

General Terms and Conditions of Contract for Lawyers

Consumers

1. Applicability

1.1. The Terms and Conditions of Contract shall apply to all activities carried out and all representation provided in courts and public authorities and out of court under the contractual relationship between the lawyer/law firm (hereinafter referred to as the "Lawyer") and the Client (hereinafter referred to as the "Client-Lawyer Relationship").

1.2. Unless otherwise agreed in writing, the General Terms and Conditions of Contract shall also apply to new Client-Lawyer Relationships.

2. Retainer agreement and power of attorney

2.1. The Lawyer is entitled and obliged to represent the Client to the extent necessary or useful for fulfilling the contractual relationship. If the legal situation changes after termination of the Client-Lawyer Relationship, the Lawyer shall be under no obligation to inform the Client about changes or consequences resulting therefrom.

2.2. Upon request, the Client shall sign a written power of attorney for the Lawyer. The power of attorney may cover either specific, exactly defined or all potential legal transactions or legal acts.

3. Principles of representation

3.1. The Lawyer shall provide the representation sought in accordance with the law and represent the Client's rights and interests vis-à-vis everyone with diligence, loyalty and conscientiousness.

3.2. As a matter of principle, the Lawyer is entitled to render his services at his own discretion and to take any and all steps, including but not limited to employing means of attack and defence in any way, unless this is in conflict with the Client's instruction, his conscience or the law.

3.3. If the Client gives the Lawyer an instruction compliance with which is incompatible with the principles of proper professional conduct of lawyers based on the law or other professional rules (e.g. the Austrian Guidelines on Practising as a Lawyer [RL-BA] or the line of decisions of the Supreme Appellate and Disciplinary Commission for Lawyers and Trainee Lawyers [*Oberste Berufungs- und Disziplinarkommission für Rechtsanwälte und Rechtsanwaltsanwärter/OBDK*], now called the Appellate Panel and the Disciplinary Panels for Lawyers and Trainee Lawyers at the Austrian Supreme Court [*der Berufungs- und die Disziplinarsenate für Rechtsanwälte und Rechtsanwaltsanwärter beim Obersten Gerichtshof*]), the Lawyer shall refuse to follow the instruction. If, from the Lawyer's point of view, instructions are not expedient or even detrimental to the Client, the Lawyer shall inform the latter of any potential negative consequences before acting on his behalf.

3.4. In the case of imminent danger the Lawyer is entitled to take or refrain from taking actions that are not expressly covered by or are even contrary to the instruction given if this seems to be urgently required in the Client's interest.

4. Client's duty to provide information and to cooperate

4.1. After he has retained the Lawyer, the Client shall immediately provide the Lawyer with all information and the facts that may be relevant in connection with the latter's work on behalf of the Client and make accessible all necessary documents and evidence. The Lawyer is entitled to assume that information, facts, documents, records and means of evidence are accurate, unless inaccuracy of the same is obvious.

The Lawyer shall seek to obtain complete and accurate information on the facts and circumstances by asking the Client specific questions and/or by other suitable means. As regards accuracy of supplementary information the second sentence of Clause 4.1 shall apply.

4.2. As long as the Client-Lawyer Relationship validly exists the Client shall inform the Lawyer about all changed or newly occurring circumstances that could be of relevance in connection with the Lawyer's work on behalf of the Client immediately after they have become known to him.

4.3. If the Lawyer acts as draftsman of a contract, the Client shall provide the Lawyer with all information required for self-calculation of land acquisition tax, the registration fee and real estate income tax. If the Lawyer does the self-calculation on the basis of information provided by the Client, the Lawyer shall in any case be released from any liability vis-à-vis the Client. The Client, on the other hand, shall indemnify and hold harmless the Lawyer from and against pecuniary disadvantages in the case that information provided by the Client turns out to be wrong.

5. Obligation to maintain secrecy; Conflict of interests

5.1. The Lawyer shall keep secret all matters confided to him and any other information which becomes known to him in his professional capacity, secrecy of which is in his Client's interest.

5.2. The Lawyer is entitled to ask all staff to handle matters within the scope of applicable laws and guidelines, provided that the staff has been informed about the obligation to maintain secrecy in a manner that can be evidenced.

5.3. The Lawyer shall be released from his obligation to maintain secrecy only to the extent that this is necessary for pursuing the Lawyer's claims (including but not limited to the Lawyer's fee) or for defending himself against claims raised against him (including but not limited to claims for damages raised against the Lawyer by the Client or third parties).

5.4. The Client is aware of the fact that due to statutory orders the Lawyer may in some cases be obliged to provide information or to make reports to public authorities without having to obtain the Client's approval; particular reference is made to the statutory provisions on the prevention of money laundering and terrorist financing and to tax-law provisions (e.g. the Austrian Statute on Account Registers and Inspection of Accounts [*Kontenregister- und Konteneinschaugesetz/KontRegG*], the Austrian Act on Common Reporting Standards [*Gemeinsamer Meldestandard-Gesetz/GMSG*], etc.).

5.5. The Client may release the Lawyer from his obligation to maintain secrecy at any time. No release from the obligation to maintain secrecy by his Client shall release the Lawyer from the obligation to check whether his statement is in line with the Client's interest. If the Lawyer acts as a mediator, he shall exercise his right to maintain secrecy despite having been released from the obligation to maintain secrecy.

6. Lawyer's reporting duty

The Lawyer shall orally or in writing reasonably inform the Client of the actions taken by him in connection with representation of the Client.

7. Delegation of powers

The Lawyer may have himself represented by a trainee lawyer employed by him or by any other lawyer or that lawyer's qualified trainee lawyer [*Unterbevollmächtigung*]. If the Lawyer is not available, he may delegate the job or specific actions to any other lawyer [*Substitution*].

8. Fee

8.1. Unless otherwise agreed, the Lawyer is entitled to a reasonable fee.

8.2. Even if a lump-sum fee or billing by the hour has been agreed, the Lawyer is at least entitled to the amount of reimbursement of the costs obtained from the opponent in excess of the agreed fee, provided that such amount can be recovered; otherwise he is entitled to the agreed lump-sum fee or hourly fee.

8.3. Value-added tax at the statutory rate, any necessary and reasonable expenses (e.g. travel expenses, costs of phone, fax or copies) and the out-of-pocket expenses paid by the Lawyer on behalf of the Client (e.g. court fees) shall be added to the fee payable to/agreed with the Lawyer.

8.4. The Client acknowledges that an estimate made by the Lawyer of the expected amount of fees which has not been explicitly defined as binding shall be non-binding and not be considered a binding quotation (as defined in Section 5 (2) of the Austrian Consumer Protection Act [*Konsumentenschutzgesetz/KSchG*], as the amount of work to be rendered by the Lawyer cannot be reliably assessed in advance due to its nature.

8.5. The Client shall not be charged the costs of billing and preparation of bills of fees. However, this shall not apply to the costs of a translation of statements of services into a language other than German that is requested by the Client. Unless otherwise agreed, the Client shall be charged for preparation of letters to the Client's auditor at the Client's request stating, for instance, the status of pending cases, a risk assessment for setting up provisions and/or the status of outstanding fees as at the closing of accounts date.

8.6. The Lawyer shall be entitled to submit bills of fees or ask for advances on fees at any time and in any case once every quarter.

8.7. If the Client is late in paying the total or a portion of the fee, he shall pay late payment interest at the statutory rate of 4% p.a. If the Client is responsible for such late payment, he shall compensate the Lawyer for any additional damage actually suffered. Any additional statutory claims (e.g. under Section 1333 of the Austrian Civil Code [*Allgemeines Bürgerliches Gesetzbuch/ABGB*]) shall remain unaffected.

8.8. Any and all costs of courts and public authorities and any expenses (e.g. for purchased third-party services) arising in connection with the Client-Lawyer Relationship may, at the Lawyer's discretion, be submitted to the Client for direct payment.

8.9. If the Lawyer is retained by several Clients in one case, they shall be jointly and severally liable for all resulting claims of the Lawyer to the extent that the Lawyer's services rendered under the Client-Lawyer Relationship cannot be divided and that they were not rendered clearly for one specific client only.

9. Lawyer's liability

9.1. In the case of damage caused by slight negligence, the Lawyer's liability for incorrect advice or representation shall be limited to the sum insured that is available for the specific case but shall at least be the sum insured stated in Section 21a of the Austrian Lawyers' Code [*Rechtsanwaltsordnung/RAO*] as amended. Currently, this is EUR 400,000 (in words: four hundred thousand euros).

9.2. The maximum amount applicable according to Clause 9.1. shall cover all claims vis-à-vis the Lawyer for incorrect advice and/or representation, including but not limited to claims for damages and price reduction. Such maximum amount shall not include claims of the Client for refund of fees paid to the Lawyer. Deductibles, if any, shall not reduce liability. The maximum amount applicable according to Clause 9.1 shall apply to one insured event. If there are two or more competing harmed persons (Clients), the maximum amount for every single harmed person shall be reduced pro rata the amount of the claims.

9.3. If a law firm is retained, the liability limits of Clauses 9.1. and 9.2. shall also apply to all lawyers who work for the law firm (as its shareholders or partners, managing directors, employed lawyers or in any other capacity).

9.4. The Lawyer shall be liable for third parties whom he instructed to render specific services under the Client-Lawyer Relationship with the Client's knowledge and who are neither employees nor shareholders or partners (in particular external experts) only in the case of negligence in selection.

9.5. The Lawyer shall be liable only vis-à-vis his Client and not vis-à-vis third parties. The Client shall expressly inform third parties who come into contact with the Lawyer's services because of the Client's actions of this fact.

9.6. The Lawyer shall be liable for knowledge of foreign law only in the case of a written agreement or if he offered to review foreign law. EU law shall never be deemed foreign law; however, the law of the Member States shall be deemed foreign law.

10. Client's legal expenses insurance

10.1. If the Client has taken out legal expenses insurance, he shall immediately notify the Lawyer thereof and present the required documents (if available). However, independent thereof the Lawyer shall, without being requested to do so, obtain information about whether and to what extent legal expenses insurance has been taken out and ask that his services be covered by the insurance.

10.2. **Where the Client informs the Lawyer that he has taken out legal expenses insurance and the Lawyer ensures that his services are covered by the insurance this shall not affect the**

Lawyer's entitlement to his fee vis-à-vis the Client and shall not be regarded as an agreement on the part of the Lawyer to settle for the fee paid under the legal expenses insurance.

10.3. **The Lawyer is not obliged to directly claim the fees from the legal expenses insurer but may claim the total fees from the Client.**

10.4. The Client-Lawyer Relationship may be terminated by the Lawyer or by the Client at any time without notice and without stating reasons. The Lawyer's fee entitlement shall not be affected thereby.

10.5. In the case of termination by the Client or by the Lawyer the latter shall continue to represent the Client for a period of fourteen (14) days insofar as this is necessary to protect the Client from legal disadvantages. This duty shall not apply if the Client rescinds the Client-Lawyer Relationship and expresses that he does not want the Lawyer to continue his activities.

10.6. The parties put on record that the Client-Lawyer Relationship has, in principle, been entered into for an indefinite period of time, unless it is terminated by the Client or the Lawyer in accordance with Clause 11 of the General Terms and Conditions of Contract.

11. Duty to surrender documents

11.1. After termination of the Client-Lawyer Relationship the Lawyer shall, upon the Client's request, return original documents to the Client. The Lawyer is entitled to retain copies of such documents.

11.2. If, after termination of the Client-Lawyer Relationship, the Client again asks for (copies of) documents which he already received in the course of the Client-Lawyer Relationship, the costs shall be borne by the Client.

11.3. The Lawyer shall retain files for a period of five (5) years from termination of the Client-Lawyer Relationship and, if necessary, provide the Client with copies during that period. As regards the costs Clause 12.2. shall apply. If the law provides for longer retention periods they shall be observed. The Client agrees to destruction of files (including original documents) after expiration of the retention period.

12. Choice of law and out-of-court dispute resolution

12.1. These General Terms and Conditions of Contract and the Client-Lawyer Relationship regulated by them shall be subject to Austrian law.

12.2. In the case of disputes between the Lawyer and the Client over the fee the Client shall be free to ask for a review of the fee by the **Rechtsanwaltskammer für Kärnten**; if the Lawyer agrees to a review by the Bar Association, the fee shall be reviewed for its reasonableness out of court and free of charge. In the case of disputes between Lawyers and Clients the Conciliation Board for Consumer Transactions shall act as an out-of-court conciliation board (www.verbraucherschlichtung.or.at). The Client acknowledges that the Lawyer is not obliged to call in that Board for dispute resolution or to submit to it and that the Lawyer will decide whether he will only agree to out-of-court conciliation proceedings or not if and when there is a dispute with the Client.

13. Final provisions

13.1. Unless otherwise agreed, the Lawyer may correspond with the Client in any way that seems appropriate to him, including via email, using the email address which the Client has advised to the Lawyer for communication purposes. If the Client sends email messages to the Lawyer from other email addresses, the Lawyer shall also be allowed to use those email addresses to communicate with the Client, unless the Client expressly objects thereto in advance. Unless otherwise provided, statements or declarations to be made in writing under these General Terms and Conditions of Contract may also be made via fax or email.

Unless the Client has given other written instructions, the Lawyer is entitled to communicate with the Client by email in an unencrypted form. The Client represents that he is aware of the risks involved (in particular access, secrecy, alteration of messages in the course of transmission) and of the possibility to use TrustNetz and, being aware of such risks, agrees to email correspondence in an unencrypted form.

13.2. The Client expressly agrees that the Lawyer will process, make available or transmit (as defined by the Austrian Data Protection Act [*Datenschutzgesetz/DSG*]) personal data concerning the Client and/or his business insofar as this is necessary or expedient for rendering the services requested from the Lawyer by the Client or as this is required by statutory or professional obligations of the Lawyer (e.g. using electronic legal communication [*ERV*], etc.).

Annex to Clause 8

14th Supplementing Clause 8 of the General Terms and Conditions of Contract the following agreement is made on the Lawyer's fee for services to be rendered under the Client-Lawyer Relationship (*delete as applicable*):

14.1. (Agreement on applicability of the Austrian Statute on Lawyers' Tariffs [Rechtsanwaltstarifgesetz/RATG] and on a calculation basis for the fee)

The parties agree that the Lawyer's fee shall be calculated on the basis of the Austrian Statute on Lawyers' Tariffs, which is attached to this Annex as an integral part and shall be signed by the Client separately.

The parties agree that the fees shall be calculated on the basis of EUR The Client confirms that he is familiar with the effect the calculation basis will have on the amount of the fee or that he has been informed thereof by the Lawyer. Based on work to be expected in the form of at least (*list the procedural steps to be taken in legal or administrative proceedings / out-of-court activities*) the Lawyer's fee entitlement will amount to EUR plus 20% VAT, i.e. a total of EUR If additional (*list hearings/negotiations/letters/ meetings and the like*) are required, another EUR (gross amount) each would be charged. This does expressly constitute **no** binding quotation.

The parties agree that the Lawyer is, at his option, entitled to invoice his services on an itemised basis instead of invoicing a lump sum. The Client confirms that he is familiar with the effects of this form of billing or that he has been informed thereof by the Lawyer. In particular, it was discussed and the Client is aware of the fact that in this case he will have to pay EUR plus 20% VAT of the amount calculated in the way described above; however, the Lawyer may charge EURfor every phone call lasting up to 10 minutes, EUR for every longer phone call and EUR for every letter (in each case gross amounts).

14.2. (Agreement on applicability of the General Criteria for Professional Fees [Allgemeine Honorar-Kriterien/AHK] and on a calculation basis for the fee)

The parties agree that the Lawyer's fee shall be calculated on the basis of the General Criteria for Professional Fees, which are attached to this Annex as an integral part and shall be signed by the Client separately.

The parties agree that the fees shall be calculated on the basis of EUR The Client confirms that he is familiar with the effect the calculation basis will have on the amount of the fee or that he has been informed thereof by the Lawyer. Based on work to be expected in the form of at least (*list the procedural steps to be taken in legal or administrative proceedings / out-of-court activities*) the Lawyer's fee entitlement will amount to EUR plus 20% VAT, i.e. a total of EUR If additional (*list hearings/negotiations/letters/ meetings and the like*) are required, another EUR (gross amount) each would be charged. This does expressly constitute **no** binding quotation.

The parties agree that the Lawyer is, at his option, entitled to invoice his services on an itemised basis instead of invoicing a lump sum. The Client confirms that he is familiar with the effects of this form of billing or that he has been informed thereof by the Lawyer. In particular, it was discussed and the Client is aware of the fact that in this case he will not have to pay EUR plus 20% VAT of the amount calculated in the way described above; however, the Lawyer may charge EURfor every phone call lasting up to 10 minutes, EUR for every longer phone call and EUR for every letter (in each case gross amounts).

14.3. (Agreement on billing by the hour)

The parties agree that the Lawyer's fee shall be calculated on the basis of the hours worked by the Lawyer and his staff for the Client as follows:

- an hourly fee of EUR plus 20% VAT, i.e. a total amount of EUR for the Lawyer and other lawyers whom he calls in for rendering the services for the Client (including partners of the law firm)
- and an hourly fee of EUR plus 20% VAT, i.e. a total amount of EUR for trainee lawyers.

The above hourly fees shall also cover all activities of the Lawyer's non-legal staff (including but not limited to all back office work).

The Client acknowledges and agrees that according to Clause 8.2. of the General Terms and Conditions of Contract the Lawyer is entitled to the amount of reimbursement of the costs obtained from the opponent in excess of the agreed hourly fee, provided that such amount can be recovered.

14.4. (Agreement on a lump-sum fee)

The parties agree that the fee for the Lawyer's services shall be a lump-sum amount of EUR plus 20% VAT, i.e. a total amount of EUR The Client represents that he is entering into this agreement being aware of the fact that he will have to pay that fee also in the case that the time worked by the Lawyer and his staff under the Client-Lawyer Relationship is less than the time that is usually worked for such a fee. The Client acknowledges and agrees that according to Clause 8.2. of the General Terms and Conditions of Contract the Lawyer is entitled to the amount of reimbursement of the costs obtained from the opponent in excess of the agreed lump-sum fee, provided that such amount can be recovered.

14.5. The Lawyer is in any case entitled to claim the following expenses and out-of-pocket expenses incurred in connection with his services in addition to the agreed fee: (list, e.g., costs of excerpts from the Land Register or from the Business Register, postage, archiving charges, costs of copies, court fees, travel expenses and the like; in each case inclusive of VAT or state VAT separately).

15th Supplementing Clause 8.6. of the General Terms and Conditions of Contract the parties agree that the Client shall pay an advance on fees in the amount of EUR plus 20% VAT and on the necessary out-of-pocket expenses in the amount of EUR (e.g. court fees – delete passage if not applicable), i.e. a total amount of EUR If necessary, the Lawyer is entitled to ask for another advance that is reasonable in view of the work expected after billing has been effected. The Client is entitled to demand an interim account on a (e.g. monthly, quarterly or half-yearly basis; in any case at reasonable intervals in accordance with Section 16 (3) of the Austrian Guidelines for Practising as a Lawyer [RL-BA]) or a statement of the work rendered so far, or, in the case of billing by the hour, a statement of the hours worked by the Lawyer and his staff. If a lump-sum fee has been agreed, no interim account shall be required.

The Lawyer/the law firm:

The Client:

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Last revised on: 31 May 2016