

General Terms and Conditions (of Sale)

I. Scope of Application/Conclusion of Contract

1. Orders shall be executed exclusively on the basis of the following General Terms and Conditions.
2. Deviating, contradictory or supplementary general terms and conditions shall not become a component part of the contract, even with knowledge thereof, unless their applicability is expressly approved in writing.

II. Prices

1. The prices stated in seller's offer shall be valid subject to the condition that the contractual data underlying the offer continue in effect without change. Such continued validity shall extend however, in any case, for a maximum period of four months after receipt of the offer by buyer. With orders for delivery to third parties, the ordering party shall be deemed to be buyer insofar as no other express agreement has been made. Seller's prices do not include any value added tax. Seller's prices apply ex factory. They do not include packaging, freight, postage, insurance and other shipping costs.
2. Subsequent amendments caused by buyer including machine stoppages caused thereby shall be invoiced to buyer. The term subsequent amendments shall also include repetitions of sample proof copies which are demanded by buyer due to minor deviations from the model copy.
3. Sketches, drafts, sample typesetting, sample prints, proofreading proofs, changes to delivered/transferred data and similar preparatory work which is initiated by buyer shall be invoiced. The same shall apply for data transfers (e.g. by ISDN).

III. Payment

1. Payment shall be immediately payable and due after receipt of the invoice without any discount. Any agreement regarding a discount shall not apply to freight, postage, insurance or other shipping costs. The invoice shall be issued as per the date of delivery, partial delivery or readiness for delivery (amount owed to be collected at debtor's address, default of acceptance). Bills of exchange shall only be accepted upon special agreement and pending full discharge of the debt without grant of any discount. Interest and expenses shall be borne by buyer. These shall be paid immediately by buyer. Seller shall not be liable for the timely presentation, protest, notification and return of a bill of exchange with dishonor insofar as seller or its employees are not liable for wrongful intent or gross negligence.
2. With extraordinary preliminary performance, a reasonable advance payment can be demanded.
3. Buyer can only exercise set-off with accounts receivable or exercise a right of retention therewith if such are undisputed or determined with final res judicata effect.
4. Should performance of the payment claim be put at risk due to a substantial deterioration of the property relationships of buyer which become known after the conclusion of the contract, then seller can demand an advance payment, can retain not-yet delivered goods as well as discontinue further work. Seller shall also be entitled to these rights if buyer is in default with the payment for deliveries which relate to the same legal relationship.
5. With default of payment, default interest in the amount of 8 % above the respective base interest rate shall be paid. A claim of more extensive damages shall not be precluded hereby.

IV. Delivery

1. Should the goods be shipped, then the risk of loss shall be transferred to buyer as soon as the shipment is transferred to the party undertaking the transport.
2. Delivery dates shall only be in effect if they are expressly confirmed by seller and buyer makes available all print documents, print samples and manuscripts in a timely manner as well as grants print releases and approvals of quality samples in a timely manner. Should the contract be concluded in writing, then the confirmation concerning the delivery date must also be in writing.
3. Should seller be in default, then it shall first be granted a reasonable subsequent time period for performance. After unsuccessful expiration of the subsequent time period, buyer can cancel the contract.
4. Disruptions of business operations – not only with the business of seller but also that of a supplier – such as e. g. strike, lock-out as well as all other cases of force majeure shall first grant entitlement to termination of the contract if buyer cannot be reasonably expected to continue to wait. Otherwise, the agreed delivery period shall be extended for the term of the delay. Termination shall be possible, however, at the earliest four weeks after the occurrence of the above-described business disruption. Liability on the part of seller in these cases is precluded.
5. In commercial transactions, seller shall be entitled to a right of retention pursuant to § 369 Commercial Code (“*Handelsgesetzbuch*”, “*HGB*”) to print and stamp samples, manuscripts, raw materials and other items delivered by buyer until the complete payment of all accounts receivable due from the business relationship.
6. Seller shall take back packaging within the framework of the obligations incumbent upon it on the basis of the Packaging Ordinance. Buyer can return packaging in the business operation of seller during normal business hours after timely prior notification, unless it is notified of another acceptance/collection site. Packaging can also be returned to seller at the time of delivery unless buyer is notified of another acceptance/collection site. Packaging shall only be taken back directly after delivery of the goods, with subsequent deliveries only after timely prior notification and readiness. The costs of the transport of used packaging shall be borne by buyer. If the acceptance/collection site designated is more distant than the business of seller, then buyer shall merely bear the transport costs which would accrue for removal to the business of seller. Packaging which is returned must be clean, free of adulterating substances and sorted out in accordance with different packaging. Otherwise, seller shall be entitled to demand the additional costs accruing for the disposal from buyer.

V. Reservation of Title

1. Seller reserves ownership title to the goods until payment of all accounts receivable of seller owed by buyer from the business relationship including future accruing accounts receivable also from simultaneous or later concluded contracts. This shall also apply if individual or all accounts receivable of seller are included in a current account and the balance is drawn and recognized.
2. The following regulation applies only in commercial transactions: With conduct of buyer which is in breach of contract, seller shall be entitled to take back the delivered items; buyer shall be obligated to give up possession thereof. The taking back of the items delivered by seller does not constitute cancellation of the contract unless seller expressly declares such in writing. With attachments or other interference by third parties, buyer shall notify seller without undue delay in writing so that seller can file an action pursuant to § 771 Code of Civil Procedure (“*Zivilprozeßordnung*”, “*ZPO*”) or can undertake other appropriate measures. Insofar as the third party is not in a position to reimburse seller the court and extra-judicial costs of a litigation action pursuant to § 771 ZPO, then buyer shall be liable to seller for the deficient amount.
3. Buyer shall only be entitled to resell the goods subject to reservation in the ordinary course of business if it already now assigns all accounts receivable to seller which it accrues from the resale against its buyers or third parties. Should goods subject to reserva-

tion be sold unprocessed or after processing or being commingled with items which are exclusively owned by buyer, then buyer assigns already now the accounts receivable in the total amount to seller from the resale thereof. Should goods subject to reservation be sold by buyer – after processing / commingling – together with goods not belonging to seller, then buyer assigns already now the accounts receivable accruing from the resale in the amount of the value of the goods subject to reservation with all auxiliary rights and with priority before the residual amount. Seller accepts the assignment. Buyer shall be authorized to collect the accounts receivable also after the assignment. The authority of seller to collect the accounts receivable itself remains unaffected hereby; however, seller agrees not to collect the accounts receivable as long as buyer properly meets its payment and other obligations. Seller can demand that buyer notify it of the assigned accounts receivable and the respective debtor thereof, that buyer provide all information necessary for collection, hand over the related documents and inform the debtors of the assignment.

4. Any treatment or processing of the goods subject to reservation shall be undertaken by buyer for seller without the latter having any obligations created therefrom. With processing, combination, commingling, or mixing together of the goods subject to reservation with other goods which do not belong to buyer, seller shall be entitled to the co-ownership share resulting therewith in the new item in the proportional relationship of the value of the goods subject to reservation to the remaining processed item at the time of the processing, combination, commingling or mixing together. Should buyer acquire the sole ownership in the new item, then the contract partners agree that buyer shall grant seller co-ownership in the proportional relationship of the value of the processed or combined, commingled or mixed goods subject to reservation and shall maintain custody of such at no cost for seller.
5. Should a bill of exchange liability of buyer be established in connection with the payment of the purchase price by buyer, then the reservation of title as well as the underlying accounts receivable from delivery of goods shall not be dissolved prior to payment of the bill of exchange by buyer as the drawee.
6. Seller agrees to release the securities to which it is entitled, upon the demand of buyer, when its value compared to the accounts receivable to be secured, insofar as these are not yet paid, is exceeded by more than 20 %.
7. Seller reserves to himself the property or copyright of all biddings and quotations as well as of every drawing, figure, calculation, handout, catalogue, model, tool and any further document or auxiliary material placed at the buyer's disposal. Without explicit consent of the contractor the buyer is not permitted to make the above cited items in form or in content available for third parties, neither to publish nor to copy them nor to apply them for proper or third parties' use. On request of the seller the buyer is obliged to restitute the mentioned items and to abolish every possible reproduction if no more required or if negotiations won't result in a contract conclusion.

VI. Objections/Warrantees

1. Buyer shall in every case examine the conformity of the delivered goods with the contract as well as primary and interim products transferred for correction. The risk of any defects shall be transferred to buyer with the declaration of readiness for printing/declaration of readiness for production insofar as such do not concern defects which first occurred or could be discovered in the production process following the declaration of readiness for printing/declaration of readiness for production. The same shall apply for all other declarations of release of buyer.
2. Obvious defects must be notified to seller within a term of two weeks after receipt of the goods. Otherwise, a warranty claim shall be precluded. Timely dispatch shall be sufficient for observation of the deadline. Buyer shall have the full burden of proof for all prerequi-

sites of the claim, in particular, for the defect itself, for the time of the determination of the defect and for the timeliness of the objection of defect.

3. With justified objections, seller shall be obligated, at its discretion, to the exclusion of other claims, to undertake remedy and/or replacement delivery. In the case of delayed, omitted or unsuccessful remedy or replacement delivery, buyer can demand reduction of the remuneration (reduction of the price) or cancellation of the contract (cancellation). With an only slight breach of contract, in particular, with only slight defects, buyer shall, however, not have a right of cancellation.
4. Should buyer choose to cancel the contract due to a legal defect or defect of quality, it shall not be entitled to also claim damages due to the defect.
Should buyer choose compensation for damage after unsuccessful remedy or subsequent performance, the goods shall remain with buyer if this would be reasonable for it. The compensation for damage shall be limited to the difference between the purchase price and the value of the defective good. This shall not apply if seller fraudulently caused the breach of contract.
5. The warranty period shall be one year as of delivery of the goods. This shall not apply if buyer does not give notice of the defect in a timely manner.
6. A defect concerning a part of the delivered good shall not allow an objection to the entire delivery, unless the partial delivery is of no interest for buyer.
7. With color reproductions in all production procedures, minor deviations from the original cannot be objected to. The same shall apply for the comparison with other model samples (e.g. digital proofs, proof copies) and the final product.
8. Seller shall only be liable for deviations in the quality of the materials used up to the amount of the contract value.
9. Supplies (in particular, data carriers, transferred data, printing plate, etc.) by buyer or by a third party brought in by it shall not be subject to any examination obligation of seller. Should defects in the supplies cause defects in the print result, all warranties herefor shall be cancelled. This shall not apply for data which is obviously not capable of being processed or data which is not readable. With data transfers, buyer shall, prior to transmission respectively, utilize protection programs for computer viruses reflecting the newest state of the art. Data security shall be solely incumbent upon buyer. Seller shall be entitled to prepare a copy.
10. Excess or shortfall deliveries up to 10 % of the ordered edition cannot be objected to. The amount delivered shall be invoiced. With deliveries comprised of paper special manufacture below 1,000 kg, the percentage shall increase to 20 %, under 2,000 kg to 15 %.

VII. Liability

1. With slightly negligent breach of duty, seller's liability shall be limited to foreseeable, direct average damage which is typical for the contract in accordance with the type of goods. This shall also apply with slightly negligent breach of duty of statutory representatives or employees. There shall be no liability with slightly negligent breach of non-essential contract obligations.
2. The afore-mentioned limitation of liability shall not affect claims of buyer arising from product liability. Furthermore, the limitation of liability shall not apply to physical injury and health damage which is attributable to seller, with loss of life of buyer or with breach of guarantees.
3. Claims for compensation of damage of buyer due to a defect shall be time-barred after one year as of delivery of the goods. This shall not apply if seller is charged with fraud.

VIII. Commercial Usage

In commercial transactions, the commercial usage in the printing industry shall apply (e.g. excess or shortfall deliveries, no obligation of surrender of interim products such as data, lithographs or printing plates which were produced for the manufacture of the end product owed), insofar as no deviating contract has been made.

IX. Storage in Archives

Products, in particular, data and data carriers to which buyer is entitled shall only be stored in archives by seller after express agreement and with payment of a separate remuneration beyond the time period of the transfer of the end product to buyer or its employees. A possible archiving of interim and end products shall occur for a maximum period of three months. Buyer shall declare already with grant of the contract its agreement to the destruction of all interim and end products after expiration of the three month period. If the afore-mentioned items are to be insured, absent an agreement, buyer shall acquire such itself.

X. Periodic Work

Contracts concerning regularly repeating work can be terminated with a notice of termination period of at least three months as of the end of a month.

XI. Intellectual Property Rights/Copyright

Buyer shall be solely liable if rights of third parties, in particular, copyright rights are infringed as a result of the performance of its contract. Buyer shall indemnify seller against all claims of third parties on the grounds of such an infringement of rights.

XII. Final Provisions

1. The laws of the Federal Republic of Germany shall apply. The provisions of the UN-Sale of Goods Law ("CISG") shall not be applicable.
2. Place of performance and jurisdiction, if buyer is a merchant within the meaning of the HGB or has no domestic general jurisdiction, for all disputes arising from the contract relationship including checks, bills of exchange and trials restricted to documentary proceedings, shall be the registered office of seller.
3. Should individual provisions of the contract including the General Terms and Conditions of Sale be or become invalid in whole or in part, such shall not affect the validity of the remaining provisions. The completely or partially invalid regulation shall be replaced by a regulation which comes closest to the economic success of the invalid provision.
4. In case of doubt, the German version of this Terms and Conditions shall be the binding version.

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