

General Terms and Conditions, terms of Delivery and Payment

I. Scope/Conclusion of Contract

These Terms and Conditions apply to all Work, other terms and conditions shall not become part of the contract, even if we do not expressly object to them. Article 305 b of the German Civil Code shall not be affected.

II. Prices

- The prices indicated in the Company's Estimate apply provided that the specifications in the Order are the same as those in the Estimate, but no longer than four weeks after submission of the Estimate to the Customer. Where Work is to be supplied to a third party, the party placing the Order shall be deemed to be the Customer, provided no other explicit agreement has been made. All prices and charges indicated by the Company are exclusive of value added tax. The prices of the Company are quoted ex works. They are exclusive of packing, freight, postage, insurance and other shipping costs.
- Subsequent amendments made at the Customer's request, including the resultant machine down-time, shall be charged to the Customer's account. Subsequent amendments are also understood here to mean repeated specimen sheets required by the Customer because of minor deviations from copy.
- Sketches, drafts, type specimens, specimen sheets, samples, proof sheets, changes to delivered/transferred data and similar preparatory work ordered by the Customer, shall be charged.

III. Invoicing and Terms of Payment

- Payment shall be due in full without delay on receipt of invoice. Any discount granted shall be exclusive of freight, postage, insurance and other shipping costs. The invoice shall bear the date of delivery, partial delivery or readiness to deliver (obligation to be performed at debtor's residence or place of business, default in acceptance).
- Reasonable advance payment may be demanded in the case of unusual preliminary inputs.
- The Customer may only offset undisputed or legally enforceable claims or exercise a right of retention. This does not apply in relation to any claims by the Customer for the costs of completion or the elimination of defects.
- Where after the conclusion of the Contract the satisfaction of a claim for payment is evidently jeopardized due to the Customer's inability to pay, the Company may demand advance payment, retain goods not yet delivered and suspend the execution of unfinished Work. The Company shall also be entitled to do this if and when the Customer enters arrears for the payment of goods properly delivered to which the same legal relationship pertains, without prejudice to Art. 321 II of the German Civil Code.
- If the Customer fails to pay the price including the additional costs specified under II (Prices) within 10 days after receipt of invoice he shall be deemed to be in arrears even without a reminder being issued. If the Customer fails to make payment in full on the due date, the Company shall be entitled to charge interest on arrears at the rate of 8 percentage points above the base rate without prejudice to any further claims for damages arising from default.

IV. Delivery

- The delivery date shall be individually agreed or specified by the Company when the Order is accepted.
- The Company shall only be entitled to make partial deliveries if
 - the partial delivery is of use to the Customer according to the purpose of the contract,
 - the delivery of the remainder of the ordered goods is guaranteed, and
 - this does not result in significant additional work or additional expense for the Customer.
- If the goods are to be delivered, the risk of accidental loss and incidental deterioration of the goods shall pass to the Customer as soon as the person in charge of transport has taken delivery of the shipment.
- Where the Company is in default of performance, the Customer may only exercise rights under Article 323 of the German Civil Code, if the delay is the responsibility of the Company. This provision does not alter the burden of proof.
- Stoppages - in the Company's or a supplier's business for which the Company is not responsible - such as strikes, lockouts and events of force majeure, shall only provide sufficient grounds to terminate the Contract if the Customer can no longer reasonably be expected to wait any further. Otherwise, the date of delivery shall be extended by the period of delay. At the earliest, however, the Contract may be terminated four weeks after commencement of the above mentioned stoppage. In no event shall the Company be held liable in such cases.
- The Company shall be entitled to retain the printing and punch copy, manuscripts, raw material and other items made available by the Customer in under Article 369 of the German Commercial Code until full payment of all claims arising from the business transaction.
- In the case of call-off orders, the Customer shall be obligated to accept the total quantity underlying the call-off order. The Customer's obligation to call constitutes a primary obligation. Unless otherwise agreed, an acceptance date of 12 months from the day upon which the order was confirmed, shall apply. If acceptance has not taken place by this time, the Company shall have the right to set a period of two weeks for the Customer to accept the quantity of the order which has yet to be accepted. If acceptance does not take place upon the expiry of this period, the Company shall have the right to either demand that the purchase price is paid in advance and deliver the whole of the remaining quantity, or to withdraw from the contract pursuant to Article 323 of the German Civil Code. Further rights of the Company shall not be affected.

V. Retention of Title

- The Work delivered shall remain the property of the Company until payment of all claims of the Company against the Customer up to the invoice date. This Work may be neither pledged nor transferred to third parties by way of security before it is fully paid for. The Customer shall notify the Company immediately in writing if and to the extent that third parties seize any Work belonging to the Company.
- The Customer is only entitled to further sale in the ordinary course of business. The Customer hereby assigns its claims from the further sale to the Company. The Company hereby accepts the assignment of such claims. If the realizable value of the securities exceeds the claims of the Company by more than 10%, the Company shall - on demand by the Customer - release such securities as the Company shall choose.
- In the processing of goods supplied by the Company and owned by it, the Company shall be deemed to be the manufacturer within the meaning of Article 950 of the German Civil Code and the products shall remain its property at all stages of processing. If a third party is involved in the processing, the Company is co-owner only up to the amount of the invoice price (total amount of the invoice including VAT) of the goods to which it retains title. The property thus acquired shall be deemed as conditional property.

VI. Complaints, Warranties

- The Customer shall, in all cases, inspect the goods supplied and the pre-products and intermediate products forwarded for proofreading immediately to ensure that they comply with

the contract. Risk of errors, if any, shall pass to the Customer as soon as the Work has been signed for press/cleared for production except for such errors as occur or which could only be detected during the production process following the signing for press/clearance for production. The same shall hold for all other releases by the Customer.

- Notification of evident defects must be made in writing within one week of receipt of the goods, notification of concealed defects within one week after detection; otherwise no warranty claim may be made.
- If complaints are justified, the Company shall, at its option, be obliged and entitled to rectify the defect claimed or replace the goods. If the Company does not perform this obligation within a reasonable period or if the corrections made repeatedly fail to meet requirements, the Customer may require a reduction of the purchase sum (abatement) or the cancellation of the contract (withdrawal).
- Defects in part of the Work supplied shall not entitle the Customer to make a claim for the entire Work, unless partial delivery is of no value to the Customer.
- No claims may be made for minor deviations from the original in colour reproductions during all printing processes. The same holds for the comparison between other proofs (e.g. digital proofs and print proofs) and the final product. Moreover, no liability shall be borne for deficiencies that do not impair the value or utility of the goods or do not impair these to a material degree.
- The Company is not obliged to inspect deliveries (including data media, transferred data) by the Customer or a third party on the Customer's behalf. This shall not apply for obviously unprocessable or unreadable data. Prior to data transfers, the Customer shall be obliged to apply state-of-the-art protective programs against computer viruses. The Customer shall be solely responsible for data security. The Company is entitled to make a copy.
- No claims can be made for deliveries of quantities ten per cent (10%) more or less than the quantities of copies ordered. The quantity delivered shall be charged. For deliveries made on the basis of paper manufactured to the Customer's specifications, this margin shall be increased to twenty per cent (20%) for deliveries of less than 1,000 kg and to fifteen per cent (15%) for deliveries of less than 2,000 kg.

VII. Liability

- The Company shall be liable
 - for death, personal injury or injury to health for which it is culpable and
 - for other damage caused intentionally or by gross negligence, including where the breach of duty is based upon the analogously culpable conduct of a legal representative or vicarious agent.
- The Company shall also be liable
 - in the case of a slightly negligent breach of essential contractual duties, including by its legal representatives or vicarious agents. Essential contractual duties are duties which must be fulfilled for the contract to be properly performed at all, the breach of which endangers the achievement of the contractual purpose and which customers can legitimately expect to be complied with. Liability in this respect is limited to damage typical for the type of contract and foreseeable with respect to the type of product.
- Finally, the Company shall be liable
 - in the case of fraudulently concealed defects and warranties relating to the quality of the goods as well as
 - in the case of claims under the German Product Liability Act.
- All other liability on the part of the Company is excluded. This shall also apply to liability for the continuous and uninterrupted availability of the online distribution system; also, according to the current state of technology, communication of data via the internet cannot be guaranteed to be without fault and/or available at all times.

VIII. Limitation

The Customer's claims to warranty and compensation (VI. and VII.) shall lapse in one year beginning with the handover or delivery of the goods with the exception of the claims for damages specified in VII. 2. This shall not apply where the Company has acted with intent to deceive.

IX. Customs of the Trade

In business transactions the customs of the trade in the printing industry shall apply (e.g. no obligation to surrender possession of semi-finished products such as data, lithographies or printing plates produced for the production of the final product on order), provided the order does not specify otherwise.

X. Archiving

Only under an express agreement and against special reimbursement shall products to which the Customer is entitled, particularly data and data carriers, be archived by the Company beyond the time of handing over the final product to the Customer or persons employed by him in performing an obligation. If the prespecified items are to be insured, the Customer himself must provide for this where there is no agreement.

XI. Periodical Publications

Notice to terminate contracts with respect to periodical publications may not be given by either party unless a period of notice of three (3) months is given.

XII. Commercial Property Rights/Copyright

The Customer shall ensure that his order requirements and, in particular, submissions delivered by him, do not infringe the rights of third parties e.g. copyright, trademarks or rights of personality. The Customer shall fully indemnify the Company in this respect against all claims of third parties, including the costs of defending and/or bringing legal actions.

XIII. Place of Performance, Jurisdiction

If the Customer is a merchant, a legal person under public law or a public fund as defined within the meaning of the German Commercial Code or is not subject to general jurisdiction in Germany, the place of performance and jurisdiction for all disputes arising from the contract shall be the Registered Office of the Company. The Contract shall be governed and construed according to the laws of the Federal Republic of Germany. The United Nations Convention on Contracts for the International Sale of Goods shall not apply.