

Terms of Payment and Delivery

1. General - Area of Validity

1) The terms of delivery and payment below of the supplier shall apply for every order. The terms of delivery and payment of the supplier apply exclusively; contradictory or deviating terms of the client are not recognized by the supplier unless he has agreed explicitly in writing. The supplier's terms of payment and delivery also have validity if the client executes the order without reservation although he is aware of contradictory or deviating supplier conditions.

2) All agreements made between supplier and client for the purpose of executing this contract have been set down in writing in this contract. The terms of delivery payment of the client shall only apply vis-à-vis companies in the sense of Section 14 BGB (German Civil Code).

2. Offers and Conclusion of the Contract

1) The offers of the supplier shall be non-binding and subject to change in all parts, unless it was explicitly agreed that they are binding. Offers and information in catalogues, brochures, advertisements etc. - also with reference to price information - shall be non-binding and subject to change.

The supplier shall be committed to specially prepared offers for 30 days.

2) Deviations of the ordered and delivered articles from the order, especially with regard to material and design, shall be explicitly reserved in the scope of technical progress.

3) Colour and light fastness as well as resistance against humidity, heat and weather influence are only constituent elements of the printed materials if this is explicitly agreed in writing. Drawings, illustrations, dimensions, weights and other performance data are only binding if this is explicitly agreed in writing.

4) Supplements, changes and additions shall only be valid if the supplier confirms them in writing.

5) Any additional costs incurred to the supplier because the order was subsequently changed by request of the client shall be borne by the client; this applies especially for costs and damage incurred to the supplier as a result of machine downtimes caused thereby.

6) Samples of any type, e.g. drafts, dummies, sample prints, test lithographs etc. shall be produced especially for the client according to his specifications only after the respective order has been made. The samples shall be invoiced in any case separately for the client.

3. Prices and Payment Conditions

The prices defined in the contract only apply insofar as there are no more than 5 months between the conclusion of the contract and the agreed or actual delivery date. In the event that a price increase by more than 10% has occurred due to a cost increase (wage costs, material costs etc.) caused by circumstances that the supplier is not responsible for, the client shall be entitled to withdraw from the contract.

2) The offer prices of the supplier are deemed total prices, per 1,000 items or per item in EUR. If nothing to the contrary is evident from the order confirmation, the prices of the supplier shall be valid ex works, or ex warehouse or business premises within the Federal Republic of Germany, excluding packaging. The latter will be invoiced separately.

3) The legally valid VAT is not included in the prices of the supplier; it will be itemized in the invoice in the legally valid amount applicable on the day of invoicing.

4) Unless stated differently in the order confirmation, the invoiced amount (net price plus the currently legally valid VAT) shall be due for payment within 30 calendar days as of the date of the invoice without discount. In case of payments within 8 calendar days after the date of the invoice the supplier shall grant a discount of 2% of the invoiced amount. The invoice is issued under the day of delivery, partial delivery or (in case of debt collectible by the creditor) readiness to deliver.

5) The supplier shall not be obliged to accept cheques or bills of exchange. Any acceptance shall only be valid upon encashment has been effected. Fees for bills of exchange or discount charges shall be borne by the client. They shall be paid by the client immediately. Handing over the bill of exchange shall not cause granting of a discount. Payment in instalments shall only be permitted if this was agreed in the order. The supplier shall not be liable for timely presentation, protestation, notification and reversion of the bill of exchange in case of dishonour unless he or his vicarious agents are responsible for intent or culpable negligence.

6) The supplier shall be entitled to charge pre-payments or, according to the work delivered, partial payments after separate invoicing if provision of extraordinarily large quantities of paper or cardboard or special materials by the supplier becomes necessary. Discounts on partial or interim invoices shall be granted if payment is made within the period mentioned above.

7) The client shall have the right to balance only if his claims have been legally established, are not disputed or are recognized by the supplier. Neither shall the client have the right of retention on the basis of disputed counter claims.

- 8) As long as the due claims of the supplier have not been fulfilled he shall not be obliged to execute further deliveries from any ongoing contract unless an absolute firm deal has been concluded.
- 9) Payments shall only be legally effective if they are directed to the supplier. Payments to employees or representatives of the supplier shall only be effective if such persons have power for collection.
- 10) In the event that invoices are not paid within 30 days after their due date, default shall be deemed to have occurred without dunning according to Section 286 III BGB (German Civil Code). The supplier shall be entitled to effect default even before the above period has expired by means of dunning. In the event of default, default interest in the amount of 8 percentage point over the base lending rate on the invoicing amount shall be due and other default damage shall be compensated for.
- 11) Payment shall be deemed effected as soon as the supplier can dispose of the amount. In case of money transfer and of a bank-confirmed cheque this is the availability date of the amount on the account of the supplier; in case of a non bank-confirmed cheque this is the credit not of the cheque amount on the account of the supplier and the expiry of the reversal period.
- 1) The supplier shall be entitled, opposing provisions of the client notwithstanding, to balance payments first against his older debts. The supplier shall then inform the client about the type of the effected balancing. In the event that costs and interest have already been incurred, the supplier shall be entitled to balance the payment first against the costs, then against the interest and last against the principal claim.
- 13) In the event that the supplier learns about circumstances that make the creditworthiness of the client doubtful, especially if the insolvency proceedings have been initiated against the assets of the client or if insolvency proceedings have been opened or if he does not redeem a cheque or ceases payments or if the supplier learns about other circumstances that make the creditworthiness of the client doubtful the supplier shall be entitled to demand the total remaining debt for payment immediately, even if he has accepted cheques. In this case the supplier shall also be entitled to demand pre-payments or securities and to cease further work on current orders of the client until he has received pre-payments or securities.

4. Reservation of Property Rights

- 1) Any goods delivered by the supplier shall remain his property until the full price has been paid. In case of companies, the goods shall remain the supplier's property until all claims resulting from the business relation have been completed (extended reservation of property rights). Disposal of goods subject to reservation of property rights (for instance by means of sale, pledging, chattel mortgage, donation, transfer for use) by the client shall not be permitted.
- 2) In the event of access of third parties to reserved goods, especially garnishment, the client shall point out the property of the supplier and he shall inform him immediately in writing, if necessary by sending a copy of the record of the compulsory enforcement and an affidavit so that the supplier may assert his rights. Insofar as the third party is not able to reimburse the supplier for the legal and extra-legal fees incurred in this regard, the client shall be liable to do so.
- 3) In the event that the client has disposed of the goods in a way that is contrary to the contract, the paid price or the price to be paid or other received benefits or benefits to be received of the buyer shall be deemed to replace the goods. The client shall even now cede all claims resulting from any possible sale or from any other legal reason (insurance, illegal action etc.) to the supplier. The supplier accepts this cession. The client shall not be entitled to collect these claims. In the scope of the cession, the client shall cooperate vis-à-vis the buyer in disclosing the cession and he shall urge him to make or render payments to the supplier. With regard to the extended reservation of property rights (preliminary cession of the claim in question), cession to third parties, especially to a credit institution shall be deemed contrary to the contract and therefore not permitted. The supplier shall be entitled at any time to examine the sales documents of the client and to inform the buyer about the cession.
- 4) If the client is in default with his obligations to pay or if he severely violates any other obligation or if insolvency proceedings or composition proceedings have been initiated against his assets, the supplier shall be entitled without further dunning letter or without setting another period of grace either to withdraw from the contract or to take back the delivered objects while maintaining the contract. In the event of this user the supplier shall not be bound to the legal regulations about sale of a pledge, so that utilization can be made in a way that appears to be the best possible utilization. For this purpose, the client shall transfer all rights necessary to do so (e.g. copyright, publishing rights etc.) to the supplier insofar as he is entitled to them. Insofar as the client is not entitled to the rights required for the sale of the produced printed goods he shall be obliged to inform the supplier thereof immediately. If this obligation of information is violated, the client shall release the supplier even now from all claims for compensation for damage that may result from the fact that copyright, publishing rights etc. are violated by selling the produced printed material. Re-taking of the delivered objects is possible in the event of default in a way that persons commissioned by the supplier are permitted to enter the premises of the

client and take the delivered objects in possession personally. Pre-payments already effected shall be returned without interest, compensation and after deducting costs for planning, sale, transport, installation, dismantling, devaluation and use, reconditioning by new models and lost profit. In case of special production, deduction of a larger amount for devaluation shall be permitted. In the event that the total of these deductions exceeds the pre-payment, the client shall be obliged to pay the difference.

5) Re-sellers may sell the goods that are the property of the supplier; however they shall sell said goods under the same reservation of property and with a special invoice separately from other goods as long as the goods are encumbered by reservation of property of the supplier. If the re-seller is in default with his payments in this or in other business procedures, the sale of the goods may only be effected with explicit approval of the supplier. The claim that has arisen shall be deemed as tacitly ceded to the supplier and the payments made of the second buyer to the re-seller (client) shall be deemed as received in trust for the supplier. Cession of the claim to the supplier shall only be made for reasons of security and shall not affect the payment obligation and other obligations of the client against the supplier. The client shall make the cession of the claim known to the second buyer in writing as soon as he is in default with his obligations vis-à-vis the supplier. Further sale of the goods may only be effected at a price that ensures full coverage of the claim of the supplier.

6) The client shall be entitled to process and to sell the goods in proper business procedures as long as he is not in default. Processing or reforming the goods by the client shall always be deemed to be carried out on behalf of the supplier. If the goods are processed with other objects that are not the property of the supplier, the supplier shall acquire joined property of the new object at the proportion of the value of the goods (invoiced end amount, including legal VAT) to the other processed objects at the time of the processing. Furthermore, the same shall apply to the object created as a result of the processing as does to the goods delivered under reservation. If the goods are combined inseparably with other objects that are not the property of the supplier, the supplier shall acquire joined property of the new object at the proportion of the value of the goods (invoiced end amount, including legal VAT) to the other processed objects at the time of the processing. If the combination happens in a way that the goods of the supplier are to be regarded as the main object it shall be deemed agreed that the client transfers proportionately joined property to the supplier. The client keeps the created sole property or joined property for the supplier free of charge. The goods of which the supplier is entitled to (joined) property shall be referred to as reserved goods hereinafter.

7) In the event that he securities and ceded claims the supplier is entitled to exceed a security of 120% of the claims of the supplier against the client, they shall be released otherwise.

5. Transfer of the Risk and Packaging Costs

1) Unless otherwise stipulated in the order confirmation, delivery ex works shall be deemed agreed. Delivery shall be effected at the client's own risk and cost. This shall also apply if delivery is effected by means of transport owned by the supplier. Transport insurance shall only be concluded by the supplier at the client's request. The costs incurred for this will be borne by the client.

2) The risk shall be transferred to the client as soon as the shipment has been handed over to the shipping company or has left the supplier's warehouse. In the event of a delay of the delivery or pick-up of the goods that the client is responsible for, the risk shall be deemed transferred to the client at the time it is reported to be ready for shipping.

3) Transport packaging and all other packaging as defined by the packaging regulations shall not be accepted back, except for Euro-pallets. The client shall be obliged to ensure disposal of the packaging at his own cost.

6. Delivery and Delivery Times

1) The delivery times stipulated by the supplier shall be non-binding unless they are explicitly confirmed in writing as "binding delivery date". The beginning of the confirmed delivery dates and deadlines requires clarification of all technical questions. Furthermore, inspection of test proofs, lithographic samples etc, by the client shall interrupt the delivery time until the statement of the client has been received. If this statement or a change of the order requested by the client after the supplier has confirmed the delivery date influences production time, extension of the delivery time shall remain reserved.

2) The delivery date by the supplier shall be subject to correct and punctual supply to himself. The supplier shall inform the client immediately if he is not supplied or supplied after a delay.

3) Observation of the obligation to deliver of the supplier also is subject to timely and proper fulfilment of obligations of the client. Objection due to non-fulfilment of the contract shall remain reserved. In case the client is in arrears with material of any kind, the supplier shall determine a new date.

4) In case of retrospective changes at the request of the client, extension of the delivery date shall remain reserved. The delivery date shall be deemed observed if the goods to be delivered are presented

in time for contractual acceptance in a factory of the supplier or if, failing acceptance, readiness-to-ship has been announced or the goods to be delivered have left the supplier's factory and invoicing has been initiated. The supplier shall not be responsible for delays of delivery and performance as a result of force majeure and as a result of events that complicate delivery considerably not only temporarily for the supplier or make delivery impossible, especially including labour action, lockout, official orders etc., including said events occurring for suppliers of the suppliers or his sub-suppliers, even in case of bindingly agreed dates and deadlines. These shall entitle the supplier to delay the delivery or performance for the period of the impediment plus a reasonable start-up time or to withdraw from the contract fully or partially with regard to the not yet fulfilled part of the order.

5) In the event that the client is in delay of acceptance or if he culpably violates other obligations to cooperate, the supplier shall be entitled to demand compensation for damage so far incurred to him including possible additional expenses. Further claims shall remain reserved. In the event that the client is in delay of acceptance, the supplier shall be entitled to either store the total delivery himself or have it stored by a shipping agent at the cost and risk of the client.

6) If the conditions of paragraph 5) apply, the risk of accidental loss or accidental deterioration of the contractual object shall be transferred to the client at the time when he has run into delay of acceptance and debtor's delay.

7) The supplier shall be liable according to the legal regulations insofar as the principal contract is a firm deal in the sense of Section 286 Paragraph II No. 4 BGB (German Civil Code), or of Section 376 HGB (German Commercial Code). He shall also be liable according to the legal regulations insofar as due to the consequence of a delayed delivery the client is entitled to assert that his interest in continuance of further fulfilment of the contract is voided. Furthermore, the supplier shall be liable according to the legal regulations insofar as the delayed delivery is the result of intentional or culpably negligent violation of the contract that he is responsible for; he shall also be liable for default of his representatives or vicarious agents. Insofar as the delayed delivery was not caused by an intentional violation of the contract that the supplier is responsible for, compensation for damage shall be limited to the expected, typically occurring damage.

8) The supplier shall also be liable according to the legal regulations insofar as the delayed delivery that he is responsible for was caused by the culpable violation of an essential contractual obligation; however, in this case the compensation for damage shall be limited to the expected, typically occurring damage.

9) The supplier shall be entitled to partial deliveries and partial performance any time unless the partial delivery or partial performance is not of interest to the client.

10) In the event of a delayed delivery that the supplier is responsible for, the client shall always be entitled to execute his due rights after a reasonable period of grace has been set.

7. Liability for Defects

1) The client shall be obliged to examine the goods immediately upon transfer with regard to obvious defects and to inform the supplier thereof immediately in writing, at the latest however within a period of 1 week after receipt even if initial samples, galley proofs and press proofs were sent for correction. Obvious defects that are reported after a delay, contrary to the above obligation shall not be considered by the supplier and shall be excluded from warranty. The same shall apply to obvious defect that the client has not criticized before the ready-for-press declaration or before any other release declaration.

2) Defects that are not obvious and only show over the course of time shall be reported to the supplier immediately upon their discovery.

3) Deviations of the condition of the material acquired by the supplier shall not be subject to complaint insofar as the delivery conditions of the paper and cardboard industry considers them permitted or insofar they are a result of the differences between press proofs and run caused by printing technology. The supplier shall be liable for light fastness, changeability and deviation of the colours and bronzes as well of the condition of rubber coating, varnishing or impregnation etc. only insofar as defects of the materials would have been recognizable to the supplier after reasonable examination according to the circumstance of the case before they were used.

4) In the event that re-fulfilment is made in the form of a new delivery due to a justified complaint, the provisions for delivery time shall apply accordingly. The supplier shall be granted a period of at least 3 weeks for removal of defects by re-working.

5) Occurrence of a defect shall result in the following rights of the client:

a) In the event of defectiveness, the client first has the right to demand re-fulfilment of the supplier. Choice in terms of new delivery of the goods, new production in the factory or repair of the defect shall be made by the supplier at his discretion.

b) Furthermore, in case an attempt of re-fulfilment fails, the supplier shall be entitled to a new attempt of re-fulfilment, again at his own discretion with regard to the type and within a reasonable period. If the repeated re-fulfilment fails, the client shall be entitled to withdraw from the contract or to reduce the price. The client may demand compensation for damage or replacement of useless expenditure only in cases of culpably negligent or intentional violation of the obligation to deliver defect-free goods. He shall prove the occurred damage with regard to cause and amount. The same shall apply for useless expenditure.

c) Insofar as the claims for compensation for damage of the client were excluded, this shall not include damage resulting from loss of life, bodily injury or damage to health caused by negligent violation of the supplier's obligations or a negligent violation of the supplier's legal representative or vicarious agent and shall further not include damage caused by culpable negligence of the supplier or intentional or culpable violation of obligations of a legal representative or vicarious agent of the supplier. This shall also apply for compulsory liability according to the product liability law.

6) Unless previously stipulated otherwise, liability shall be excluded.

7) The period of limitation for claims regarding defects is, from transfer to the client, 1 year for new goods and 1 year for used goods since delivery or transfer. In case of contracts for work labour, the period of limitation for claims for damage regarding defects expires after one year for a factory whose success is in production, maintenance and modification of an object. The period of limitation begins upon acceptance of the company.

8. Delivery Quantities, Delivery Dimensions and Delivery Conditions

1) The supplier is principally entitled to execute a additional or decreased output of up to 5% vis-à-vis order quantities unless explicitly agreed otherwise. Actual delivery quantities shall be decisive for calculation of the price. Partial deliveries reasonable for the client are permitted. The goods of the supplier shall be delivered in the scope of shared transport for goods within the Federal Republic of Germany, freight forward to the deliverer, ground floor or without duty paid to the border.

2) Delivery times always refer to delivery ex works of the supplier. Correct and timely delivery to the supplier shall remain reserved. Complaints shall be sent to us in writing immediately, at the latest however 10 days upon receipt of the goods.

9. Obligation to Cooperate/Material of the Client

Material acquired by the client of any type shall be delivered free to the supplier. The client shall compensate the supplier for the costs incurred by processing, payment or initial examination as well as for storage fees. Receipt shall be confirmed without assuming guarantee for the correctness of the quantity stated as delivered. In the event of provision of the material by the client, the packaging material and the waste caused by inevitable loss when setting the printing block and production run, during processing by cropping, punching etc. shall remain with the supplier. If the client provides printing films, this shall be possible only in combination with corrected press proofs. For digital templates/data provided by the client such templates/data shall be created and formatted according to our "Guidelines for Digital Data Supply", which are part of the order confirmation of the supplier. If this is not the case, the client shall be excluded immediately by means of a notification of defect.

10. Right to Withdraw of the Supplier

The supplier shall be entitled to withdraw from the contract for the following reasons:

1) If contrary to the assumption made before conclusion of the contract it becomes apparent that the client is not creditworthy. Unworthiness of credit may be assumed in case of protested bills of exchange or cheques, cession of payment by the client or in case of unsuccessful compulsory enforcement at the client. It shall not be necessary that such incidents concern relations between the supplier and the client.

2) In case it becomes obvious that the client has made untruthful information with regard to his creditworthiness and this information is of considerable significance.

3) In case goods under reservation of property of the supplier is sold in a different way than the regular business procedure of the client, especially by means of chattel mortgage or pledging. Exceptions shall only apply insofar as the supplier has declared his agreement with the sale in writing.

11. Galley Proofs and Press Proofs

1) Galley proofs and press proofs shall be examined by the client for composition and other errors and returned to the supplier with a declaration of ready-to-print. Changes made by telephone shall require confirmation in writing. For errors that the client overlooks in the scope of the examination of the galley proofs and press proofs he shall be excluded from a subsequent notification of complaint.

2) Minor deviations from originals for colour reproductions shall not constitute a justifiable reason for notification of complaint; the same includes comparison between possibly existing press proofs and production run. The client shall be responsible for errors in the provided copying templates.

12. Insurances, Storage and Warehousing

Storage of manuscripts, printer's copies, photo prints, slides, raw materials, semi-finished and finished products and other objects for re-use such as films, copies, printing plates etc. shall be made exceeding the delivery date only upon prior agreement and against special payment. Insofar as these are provided by the client, they shall be treated with the same care as the supplier's own affairs until the delivery date. In the event that insurance against water, fire, theft or other risks for the objects of the client should be made, the client shall do so himself. Printing plates and large mounts shall not be stored unless storage is to happen at the client's request. In this case storage shall be paid separately. The supplier shall not guarantee for the durability of the stored objects.

13. Periodical Works

- 1) Unless other agreements have been made, regular and recurring works may be terminated with a period of notice of 3 months to the end of a calendar quarter.
- 2) In case the client is in arrears with the payment of two monthly invoices, the client may terminate the agreement without notice and he may refuse delivery of current or stored objects until full payment has been made or before encashment of bills of exchange or cheques, unless this concerns an absolute firm deal.

14. Copyright and Other Rights/Secrecy/Company Information

- 1) The operating equipment used by the supplier used to execute the order such as data, films, lithographs, tools and print substrate shall remain the property of the supplier even after separate invoicing and shall not be delivered; the supplier shall be entitled to any copyright.
- 2) The client alone shall be liable if by executing his order rights, especially copyright, trade marks or patents of third parties are infringed. The client shall release the supplier from all claims of third parties on the grounds of such infringements.
- 3) All ideas and documents created by the supplier, especially samples, dummies, sketches, drafts, technical information, lithographs, sample prints etc. are subject to protection intellectual property of the supplier; these shall not be used without the supplier's consent in any form unless these products were produced following the client's information and prescriptions only. Procedure rights that the supplier has disclosed, handed over or told to the client in whatever form may only be applied for the purpose specified in the contract; price quotation to third parties shall not be permitted without explicit agreement of the supplier.
- 4) The client shall be obliged to regard all information resulting from gained in connection with the requested order or a contract to be fulfilled such as all corresponding business data or technical data, especially details about production processes and production installation assumed on the basis of negotiations and site inspections of the supplier as company or business secret and to keep such information strictly confidential. The client shall oblige his vicarious agents in a suitable manner.
- 5) In case of contraventions against paragraphs 1) and 2), the legal provisions of the BGB (German Civil Code), UrhG (German Copyright Act) and UWG (German Act against Unfair Practices) shall apply. This may result in damage claims according to civil law for the supplier as well as consequences under criminal law.
- 6) If the supplier runs production on behalf of the client according to drawings, models, samples or other technical document handed over by the client or according to procedures requested by the client, the client shall be responsible that trade mark rights of third parties to procedural rights are not infringed. In the event that third parties prohibit the supplier especially production and delivery of such products invoking existing trade mark rights, he shall be entitled, without being obliged to examine the legal situation, to cease his activity and to demand compensation from the client. By handing over such drawings, documents and other material as well as with the requested procedures and the specified recipes and stipulated material use etc. the client shall release the supplier from any claims of third parties arising in this context.
- 7) The supplier may indicate his company on printed products with the consent of the client in a suitable way. The client may refuse his consent only if he has a justified interest to do so.

15. Sales Tax Identification Number

Clients from countries of the European Union are obliged to quote their sales tax identification number when ordering. In case the client does not or incorrectly quotes this number, the client shall be entitled to demand the damage caused to us. The supplier shall not be obliged to examine a sales tax identification number quoted to him for correctness or have it checked.

16. Place of Fulfilment, Court of Jurisdiction and Applicable Law

- 1) Place of fulfilment for all obligations resulting from the contractual relation is the domicile of the supplier.

- 2) The court of jurisdiction is defined according to the legal regulations. If the client is an entrepreneur or a legal entity under public law or special assets under public law, the domicile of the supplier shall be exclusive court of jurisdiction for all disputes resulting directly or indirectly from the contractual relation.
- 3) In any case, especially in case of border-crossing deliveries, the law of the Federal Republic of Germany shall apply. Application of the agreement of the United Nations dated 11 April 1980 on contracts concerning international purchase of goods (CISG) shall be excluded.

17. Final Provisions

- 1) If individual provisions of the contract or provisions of these terms of business are fully or partially, the legal regulation shall be valid. The validity of all other provisions and agreements shall not be affected thereby.
- 2) No additional agreements have been made. Such agreements shall only valid when they are agreed in writing.