

GENERAL CONDITIONS OF SALE AND DELIVERY OF INTERPRINT GMBH

I. General

- Orders will be executed exclusively on the basis of the terms and conditions below. Our General Conditions of Sale and Delivery apply exclusively to the contractual relationship. Any general terms and conditions the contrary are herewith expressly rejected. Differing arrangements must be in writing.
- In the case of an on-going business relationship, the following terms and conditions also apply to future transactions which do not expressly refer to the terms and conditions providing they were received by the buyer by way of an earlier order confirmed by us.

II. Order Confirmation, Offers

- Our offers are subject to confirmation unless they have been designated as firm offers. Orders only become binding by way of our order confirmation. Additions, changes or collateral agreements made verbally, or by way of wire or telephone must also be confirmed in writing to be effective. The buyer is obliged to immediately check our order confirmation. Information deviating from the purchase order will become part of the contract in the absence of immediate objection. The invoice may substitute the order confirmation in case of short-term deliveries.
- For first Orders, the samples submitted by us and confirmed by the customer will apply. We base repeat Orders on the sample supplied to the customer. Requests deviating from such must be confirmed in writing.
- Drawings, illustrations, measurements, weights or other technical data are only binding if this is expressly agreed in writing.

III. Prices

- Unless otherwise agreed, our prices are ex works excluding freight, customs, incidental import charges and packaging, plus statutory VAT. The weight and/or quantity at the time of dispatch is decisive for the calculation.
- If the decisive cost factors considerably change after Submission of the offer or order confirmation until delivery, the supplier and buyer will mutually agree on the adjustment of the prices. We have the right to withdraw from the contract if the negotiations do not lead to a result or if the buyer refuses to negotiate.
- Sketches, drafts, specimen sets, specimen prints, samples, proofs and similar preliminary work initiated by the buyer will be invoiced.
- In the case of delivery outside Germany, all special costs which are substantiated and invoiced must be borne by the buyer.
- Any approved discounts (including compensation for handling and freight) no longer apply in the case of settlement proceedings before the courts or out of court, insolvency and default in payment of more than one month.

IV. Terms of Payment

- All payments to us must be exclusively effected in the Euro currency. Unless otherwise agreed, the purchase price for deliveries or other services is payable within 14 days of invoice date less 2 % early payment discount or within 30 days of invoice date without any deductions. The precondition of the early payment discount entitlement is the settlement of all previously due and undisputed invoices. No discount will be granted for payments by bill of exchange. When the agreed due date is exceeded, interest at 3 % above the respective base interest rate will be charged unless higher debit interests are proven. If the buyer does not pay the price inclusive of incidental expenses according to cipher III within 30 days after invoice receipt and delivery of the goods, he gets into default even without reminder.
- We reserve the right to reject checks or bills of exchange. Checks and rediscountable bills are only accepted as conditional payment; all associated costs will be borne by the buyer. Bills and checks will be credited with that value applicable on the day when we can use the proceeds.
- The buyer can only offset or exercise a right of retention with an undisputed or finally adjudicated claim. Default in payment results in all our Claims becoming immediately due. If we have reason to believe, after the conclusion of the contract, that the fulfillment of the payment claim is endangered by the buyer's inability to pay, we are entitled to demand payment in advance, retain the not yet delivered goods and cease further work. We also have these rights if the buyer is in default of payment for deliveries arising from the same legal relationship. Section 321 subsection II of the German Civil Code remains unaffected. In this case, we are also entitled to bar the buyer from reselling the goods and recover the goods not yet paid for at the cost of the buyer.
- Unless otherwise agreed, export shipments will be made against letter of credit.
- Reasonable advance payment can be demanded for extraordinary preliminary work.

V. Delivery

- The delivery period begins with the receipt of all documents necessary for the execution of the order, the advance payment and the timely availability of the material in so far as this was agreed. If the dispatch becomes impossible without fault on our part, notification of dispatch readiness will be regarded as meeting the delivery time. If we are to blame for default in delivery but did not cause such intentionally or by gross negligence, the buyer will be entitled (after giving a grace period and to the exclusion of all further Claims) to demand default compensation providing he indicated the rejection of the Performance in writing at the time of fixing the grace period. The default damages are limited to a maximum of 5 % of that part of the delivery which was not performed in accordance with the contract. Adequate part deliveries and reasonable deviations from the ordered quantities of +/- 10 % are permitted. The delivered amount is being charged for. The percentage increases to 20 % for deliveries of special paper production of less than 3,000 kg. If we delay the Service, the buyer can only exercise the rights from §323 BGB, if the delay can be justified by us. An amendment of the burden of proof is not connected with this regulation.
- In the case of call-off Orders without agreement about duration periods, batches and acceptance dates, we are entitled to demand a binding determination about such after no later than three months following the order confirmation. If the buyer does not comply with this request within three weeks, we will be entitled to set a grace period of 2 weeks and after its expiry to withdraw from the contract or decline delivery and demand damages: whereby proof for damages of up to 20 % of the gross selling price is not necessary.
- If the buyer does not fulfil his acceptance obligation, we can, without affecting our other rights, freely sell the delivery terms following notification to the buyer without being bound by the self-help sale regulations.
- Delivered items which are to be taken back by us on a goodwill basis following agreement in respect of date must be in perfect condition, original packaging and delivery must be carriage-paid. We are entitled to Charge for reasonable costs which are incurred by us as a result of the taking back of the delivery items.
- Events of force majeure entitle us to postpone the delivery for the duration of the hindrance and a reasonable start-up time or the party or entirely withdraw from the non-fulfilled part of the contract. Force majeure includes strikes, lock-out and unforeseen circumstances such as business interruption which makes timely delivery impossible for us despite reasonably expected efforts. The onus of proof for such lies with us. This also applies when the afore-mentioned hindrance occurs during the default or at any of our suppliers. The buyer can request us to declare within two weeks whether we want to withdraw from the contract or deliver within a reasonable grace period. The buyer can withdraw from the non-fulfilled part of the contract if we fail to do this. A cancellation of the buyer, however, is only possible at earliest four weeks after occurrence of the above mentioned business interruption. A liability on our part is excluded in these cases. We will notify the buyer without delay when an event of force majeure as described above has arisen. We are obliged to keep adverse effects for the buyer as slight as possible.
- To the extent that we are required to perform in advance under a contract, we can refuse performance if we become aware of circumstances after conclusion of the contract which cast doubt on the ability of the buyer to perform, especially if the customer credit insurer strikes or materially reduces the credit limit for the buyer or if the credit limit is reached and our claim for payment is endangered as a result. The right to refuse performance does not apply if the consideration is rendered or security for the consideration is provided.

VI. Printing on customer-supplied paper

- If the buyer provides us with paper, this must be supplied on a carriage paid basis. The receipt is confirmed without acceptance of responsibility for the correctness of the quantities stated in the delivery documents and the quality characteristics warranted by the manufacturer and not guaranteed by us. Additional processing costs incurred by us due to quality fluctuations in the material will be borne by the buyer. Customer material is not insured against fire. We are only liable to take the care we normally take for our own property. No liability arises for fortuitous loss.
- We endeavor to keep the amount of waste paper as small as possible commensurate with the condition of the supplied material. Our printing of the supplied material or its processing or mixing with other material results in us acquiring a co-ownership of the final product manufactured by us until full payment of all Claims arising from the business relationship with the buyer and in proportion to the value of Performance provided by us.

VII. Printing cylinders

- If we have contributed to the costs of printing cylinders in any way, we gain Joint ownership of such printing cylinders. The buyer is only allowed to make the cylinders available to third parties with our approval. If the printing cylinders have not been used for printing Orders for more than two years, we are entitled to use them for other engraving after notification to the buyer. The buyer's co-ownership extinguishes in such a case.
- For printing cylinders owned by the buyer or provided by him on a ban basis, our liability in terms of safekeeping and care is limited to the diligence we exercise for our own matters. The costs of maintenance, chrome plating and servicing will be borne by the buyer. The buyer has to insure the printing cylinders at his own cost. Our obligations end when the Orders have been completed and the buyer does not collect the printing cylinders within a reasonable period of grace given in a request for collection. We always have a right to retain the printing cylinders for as long as the buyer does not fully meet his contractual obligations. For cylinders, which are jointly developed within the scope of exclusivity agreements, applies that we shall reserve the right even after expiry of the exclusivity agreement to carry on printing this decors.

VIII. Dispatch, Packing

- Unless otherwise agreed, we select the packaging, the method of transport and the shipping route according to our best judgment.
- Within the scope of the seller's obligations under the national packaging decree, the seller takes back the packaging. The buyer can return the packaging to the seller's works during normal business hours after timely prior announcement or at the time of delivery, unless different receiving/collection locations were indicated in him. Packaging is only taken back immediately after the delivery of goods or, in the case of subsequent deliveries, only after timely notification and making available. The transportation costs for the used packaging are borne by the buyer. Should the indicated receiving/collection location be more distant than the seller's works, the buyer will only bear such transportation costs as would be incurred for the distance to the seller's works. The returned packaging must be clean, free from foreign material and sorted according to the different types of packaging. If this is not the case, the seller is entitled to demand the extra costs incurred for the waste disposal from the buyer.
- The risk of accidental loss and deterioration of the products passes to the buyer upon the delivery of the product to a suitable person for transport.
- If the buyer is in default with acceptance, this is equivalent to handing over the product.

IX. Notice of Defects, Warranties

- The reference samples which are submitted to the buyer for inspection on request are decisive for the quality and the design. The warranty of certain characteristics of the delivery item and of the Performance of printing cylinders must be made in writing on the order confirmation. The reference to technical Standards serves as specification. Color deviations between the Standard, reference sample and production print which are within the trade tolerances do not represent a defect.
- The buyer must carefully inspect the goods immediately after receipt and immediately complain to us about ascertained defects or deviations in the delivery from the purchase order, in writing or by teletype or wire, to be received by us within one week following receipt of the goods. The buyer loses his entitlement to compensation when recognizable defects which are not complained about lead to consequential damage in the course of further processing. If, despite thorough inspection, a defect can first be ascertained by way of processing such defect must also be immediately complained about by tele print or wire on discovery. In both cases, warranty Claims become statute barred 12 months following the receipt of the goods unless otherwise agreed. This does not apply in case we have acted with intent. The liability for defects, which do not or only marginally affect the value or the serviceability is excluded.
- Our obligation in respect of justified complaint is, as the buyer chooses, a repair or free-of-Charge replacement delivery. If we fail to meet this Obligation within a reasonable time, or if the subsequent Performance fails, the buyer is entitled to demand a price reduction or to declare the rescission of the contract and demand the reimbursement of the incidental costs (such as transportation costs etc.) at maximum up to the delivery value. Goods complained about are only taken back when they are still in their original condition and packed in proper packaging.
- If we gave advice to the customer concerning the processing and application alternatives for our products outside of our contract service we are only liable for the functionality and the characteristics of the delivery item if we expressly confirmed them in writing. The State of the art at the time of order acceptance is decisive.
- Improper handling after ex works delivery leads to the loss of all warranty entitlements.

X. Liability

- Claims for compensation of loss or expenditure by the buyer, regardless of the legal basis, are excluded.
- This liability exclusion does not apply in the following cases:
 - Loss caused intentionally or with gross negligence;
 - Negligent breach of significant contractual obligations, even though our legal representatives or vicarious agents; insofar, we are only liable for the direct average loss, foreseeable and contract-typical for the type of product.
 - Culpably caused bodily injury, damage to the health or death of the buyer
 - Defect(s) deliberately not revealed to the buyer, respectively taken-over warranty for the quality of the goods:
 - Claims based on the Product Liability Act.
- If compensation Claims are asserted, they must be asserted by legal action within four months after our written rejection. A later assertion is excluded unless a perpetuation of evidence was initiated.
- The above liability limitations apply to the same extent for our vicarious agents and employees.
- We are not liable for statements in advertising by third parties (e.g. manufacturers as defined in § 4 para. 1 and 2 of the Product Liability Act or an accessory of the manufacturer) about the quality of the product or in the case of designation of specific features of the product unless the lack of knowledge about these statements in advertising is the result of our intentional or grossly negligent misconduct.

XI. Reservation of ownership

- The seller retains ownership of the goods until full settlement of all payment Claims including accessory Claims. Claims for damages and encashment of checks and payment of bills of exchange. The buyer is entitled to process and sell the goods subject to the following provisions:
 - 1. Irrespective of the seller's revocation right which may be exercised at any time, the buyer's entitlement to process reserved ownership goods as part of the proper course of business ends with a lasting deterioration of the financial situation of the buyer or with the application for commencement of bankruptcy or composition proceedings against the buyer's assets.
 - 2. The buyer, who processes the goods for the seller, does not acquire ownership of the new items through the processing as per § 950 BGB (Civil Code). Where the reserved ownership goods are processed, mixed or blended with other items, the seller gains a Joint ownership share in the new item equal to the ratio of the value of his reserved goods to the total value of the goods.
 - 3. The buyer herewith assigns to the seller his payment Claims to get her with all accessory rights arising from the resale of the reserved ownership goods and such also to the extent to which the seller has gained co-ownership in the invoice value when the reserved ownership goods were processed, blended or mixed with other goods. The seller is entitled to the assignment fraction equal to the ratio of the invoice value of the reserved ownership goods to the respective invoice value claim of the new item. If the buyer has sold this claim within the scope of non-recourse factoring after having obtained the seller's approval, he herewith assigns to the seller accepting this the Substitute claim against the factoring Company and immediately passes his sales proceeds on to the seller.
 - 4. The seller will not collect the Claims assigned to him for as long as the buyer meets his payment obligations. The buyer is, however, obliged to provide the seller on request with a detailed list of the Claims owed to the seller indicating the names and addresses of the customers, the invoice amounts of the individual Claims, date of invoice etc., to notify his buyers of the assignment and to provide the seller with all information necessary for the assertion of the assigned Claims. The buyer is entitled to collect the Claims himself for as long as the seller does not instruct him otherwise. The buyer authorizes the seller to advise the buyer's customers of this assignment and to collect the Claims as soon as the buyer is in default of payment or his financial standing has substantially deteriorated. In such a case, the seller can demand that his authorized representative be allowed to verify the amount of assigned Claims by way of the buyer's accounts. Sums which are received for assigned Claims are to be kept separately for transfer.
 - 5. The settlement of individual Claims of the seller in an open account and the balance striking and such acknowledgement do not affect the reservation of ownership. The seller's reservation of ownership is based not only on the confirmed and naked final balance but also on the causal balance.
 - 6. The seller herewith rebases fully settled deliveries when the security by way of reservation of ownership exceeds the claim to be secured by 20 %.
 - 7. Pledging or transferring title of the reserved ownership goods or the assigned Claims as collateral and factoring are not permitted unless the seller has granted its consent in writing. The seller must be immediately notified of any seizures and the state the creditor.
 - 8. The buyer is obliged to provide the seller with a list of the still existing reserved ownership goods, including those already processed, and a list of Claims against third-party debtors together with invoice copies as soon as he stops payment as a result of insolvency and specifically immediately after notification of such insolvency.
 - 9. The seller can also seek satisfaction by way of freely selling the recovered reserved ownership goods. The buyer keeps the reserved ownership goods safe for the seller. He must insure them against the usual dangers, like for example fire, theft and water on the common scab. The buyer herewith assigns to the seller accepting this any indemnity claim he may have against insurance companies or other liable parties as a result of any damage/loss of such type mentioned in sentence 2 to the extent of the seller's Claims.
 - 10. In case the seller takes the delivered product back due to reservation of ownership, there is only then a resignation of the contract if the seller particularly explains this. The seller can seek satisfaction by way of freely selling the recovered ownership goods.

XII. Property Rights

- When samples and printing copies of the buyer are used, the buyer is responsible for ensuring that no right of a third party is violated. The buyer must indemnify us for third-party Claims and pay compensation for the damage incurred. We will point out to the buyer the rights known to us. If we are denied the production or delivery by a third party on the basis of property right owned by such party, we are entitled to stop the work without checking the legal position.
- Designs of own creation submitted by the buyer are only protected without agreement in cases where we copy them without any changes to the layout or otherwise. Any completion of the design through us entitles us to also sell the design to third parties unless an express agreement to the contrary exists. The drafts, designs and samples which were made available to us and did not result in an order will be returned on request, otherwise we are entitled to destroy them one year following the submission of an offer.
- Our decors and colorings may not be imitated even if they are not protected by Copyright. An infringement entitles us to demand restraint and damages.
- The buyer is required to inform the seller in writing without undue delay about the claims alleged or asserted by a third party. The buyer is not entitled, without the approval of the seller, to acknowledge an infringement, and the buyer will reserve all defensive rights and the right to negotiate a settlement. If the buyer stops using the products, the buyer is required to inform the third party that the cessation of use does not constitute the acknowledgement that a right has been infringed. The buyer will provide to the seller all necessary information and the requisite support in order to defend against an infringement of intellectual property rights.

XIII. Technical Changes

The seller reserves the right to make technical changes at any time. This applies both for individual as well as subsequent orders.

XIII. Place of Fulfillment, Place of Jurisdiction and Applicable Law

- The place of Performance is Arnsberg.
- Exclusive place of jurisdiction for our Claims is, at our option that of our head office or the buyer's place of business. This also applies to trials by the record, summary bill enforcement proceedings and check payment enforcement proceedings.
- The contractual relationship is exclusively subject to German law. UN Sales Law is excluded.

XIV. Severability

Should any of the above individual provisions be invalid or enforceable, in part or in their entirety, the effectiveness of the remaining provisions will not be affected. In such a case, the invalid or unenforceable clauses to be replaced by an effective provision which comes closest to the original meaning and economic purpose. This also applies analogously if the above provisions contain an unintentional gap.