport or at the place of use, for which follow red is not responsible.

### 7. Termination

- 7.1 The ordering party shall not be entitled to terminate the contractual relationship without good cause.
- 7.2 If, without good cause, the ordering party refuses to accept services from follow red despite a statement of completion, or if the ordering party fails to fulfil its payment obligations or does so inadequately, follow red shall, after setting a reasonable deadline, be released from its obligations to provide services and may claim compensation for damages.
- 7.3 As compensation for damages, follow red shall be able to demand the value of the services rendered up to the date of termination of the contract and 30 % of the value of the services not yet rendered, unless the client proves that no damage or a lesser amount of damage has occurred. follow red reserves the right to claim higher amounts for proven damages.

### 8. Liability

- 8.1 follow red shall be liable for completion on time and in the appropriate quality only if the ordering party has duly fulfilled its contractual obligations, particularly those regarding timely payment.
- 8.2 follow red shall be authorised to engage third-party service providers in the name of and on behalf of the ordering party. follow red shall not be liable for deficient services provided by these third parties unless it is proven that follow red acted with wilful intent or gross negligence in the selection and monitoring of these third-party providers or in the event of a violation of essential contractual obligations (cardinal obligations, cf. Section 8.4).
- 8.3 Unless other arrangements are agreed upon, follow red shall not be liable for items provided by the ordering party unless the damage to or loss of these items is caused by wilful intent or grossly negligent actions on the part of follow red.
- 8.4 Otherwise, regardless of the legal basis, follow red's liability, in particular for reasons of impossibility, delay, deficient or incorrect delivery, violation of the contract, breach of duties in the case of contract negotiations or tort, shall be limited as follows:
  - follow red shall not be liable in the case of simple negligence on the part of its legal representatives, employees or vicarious agents,
  - follow red shall not be liable in the case of gross negligence by its non-executive employees or vicarious agents,unless this involves the violation of essential contractual obligations (cardinal obligations). Essential contractual obligations are those which enable the timely provision of the service in accordance with the contract, as well as obligations involving consulting, protection and safeguarding which enable the ordering party to use the service provided by follow red, or which serve the purpose of protecting the life and limb of the ordering party's staff or that of third parties or which serve the purpose of protecting the property of the ordering party against significant damages.
- 8.5 Insofar as follow red is liable for damages in accordance with the preceding paragraph, such liability shall be limited to damages that follow red foresaw as possible consequences of a violation of the contract at the time of concluding the contract, or that follow red should have foreseen with the application of customary due diligence. Indirect and consequential damages resulting from poor

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performance on the part of follow red are, moreover, only indemnifiable inasmuch as they are typically foreseeable.

- 8.6 follow red draws the attention of the ordering party to the fact that the insurance policies which follow red enters into for the tasks and content of the contract may include deductibles for individual items. These deductibles shall be billed separately in case of a damage event.
- 8.7 The preceding exclusions of liability and limitations of liability apply to the same extent for follow red's bodies, legal representatives, employees and vicarious agents.
- 8.8 Insofar as follow red provides technical information or serves in a consulting capacity beyond the scope of services owed as contractually agreed, such shall be free of charge and exclude any and all liability.
- 8.9 The limitations in this section apply only to the legally permissible extent. They do not apply to liability on the part of follow red arising from wilful action, guaranteed characteristics, injury to life, body or health, or under product liability law.

### 9. Property rights

- 9.1 All industrial property rights (copyright and ancillary copyright, trademark rights, intellectual property protection under competition law, patent rights) arising in connection with the services to be provided by follow red and/or its employees, or by third parties commissioned by follow red – also on behalf of the ordering party – shall remain exclusively with follow red, unless expressly agreed otherwise. The transfer of usage and exploitation rights requires a written agreement and always applies solely for the purpose underlying the order at the time of commissioning. Changes to concepts, designs, etc. may only be made by follow red or by persons expressly authorised by follow red to do so.
- 9.2 The ordering party shall be entitled to use follow red's concepts, designs, etc. only for the purposes agreed upon in accordance with the contract; reproductions are only permissible with the prior written consent of follow red. Concepts, artwork, working films and negatives produced by follow red or on behalf of follow red remain the property of follow red, even if they are charged to the ordering party. Only follow red shall be entitled to execute concept design work. This shall also apply to individual components of concept development. If concepts and ideas are not utilised accordingly, follow red shall be entitled to use the content in whole or in part for other purposes.
- 9.3 With regard to the execution of orders based on specifications or documents provided by the ordering party, the ordering party guarantees that the production and delivery of services carried out according to its specifications and documents do not infringe third-party property rights. follow red shall not be obligated to verify whether the specifications or documents provided by the ordering party for the rendering of services infringe or could infringe third-party property rights. The ordering party is obligated to immediately indemnify follow red against any potential third-party claims for compensation and to cover all damages arising from the infringement of property rights, as well as to provide advance payments to follow red if requested to do so.
- 9.4 If the ordering party wishes usage which extends beyond this scope, then it shall be necessary to conclude an additional agreement with follow red regarding additional remuneration. During the term of this contract, follow red shall be the sole party entitled to make changes and additions to the advertising materials created by follow red or by third parties on follow red's behalf, unless the advertising representation of the ordering party is affected. In such a case, it shall be necessary to coordinate with the ordering party.
- 9.5 The remuneration generally covers only the rights of exploitation on a national level. If the concepts, etc. developed by follow red for the ordering party are used in whole or in part by other national affiliates (internationally), the ordering party must coordinate with follow red to agree on the scope of use and additional remuneration.

- 9.6 follow red shall be entitled to sign its creative design work, record events, etc. and use the recordings as well as background information on the project and other implemented measures for the purpose of documentation and follow red's own PR.

### 10. Use of artificial intelligence (AI)

- 10.1 follow red makes use of modern technologies, including artificial intelligence (AI), for support in the provision of services. In doing so, the agency voluntarily observes the requirements and fundamental principles of the EU regulation on artificial intelligence (AI Regulation 2024/1689) – in particular with regard to transparency, traceability, human oversight, non-discrimination and risk minimisation.
- 10.2 Although there is currently no legal obligation to implement these requirements and principles, the agency aligns its use of AI with the applicable European standards for trustworthy AI and ensures that the tools and processes used do not conflict with these principles.
- 10.3 The use of AI applications is primarily in the areas of idea generation, text and image suggestions and research, as well as within the scope of internal workflows. AI serves in these cases as a support tool and is not used as the sole creative or decision-making authority.
- 10.4 There shall be no use of AI with high risk potential as defined by the AI Regulation (e.g. biometric systems, emotion recognition systems or automated decision-making systems with legal effects).
- 10.5 Inasmuch as AI tools (e.g. generative AI models such as ChatGPT, Midjourney or comparable tools) contribute to or assist in content creation, the agency shall perform editorial and quality checks. Responsibility for the final delivered output shall be borne by follow red.
- 10.6 As a rule, unedited output from an AI system shall not be legally protected, particularly not under copyright law. The output is not intended to be passed on to third parties who are not authorised to use the system. The ordering party is aware that, due to the above-mentioned reasons, certain AI-generated content (particularly images or texts) may not qualify for copyright protection under German copyright law. The agency therefore does not guarantee that any rights can be established in relation to such output. Usage rights shall be transferred only to the extent that the agency is entitled to grant such rights.
- 10.7 The ordering party consents to the use of AI within the scope described above. If the ordering party wishes to exclude AI-based workflows, this wish must be expressly communicated in writing prior to the commencement of the project.
- 10.8 The agency draws attention to the fact that the actual outcome of a query made to an AI system cannot be reliably predicted. Consequently, it is not possible to reliably rule out unintended infringement of third-party rights by the output. The ordering party acknowledges that responsibility regarding the remediation or future prevention of an infringement of rights may arise even without fault.
- 10.9 In addition, the ordering party acknowledges that, while the data transmitted to the system is not permanently stored, it cannot be ruled out that elements of the data may be processed in such a way that they could potentially be reproduced in response to subsequent queries, including queries by third parties. Thus, there is a possibility that company-relevant information may inadvertently become accessible to third parties.
- 10.10 The ordering party shall undertake not to transmit any confidential or personal data to the agency, the processing of which data by external AI services would be without a proper legal basis. follow red shall, within technically and economically reasonable limits, ensure that data protection regulations are observed in the case that AI services are used.
- 10.11 The agency shall undertake all reasonable measures to ensure that the staff involved in operating and maintaining the AI systems possess a level of competence appropriate for their area of work, in particular with regular training and documen-



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tation measures in accordance with Article 4 of the AI Regulation.

### 11. Retention of documents

- 11.1 follow red retains documents related to the contract for six months. If original materials (slides, disks, etc) are made available, the ordering party shall be obligated to create duplicates. follow red shall assume no liability for materials provided by the ordering party for which a return request is not made within one month after order completion. Section 8.9 applies accordingly.

### 12. Terms of payment

- 12.1 Unless otherwise agreed, follow red shall be entitled to invoice each individual service immediately after it is rendered.
- 12.2 Invoice amounts are due for payment immediately upon receipt of the invoice unless other arrangements are agreed upon.
- 12.3 In addition, follow red shall be entitled to request advances to cover its expenses as follows:  
30 % of the agreed upon remuneration upon order placement;  
30 % of the agreed upon remuneration upon production commencement;  
30 % of the agreed upon remuneration up to 14 days before the first event day; 10 % of the price upon receipt of the final invoice.  
No deductions of any kind shall be permitted. No interest shall be charged on deposits.
- 12.4 While the client is in arrears, without prejudice to any further claims, follow red shall be entitled to demand compensation for default in the amount of 9 % above the base rate if the ordering party is a merchant and 5 % above the base rate for others. The ordering party shall reserve the right to prove lesser damage.
- 12.5 In the event that the client is in arrears after payment deadlines have been exceeded, follow red shall further be entitled to withdraw from the contract and demand compensation for damages. The amount of compensation for damages shall be determined according to the provisions in Section 7.3 of these Terms and Conditions.

### 13. Set-off and assignment

- 13.1 The client shall only be permitted to set off undisputed or legally established counterclaims.
- 13.2 The rights of the ordering party arising from this contractual relationship shall only be transferable with follow red's prior consent.

### 14. Privacy

- 14.1 It is hereby pointed out that personal data, whether this data originates from follow red itself or from third parties, which is collected within the scope of business relationships or in connection with these, shall be processed in accordance with the German Federal Data Protection Act ("Bundesdatenschutzgesetz").

### 15. Place of performance and court of jurisdiction

- 15.1 The place of performance shall be Stuttgart – inasmuch as this is legally permissible.
- 15.2 The court of jurisdiction for all disputes arising between the parties as a result of the contractual relationship shall be the District Court and Regional Court of Stuttgart, insofar as the ordering party is a registered trader, a legal entity under public law or a special fund under public law.
- 15.3 The contractual relationship shall be governed by German law.

### 16. Severability clause

- 16.1 The invalidity of an individual clause of the contract shall not affect the validity of the contract itself. The invalid clause shall be replaced by a provision that most closely reflects the economic purpose of the original clause.

### 17. Written form requirement

- 17.1 Changes and additions are only effective if made in writing and must be signed by both parties. This shall also apply to agreements which amend the above written form requirement.