

Terms and Conditions of Sale

I. Scope

- (1) We conclude contracts exclusively on the basis of the terms and conditions hereinafter specified. They shall also be applicable for all future business relations even if they have not been expressly agreed upon. Any deviations from these terms and conditions shall only be effective if they have been confirmed by us in writing. Terms and conditions of Buyer which are not accepted by us in written form shall not be binding for us even if we do not expressly object the same.
- (2) Any changes of these terms and conditions shall be notified to Buyer in written form. They shall be deemed approved unless Buyer raises written objection. Special mention of this consequence shall be made upon announcement of such changes. Buyer shall give notice of his opposition within one month after notification of such changes.
- (3) Written form in the sense of our terms and conditions shall be deemed maintained if made in the form of e-mails and telefax.

II. Bids, scope of delivery

- (1) Our bids shall be subject to confirmation. Any oral and telephone agreements shall be confirmed in writing by us to become valid.
- (2) Any documents, such as figures and drawings as well as weights, and dimensions belonging to our bids, shall be considered approximate only unless they have been expressly declared binding by us. We will reserve title and copyright in cost estimates, drawings and other documents. Such documents shall not be disclosed to third parties without our consent. Data in leaflets shall be considered approximate only. Decisive for the quality requirements shall be our order confirmation.
- (3) The deliveries shall comply with German codes and regulations. Any necessary inspection and acceptance of deliveries based on foreign technical codes and regulations shall be arranged by Buyer.
- (4) The scope of delivery shall be determined by our written order confirmation. In absence of such order confirmation, our bid shall be decisive. Any collateral agreements or changes shall be subject to our written confirmation.

III. Prices and terms of payment

- (1) Unless otherwise agreed, prices shall be ex works (Incoterms 2010). Decisive shall be our bid prices applicable upon date of order placement. Changes in material prices and wages arising four months after contract conclusion shall give us the right to change prices accordingly.
- (2) Payment shall be made cash without deduction 30 days after date of invoice.
- (3) Payment by means of bills and cheques shall be made on account of performance. When receiving of bills which have to be paid abroad or in out-of-town places we shall not accept liability for on-time presentation or making protest. Discount charges shall be charged from the day of maturity of the invoice amount. If Buyer fails to pay due to culpable act, fails to honour a cheque or bill when due or suspends payment, we shall be entitled to make the total unpaid balance payable even if we have accepted cheques and bills. In addition we shall be entitled to demand advance payments.
- (4) If it becomes obvious after conclusion of contract that our entitlement to payment will be in jeopardy due to Buyer's lack of capacity, we shall have the right to deny duties incumbent on us and specify a period of time for Buyer to render payment contemporaneously with delivery or demand provision of collateral security. If such period expires unsuccessfully, we shall be entitled to withdraw from contract and claim damages. Fixing a period shall become dispensable when Buyer denies seriously and finally to render payment or in case of special circumstances justifying immediate withdrawal, weighing up the interests of both parties.

IV. Delivery period

- (1) The periods given in the order confirmation or other periods agreed upon with Buyer shall be decisive. Observance of such deadline requires receipt in due time of all documents to be submitted by Buyer and observance of the agreed terms of payment and other obligations. If such prerequisites are not met in good time, delivery period shall be extended by the time of delay.
- (2) Delivery period shall be deemed observed when the ready for use consignment is shipped or picked up within such time limit. If delivery delays to due reasons to be attributed to Buyer, the time limit shall be deemed observed upon notification of completion and readiness for shipment respectively within the period agreed upon.
- (3) If we are hindered in meeting our obligations due to occurrence of unforeseen exceptional events which could not be averted by us despite all reasonable care in such case, whether at our premises or that of our suppliers - such as operational breakdowns, governmental interference, delays in delivery of major raw and building materials, power supply failures - delivery period shall be extended, unless rendering of delivery or service becomes impossible, by the period of such hindrance. If delivery or service becomes impossible due to the above mentioned circumstances, we shall be relieved from supply commitment.
- (4) Also in case of strike or lockout delivery period shall be extended to a reasonable extent. If rendering of delivery or services becomes impossible, we shall be relieved from supply commitment. If delivery period in the above mentioned cases extends by more than one month, Buyer shall be entitled to withdraw from contract. Assertion of a claim for damages shall be excluded. If above mentioned circumstances occur with Buyer, the same legal consequences shall apply for his acceptance obligation. We can claim relief by reason of such circumstances only, if Buyer is immediately notified by us.
- (5) If delivery or shipment delays on Buyer's request, we shall be entitled to impose warehouse charges starting one month after notification of completion and readiness for shipment respectively, which shall be half a percent of the net invoice amount for each month which has started. Warehouse charges shall be maximum five percent of net invoice amount unless higher costs can be verified by us.

V. Packing

- (1) The type of packing shall be at our discretion and will be appropriate.
- (2) All items packed as customary in this trade (e.g. parcels, boxes, bags) shall be weighed and calculated gross for net. The paper tubes of bobbins shall also be weighed and will not be taken back.

VI. Shipment and transfer of risk

- (1) Risk shall be transferred to Buyer upon shipment. If shipment delays due to reasons to be attributed to Buyer or his agents, risk shall be transferred to Buyer from the date of notification of readiness for shipment.
- (2) We basically take out at Buyer's expense a transport insurance customary in this line of business for the entire consignment including loading and unloading and transport of goods immediately after unloading to the place of installation. Any other insurance will only be taken out upon Buyer's written request and against advance payment.

VII. Reservation of title

- (1) The goods delivered shall remain our property until full payment of agreed price including all accounts receivable from the business relationship and future accounts receivable and until honouring of bills and cheques.
- (2) If Buyer pays by cheque and we issue for this purpose a refinancing bill, reservation of title shall expire when no claim can be laid on us any longer from such bill.
- (3) Buyer shall have the right of resale within the framework of proper business dealings. Buyer shall assign now to us his claims from resale of reserved goods and, in particular, the claim for payment against his buyer. We will accept such assignment. Buyer undertakes to notify his debtors such assignment upon our request. Accounts receivable and name of Buyer's debtors shall be notified to us.
- (4) Buyer shall be entitled to recover debts from resale. In case of default in payment or circumstances become known to us which according to commercial discretion have the potential to reduce Buyer's credit standing, we shall be entitled to revoke such collection right.
- (5) Processing and refining of reserved goods is done for us as the manufacturer in the sense of Sect. 950 of the German Civil Code. If reserved goods are refined or mixed with other objects not belonging to us, we shall acquire co-ownership in the new thing in the relation of the net invoice value of the reserved goods to the net invoice value of the other goods used at the time of refining or mixing.
- (6) Transfer by way of security of goods being our property is not allowed. In case of access to the reserved goods by third parties, especially through attachments, Buyer shall make reference to our ownership in goods and immediately notify us by sending a copy of the attachment record.
- (7) We shall be entitled to withdraw from contract and request return of goods supplied if Buyer fails to meet his obligations.
- (8) If net invoice amount of granted securities exceeds our claims by more than 50 % we shall insofar, upon Buyer's request, make either retransfer or release securities at our choice.

VIII. Manufacture of printed products according to customer's specification

- (1) Any tools and printing material shall remain our property even if they have been charged to Buyer separately. After completion of job and full payment of agreed price orderer shall be entitled to pick up such tools and printing material or have them picked up at his expense.
- (2) For colour printing minor colour differences shall not be considered defect.
- (3) Orderer shall make sure that he has legal authorisation to reproduce ordered type of print.

IX. Buyer's rights in case of defects

- (1) We herewith assign our claims towards suppliers of major external products to Buyer. Buyer can only hold us responsible for any defects of major external products, if recourse to external suppliers has failed.
- (2) Buyer shall immediately notify in written form any defect but not later than within one week after delivery. Defects which cannot be found within this period despite careful inspection shall be notified to us in the above mentioned form immediately after they have been found.
- (3) With every notice of defect we shall have the right at our choice and within the reasonable period of time of minimum 14 days to either rectify defects or replace the goods concerned. If rectification of defects fails, Buyer shall be entitled either to reduce price or - if lack of conformity with contract is not only a minor one - to withdraw from contract. In addition he may be entitled to claim damages or reimbursement of expenses incurred.
- (4) Buyer's claims of expenses incurred in connection with rectification of defect, such as transport, travel, labour and materials costs, shall be excluded to the extent such expenses increase because the fact that the goods delivered were shipped after delivery by Buyer or third party to a place other than the place of delivery, unless this is in compliance with the intended use of the goods supplied or has been agreed with us upon conclusion of contract.
- (5) If goods delivered are resold to an end user, Buyer may make legal recourse on us to such an extent only he has not entered into an agreement with his buyer which go beyond legal defect claims. Recourse shall be excluded if Buyer fails to meet the requirement to make inspections and complaints in respect of a defect according to Sect. 377, 378 German Commercial Code.
- (6) Any claims by Buyer due to defects shall expire after 12 months. This shall not be applicable to the extent law prescribes a longer period of time in Sect. 479, para. 1 German Civil Code.
- (7) We make reference to the fact that adhesive power of adhesive tape diminishes with increasing storage time. Therefore, an immediate processing by Buyer is recommended. For adhesion of adhesive tape we can grant a six months' warranty after delivery only.

X. Limitation on liability, damages

- (1) We shall not be liable for any slightly negligent violation of immaterial contract obligations.
- (2) Any claims from product liability or any personal injuries or injury to health to be attributed to us and any loss of life of Buyer or his agents shall remain unaffected.
- (3) No shortening of limitation period as per sub-paragraph IX (6) shall be applicable if there has been coarse negligence on our side, personal injury or injury to health to be attributed to us or in case of loss of file of Buyer or his agents.

XI. International business transactions

- (1) If Buyer has his residence outside of Germany or we deliver to a branch of Buyer outside of Germany CISG as of April 11, 1980 shall be applicable in addition to these terms and conditions. For any legal questions no provision has been made for in the CISG German law shall be applicable.
- (2) The CISG shall be modified as follows:
 - (a) Replacements according to Art. 46 CISG shall only be made if lack of conformity with contract constitutes a major violation of contract.
 - (b) Earlier deliveries shall be possible contrary to Art. 52 CISG.
 - (c) If, according to Art. 78, CISG interests become due, the amount of which shall be charged on the basis of the interest rate applicable in Germany. It is 8 % above the basic rate of interest as per Sect. 247 of German Civil Code.

XII. Place of performance, place of jurisdiction and applicable law

- (1) Place of performance for all obligations in relation to the contract shall be Oelde.
- (2) Place of jurisdiction for all disputes arising out of the contract shall be Oelde provided Buyer is a businessman, legal person of public law or a special fund under public law. We shall be free, however, to sue in the court having jurisdiction over the Buyer.
- (3) German law shall be applicable exclusively.

XIII. Data protection

We shall be entitled to store, transfer, change or delete personal data of Buyer. Buyer shall be herewith informed about that according to Sect. 26 Federal Data Protection Act.