

# General Terms and Conditions

## § 1 Scope

Terms and conditions that have been negotiated by the parties shall supersede general terms and conditions. This being the only exception any deliveries, services/performance and offers shall be governed exclusively by the following terms and conditions. With the conclusion of the first contract under the inclusion of our following terms and conditions the purchaser accepts these terms as binding also with regard to any subsequent contracts, even if they are not referred to explicitly again.

We do not accept any of the purchasers differing general terms and conditions. This shall also apply if they have been brought to our attention in due time and we have not objected to those conditions explicitly.

Changes or amendments to the following sales and deliveries conditions including this condition shall require a written agreement between the parties in order to be valid. This also applies to a waiver of the written form requirement.

## § 2 Orders

1. Our offers are always subject to change. Descriptions of goods to be delivered by us are non binding unless they have been agreed to be binding as explicitly. Orders made orally, in writing or by data transfer shall become binding only if they have been confirmed in writing by us and the customer does not object to the letter of confirmation without delay.
2. Minor variations of the goods ordered and particularly variations customary in the trade and variations in quality, colour, design or equipment due to material shall not be considered to affect the agreed quality.

## § 3 Copyrights

Copyrights and the right to reproduction with regard to our own concepts, blueprints, originals and so forth by any procedure and for any purpose remain ours unless stipulated otherwise explicitly. Final drawings, films and printing plates shall remain our property even if the proportionate costs for this were billed to the purchaser.

## § 4 Scope of delivery, delivery dates

1. We are entitled to deliver 10 % more or 10 % less than the goods ordered and confirmed. For small orders up to 1.000 m this percentage is increased to 30 %, up to 2.000 m to 20 %. This applies accordingly to deliveries according to number of items, weight or area. The purchaser is obliged to accept such extra performance or underperformance and to pay the agreed remuneration for this.

We are entitled to partial deliveries.

2. Delivery dates named by us are non binding unless they were confirmed as "binding delivery date" by us explicitly and in writing.
3. Delivery shall be subject to our sales being supplied sufficiently. We will notify our customers immediately if we are not supplied. If our own supply does not occur, we are entitled to rescind the contract. The customer's consideration will be returned in the event of rescission of the purchase agreement.
4. Despite delivery dates being non binding we will do our best to keep delivery dates which were given. To the extent that force majeure (for example labour dispute, fire, strike, shortage in raw materials or energy shortages, broken machinery) or other circumstances for which we are not responsible, contractual delivery dates shall be extended for the period that these events occur.

If performance is prevented because of the aforesaid events for more than two months we as well as our customer shall be entitled to rescind the contract with regard that part of the contract that has not been performed. Neither party may rescind the contract before this period of time has elapsed for any of the aforesaid reasons for delay.

5. Keeping delivery dates requires the purchaser to fulfil his contractual obligations in time, particularly making the agreed payments and, as the case may be, providing the agreed securities.
6. Further, the purchaser shall, in the event of a delay for which we are responsible, only be entitled to ascertain further rights, if he notified us of a grace period of at least three weeks after the beginning of the delay and that period lapsed.

## § 5 Dispatch

The dispatch of goods ordered shall occur at our registered office (Gallin) at the expense and at the risk of the purchaser. In the absence of specific agreements we shall be entitled to choose the carrier as well as the means of transportation. The purchaser also bears the risk of loss upon dispatch from our inventory if carriage free delivery is agreed.

## § 6 Rights of purchaser in the case of defects and liability

1. We cannot give any guarantee or accept liability for the suitability of our products for the use intended by the buyer and/or advertising purpose, unless the suitability was promised explicitly. After an approval for print has been given, we shall not be liable for print errors overlooked by the customer during corrections.
2. The purchaser is obliged to examine the goods delivered immediately after delivery and to inform us of any obvious defects or variations of the goods delivered as compared to the goods ordered immediately and in writing, in no case later than one week after having received the goods.

This shall be without prejudice to the obligation to examine the goods under sections 377, 378 of the German Commercial Code.

Defects of the goods delivered which despite immediate and proper examination become perceivable later, must be reported in writing by the purchaser immediately after their discovery but not later than six months after the goods have been received. Defects not reported in due time, thus contrary to the aforesaid obligation shall not be considered by us and shall exclude the purchaser's rights in the case of defects. Notifications of defects in this regard shall only be accepted by us if notification was in writing. Notifications directed at field staff or transport personnel or other third parties shall not be deemed to meet those formal requirements or to be in time.

3. If goods have to be sent back to us due to a defect, reshipment requires our prior consent. Reshipments without our prior consent do not have to be accepted by us. In this case the purchaser bears the cost of reshipment.
4. If, due to the reporting of a defect for good reason, the defect is remedied or the good redelivered, then the provisions on delivery dates shall apply accordingly.
5. Defects reported and ascertained validly entitle the purchaser to the following rights:
  - a) First, the purchaser is entitled to demand the supplier to cure if there is a defect.  
The choice whether the delivery of a new item shall occur or whether the defect shall be remedied is made by us and our own discretion. The purchaser cannot claim a specific type of cure.  
If the purchase price is not paid in full, we can require the purchaser to pay an amount of the purchase price appropriate in view of the defect as a precondition.
  - b) Further, in the event that an attempt to cure fails we reserve the right to perform another cure, again at our choice and discretion.  
Only if the repeated cure also fails, shall the purchaser be entitled to rescind the contract or to reduce the purchase price.
  - c) The purchaser's claims for damages or futile expenses shall be limited to cases where the duty to deliver a thing without defects is breached due to gross negligence or wilful conduct. The purchaser must prove the damages with regard to merits and quantity. The same applies to futile expenses.
6. The limitation period of the rights of the purchaser in the case of defects shall be one year beginning with delivery, unless another period follows from the shorter durability of the product (e.g. sealing by cold layers or pre-treatments of the foils). In any case the purchaser must prove the existence of the defect at delivery.

## § 7 Liability for other breaches

Without prejudice to the provisions on the rights of the purchaser in the case of defects or other specific provisions contained in these terms and conditions the following shall apply if duties/obligations are breached:

1. The purchaser must provide us with a reasonable grace period to remedy the breach which may not be less than three weeks.  
Only after the grace period lapsed may the purchaser rescind the contract and/or claim damages.
2. The purchaser can claim damages against us only in cases of gross negligence or wilful breach.  
This limitation shall not apply to claims based on the German Product Liability Act. Beyond that we shall be liable for damages based on harm to life, limb or health as stipulated by statutory provisions of the German Civil Code, which are based on wilful or grossly negligent breach of duty by one or more than one of our company organs (directors and officers), employees or vicarious agents.
3. Damages to be claimed by the purchaser are limited to the damage foreseeable and typical to the contract. In any case consequential damages, for instance loss profits are excluded.
4. Rescission is excluded, if the purchaser is solely or predominately responsible for the circumstances entitling him to rescission or if the circumstances entitling him to rescind occur during the purchaser's default in acceptance.

## § 8 Procurement risk

With regard to goods that are ordered and cannot be delivered immediately we do not assume any procurement risk. An agreement of any guaranties of any kind on our part is hereby excluded, unless an express written agreement has been concluded with the purchaser.

## § 9 Prices

Prices are charged as offered and agreed in EURO plus value added tax if applicable at the time. We reserve the right to bill to the purchaser additional costs due to corrections of the print design or format which are due to subsequent changes to the initial data, not contained in that data.

Our prices include packaging, whereas packaging material cannot be returned. In this regard the purchaser is obliged to ensure an orderly disposal of packaging materials at his own expense.

## § 10 Conditions of payment

1. All invoices are payable net cash. Cash discount deductions require a prior written agreement.
2. If the due date for payment is not met and after a warning, however at the latest 30 days after payment is due and the invoice was received, default

interest shall be due in the amount of 8 % above the respective base interest rate of the amount payable according to invoice.

3. Checks and bills of exchange will not be accepted.
4. If a substantial risk to our claim for payment occurs, we shall have the right to demand prepayment or sufficient security. If the purchaser denies prepayment or security, we shall have the right to rescind the contract and claim damages.

#### **§ 11 Set-Off/Right of retention**

1. Against our claims the purchaser shall have a right of set-off only if his counterclaims are undisputed or recognised by final and absolute court judgement.
2. Purchaser may assert a right to refuse performance or a right of retention only if the counterclaim is based on the same contractual relationship.

#### **§ 12 Retention of title and lien**

1. We will retain title to each good delivered by us until full payment of the purchase price and until all our claims pursuant to the business relations have been paid (extended retention of title).

Any disposal of the goods retained of whichever kind by the purchaser is permitted only in the ordinary cause of business of the purchaser. However, the goods may not be transferred as security to third parties within the ordinary cause of business under any circumstances.

2. In case of a sale of goods in the cause of an ordinary business transaction the purchase price paid shall substitute the goods. As of now the purchaser hereby transfers all claims which may arise from a sale to us. The purchaser may collect these sums as long as he meets his obligation of payment to us. With respect to the extended retention of title (assignment in advance of sums arising out of the respective resale) an assignment to third parties, especially banks, is a breach of contract and thus not permitted. We have the right to examine the purchaser's

contractual documents at any time and to inform his customers of the assignment.

3. If the purchaser's claims arising out of the resale were allocated into a current account, the purchaser hereby assigns to us his claims out of the current account against his customers to us. Assignment shall be in the amount which a supplier billed to the purchaser with regard to the retained good resold.
4. If the goods are pledged at the purchaser we shall be informed immediately that the goods pledged are the goods delivered by us and subject to retention of title; in this context we shall receive the official compulsory enforcement documentation (protocol) and an affidavit ("eidesstattliche Versicherung") to that effect.
5. The assertion of our rights under the retention of title does not have an effect on the purchaser's contractual obligations. The value of the goods at the time of retention will be merely credited against our existing claim against the purchaser.

#### **§ 13 Place of performance and jurisdiction**

1. Place of performance shall be our registered office (Gallin).
2. In the event of disputes involving entrepreneurs, legal entities in public law and special sums under public law, the courts in Hamburg (Germany) shall have exclusive jurisdiction with regard to all disputes arising directly or indirectly out of the contractual relationship. In regard to claims asserted against us that place of performance and jurisdiction shall be exclusive. However, we remain entitled to bring actions against the purchaser in any other court which is competent according to statute.
3. In the event that certain provisions of the contract are invalid the remaining parts of the contract shall remain binding. This shall also apply if the provisions of the contract are found incomplete.
4. In any case, especially with regard to cross-border deliveries German law shall apply.