

General Terms and Conditions of Business

§ 1 General – Scope of Application

- (1) These General Terms and Conditions of Business are applicable to contractors, legal persons under public law and to separate estates under public law.
- (2) The discharge of our work and our quotations are effected solely on the basis of and incorporating these General Terms and Conditions of Business. The general terms and conditions of business of the Contracting Party shall not be acknowledged unless we expressly consent to their applicability.
- (3) All arrangements made between us and the Contracting Party in the course of discharging this agreement are set out in writing in this agreement.

§ 2 Conclusion of Agreement

- (1) If the order is to be qualified as an offer in accordance with § 145 BGB (German Civil Code), we can accept the same within two weeks.
- (2) Our quotations are without commitment unless otherwise set out in the confirmation of order.
- (3) Changes, assurances and other arrangements shall not become binding until they have been confirmed in writing.

§ 3 Remuneration

- (1) The prices agreed upon entering into the contract are net prices ex works and are stated in euros. The statutory rate of added value tax will be calculated separately. The costs of packaging and transport will be charged additionally.
- (2) We reserve the right to alter our prices appropriately if any cost reductions or cost increases occur subsequent to concluding the agreement, in particular as a result of collective bargaining agreements or changes in material prices. The Contracting Party is to be provided with evidence of the same on request.
- (3) Subsequent changes on the instructions of the Customer, including any machine down-time caused by the same, will be charged to the Customer additionally.
- (4) We are entitled to demand payments on account to correspond with the state of production, at most however 90% of the total price. Should the Customer be required to discharge any payments on account, he shall have the right to conduct an intermediate acceptance inspection at the Contractor's production location. The non-payment of any justified invoice for a payment on account will result in the delivery date being suspended. Following the appointment of a date and fruitless expiry of the same, we shall be entitled to withdraw from the contract.

§ 4 Due Date of Payment and Setoff Provisions

- (1) Payment becomes due upon receipt of the invoice.
- (2) The Contracting Party shall be in default if he does not pay within 14 days of the invoice date. The statutory rate of interest on default for arrears of payment, currently amounting to 8 percent points above the basic interest rate according to § 247 BGB (German Civil Code) for the year, shall become due once default has been incurred. The right is reserved to claim further damages for delay.
- (3) The Contracting Party is only permitted setoff rights if his counterclaims have become legally enforceable, are uncontested or have been acknowledged by us. In addition, the Contracting Party is only authorised to exercise a right of retention insofar as his counterclaim is founded on the same contractual relationship.

§ 5 Performance Period

- (1) Delivery dates must be expressly agreed. A fixed-date transaction within the meaning of § 268 Para. 2 No. 4 BGB (German Civil Code) or of § 376 HGB (German Commercial Code) shall only be effective if the date has been expressly designated as a fixed date or a fixed transaction.
- (2) Lead times begin on the date of the confirmation of order.
- (3) We shall not be deemed to default if we are incorrectly or unpunctually supplied by our preliminary suppliers, in the event of interruptions in our business processes, obstructions due to official directives and force majeure such as strike, lock-out, etc. for which we are not to blame, and for as long as the Contractor does not meet his obligation to cooperate.
- (4) We shall be held liable in accordance with the statutory provisions if the delay in delivery is due to any deliberate or negligent breach of contract for which we are responsible. If the delay in delivery is not due to a breach of contract caused deliberately by us or as a result of our gross negligence, the liability for compensation shall be limited to the predictable, typical occurrence of damage.
- (5) We shall also be liable in accordance with the statutory provisions if the delay in delivery for which we are responsible was caused by the culpable violation of a central contractual obligation; in this case, the liability for compensation shall be limited to predictable, typical occurrences of damage.
- (6) Moreover, in the event of default in delivery we shall be liable to pay compensation for the delay at a flat rate of 1% of the agreed remuneration for each full week of delay, though at most not more than 10% of the agreed remuneration.
- (7) The statutory claims and rights of the Contracting Party remain unaffected.

§ 6 Raw Materials, Additional Quantities

- (1) The Contracting Party shall deliver the sections and other raw materials (working material), lying flat, together with details of the quantities per signature or type, free house and at the risk of the Contracting Party.
- (2) Incoming inspection as regards quantity and deficiencies shall only be conducted following express agreement and for a consideration. If the delivered working material has been estimated too short, the costs arising as a result of these circumstances will be invoiced to the Contracting Party additionally.
- (3) Unless otherwise expressly agreed, extra quantities for spoilage shall be calculated as follows: for print runs of up to 1,000 copies – 15%; up to 3,000 copies – 12%; up to 5,000 copies – 8%; up to 30,000 copies – 2%; up to 50,000 copies – 1.5%; and over 50,000 copies – 1%, however with at least 60 sheets per signature.

§ 7 Delivery, Shipment, Acceptance, Specimen Copy

- (1) Goods for which readiness for shipment has been notified on the agreed date must be called for at once, otherwise we are entitled to store them at our discretion at the expense and risk of the Contracting Party and to invoice them as delivered "ex works". The same applies if shipment cannot be effected as a result of a traffic ban or other circumstances for which we are not answerable, or if we are to put the goods into storage at the request of the Contractor.
- (2) The transport route, carrier and freight forwarder, the means of transport and protection as well as packaging shall be selected by us. Transport insurances will only be taken out by us at the express wish and at the expense of the Contractor.
- (3) The risk shall at all events pass to the Contractor once the goods have been handed over to the carrier or freight forwarder, at latest however upon leaving our works or warehouse. This is also applicable if we have undertaken the insurance for the goods. If goods for which readiness for shipment has been notified are not immediately called for by the Contractor, the risk shall pass to the Contractor upon notification of readiness for shipment.
- (4) Following the unreserved acceptance of the goods by the transporting party, its employees or a party authorised by the Contractor, any subsequent complaint based on the external condition (packaging, weight and so on) shall be excluded. The weight determined and invoiced by us shall be relevant, unless the Contractor demands a weight control at his own expense.
- (5) We have the right to carry out part deliveries unless such a part delivery is of no interest to the Contractor. If part deliveries are carried out and separately invoiced by us, we are entitled to refuse to deliver

the outstanding amounts from the order if payment is not forthcoming by the due date.

- (6) We are entitled to retain 0.2% per signature as specimen copies. The sale of specimen copies is not permitted.

§ 8 Safekeeping, Storage, Insurance

- (1) The working materials and any other articles intended for re-use as well as semi-finished and finished products shall only be kept in storage after the delivery date following prior agreement and in return for a separate consideration. We shall only be liable for deliberate acts and gross negligence.
- (2) Insurance for the articles put into storage shall be the sole responsibility of the Contractor.
- (3) Extra sheets and waste of any kind are to be dealt with by the Contractor unless separate agreements are entered into.
- (4) We shall charge EUR 3.50 per Euro-pallet per month for the remaining overs calculated at the 1st of the month subsequent to completing a tie-up quota. Settlement shall be in quarterly instalments which are payable in advance.

§ 9 Warranty of Fitness

- (1) The Contracting Party shall inspect the work immediately upon delivery and shall notify us of any deficiencies without delay. Should the Contracting Party omit to send this notification, the work shall be deemed as having been properly performed. This provision is not applicable to any deficiency that was not apparent upon inspection. If such a deficiency becomes evident at a later date, notification must be issued immediately upon detection of the same; otherwise the goods shall be regarded as accepted, even in view of this deficiency.
- (2) Extra or short deliveries of up to 10% of the ordered print run do not constitute a cause for complaint.
- (3) In the event of any deficiency for which we are responsible, we shall be obliged to remedy such a deficiency or provide a replacement delivery, at our discretion, though only to the value of the order.
- (4) We are liable in accordance with the statutory provisions insofar as the Contracting Party enforces claims for damages arising from intent or gross negligence, including intent or gross negligence on the part of our representatives or vicarious agents. Our duty to make compensation for damages shall be restricted to predictable, typical occurrences of damage, provided we are not charged with any intentional violation of contract.
- (5) We shall be liable in accordance with the statutory provisions insofar as we culpably violate any material obligation arising from this contract; in this case our liability to damages shall however be restricted to predictable, typical occurrences of damage.
- (6) Liability arising from injury to life, limb or health for which we are to blame remains unaffected; this also applies to compulsory liability in accordance with product liability legislation.
- (7) Unless otherwise provided for in the above, all and any liability is excluded.
- (8) The statute of limitations for warranty claims shall be 12 months, commencing upon acceptance. This shall not affect any limitation periods in the event of wilful deceit.

§ 10 General Warranty

- (1) Any further liability for compensation beyond that provided for in the above clauses 8 and 9 is precluded, without consideration of the legal nature of the claims raised. This applies in particular to claims for damages arising from default upon conclusion of agreement, due to other violation of duties, or due to actionable claims for compensation and property damage according to § 823 BGB.
- (2) Provided liability for compensation on our part is precluded or limited, this shall also be applicable in respect of personal liability for compensation on the part of our employees, workers, representatives and vicarious agents.

§ 11 Copyright

The Contractor alone is liable if any rights, in particular copyrights of others, are infringed as a result of executing his order. The Contractor shall indemnify us from all claims raised by third parties due to any such violation of rights.

§ 12 Retention of Ownership

- (1) We reserve the right of co-ownership of the goods achieved by processing until all payments due from the business transaction with the Contractor have been received.
- (2) The Contractor is entitled to resell the goods within the scope of normal business. However, he herewith assigns to us all receivables accruing from the resale to his customers or others, to the amount of the invoiced sum of receivables due to us, including value added tax, independent of whether the article has been resold with or without having been processed. The Contractor shall still be authorised to collect these outstanding debts even after assignment. This shall not affect our entitlement to collect the sum due ourselves. We undertake, however, not to collect the sum due as long as the Contractor fulfils his payment obligations from the collected payment, is not in arrears with his payments and, in particular, has not filed to initiate insolvency proceedings nor suspended payment. Should this be the case, however, we are entitled to demand that the Contractor informs us of the assigned receivables and of his debtors, that he provides us with all information needed for collection, submits to us the relevant documents, and notifies the third party of such assignment.
- (3) We undertake, if so requested by the Contractor, to release the securities due to us to the extent that the realisable value of our securities exceeds the secured debt by more than 10%; the choice of securities to be released shall be at our discretion.

§ 13 Surrender of Security

- (1) The Contractor shall assign the manufactured goods to the Supplier as security for all our existing and future claims against the Contractor.
- (2) The Supplier is entitled to realise the collateral goods if the Contractor is in default with the payments due to the secured receivables. The Supplier shall only realise the collateral goods to the extent required to discharge the outstanding payments. The realization proceeds – less appropriate costs for realization – shall be set off against the Contractor's debts.
- (3) Moreover, the provisions governing retention of ownership set out in § 12, paragraphs 2 and 3, shall be applicable accordingly.

§ 14 Storage of Personal Data acc. to § 26 Para. 1 Federal Data Protection Act

We would point out that data relating to the Contractor is stored by us.

§ 15 Place of Performance, Legal Venue, Jurisdiction, Saving Clause

- (1) The place of performance and legal venue for all claims and legal disputes arising from the contractual relationship shall be our registered office if the Contracting Party is a general merchant within the sense of HGB (German Commercial Code). We are also entitled to bring an action against the Contracting Party at the court competent for him.
- (2) The transactions and all legal relationships between the Contracting Party and us shall be governed by the laws of the Federal Republic of Germany, excluding the United Nations Convention on Contracts for the International Sale of Goods.
- (3) Should any individual provisions of the contract be or become inoperative, the remaining provisions shall remain binding. The ineffective contractual provision shall be replaced by a provision that comes as close as possible to the commercial objective pursued with the inoperative provision.