

A. General Terms and Conditions

1. Contracts and Offers

- a) All our prices are understood as net prices exclusive of VAT, which, as a matter of principle, is to be added at the legally valid rate in each case.
- b) Offers are calculated based on the values in the request or rather customer specifications. The seller reserves the right to adjust prices accordingly should the aforesaid prove to be incorrect at the conclusion of the contract or due to samples being submitted at a later date.
- c) Unless deviating agreements have been confirmed in writing by the seller, concluded contracts shall, as a matter of principle, be subject to these terms and conditions. In a current business transaction, these terms and conditions shall also be valid in cases where no written offer has been made or a confirmation of order exists. This is also applicable in the case that the buyer has knowledge of the seller's terms and conditions of trade from prior business transactions.
- d) The seller's current price lists shall be valid as a matter of principle, even in such cases where the buyer has not requested these before ordering and thus has no knowledge of their contents.
- e) Unless confirmed in writing by the seller, oral agreements or those made by telephone shall not be binding.
- f) In the case of foreign transactions that have not been completed and where the foreign currency has in the interim period been devaluated, the seller reserves the right to adjust the contract in such a way as to bring the € value of the goods in line with the value valid at the time of the conclusion of the contract (before devaluation).
- g) eMail communication shall be recognised reciprocally as being legally effective without requiring an electronic signature in accordance with § 126a German Civil Code. This is, however, not applicable to the termination of contracts nor to substantial changes to a contract. Changes shall be regarded as substantial if they change the scope of the contract by at least 30% or if the goods that have been ordered are to be replaced by others. In the aforesaid cases the buyer's written confirmation is required to achieve legal effectiveness.
- h) The assumption of guarantees requires an express written agreement in which the kind and scope of the guarantee is defined.

2. Terms of Delivery

- a) Deliveries are made for the account and at the risk of the buyer.
- b) Goods with a net value of € 125 and above are quoted ex works.
- c) Goods with a net value of € 750 and above are quoted free domicile (green dot licence fees are excluded).
- d) Free domicile deliveries are effected by road freight in every case and exclusively to a buyer's address.
- e) In the case of orders that are below the agreed free domicile limit and where no other agreement has been made, the seller reserves the right to despatch the goods at his own discretion and his own choice of transport mode and route without any obligation to use the fastest or cheapest forms.
- f) In the event that a free domicile delivery has been agreed but the seller has not franked the consignment, the buyer is obliged to advance the freight costs for which he will receive a reimbursement.
- g) Prior consent of the seller is required should the buyer wish to collect the goods himself. In the case of franco domicile deliveries where the seller has agreed to collection by the buyer, 60% of the RKT/10t. rate or rather a maximum amount of 2.50 €/100kg will be compensated. Unless the agreed collection date is kept, delivery will be effected in accordance with paragraphs a) to e).
- h) In the event that goods are held in storage at the exclusive disposal of the buyer or sold for manufacture without despatch specifications (make-and-hold orders), the buyer is obliged to accept delivery within the agreed maximum period of delivery. Immediate despatch may be effected on expiry of aforementioned deadline without any obligation on the part of the seller to give prior notice to the buyer.
- i) In the case of deliveries made on pallets, the buyer is obliged to return an appropriate number of pallets. Should this not be possible, the seller shall collect these at his own convenience. In the event that pallets are not returned, the buyer will be charged for these in accordance with our conditions valid at the time of delivery.
- j) The signature of the buyer, or his vicarious agent, on the delivery note validates the delivery as being accepted as complete and in good order, even in such cases where the delivery is accepted with reservation.
- k) The seller reserves the right to compensation of his expenditure in the event of a delayed acceptance on the part of the buyer. In the aforementioned case, the seller has the right and at his own discretion to either otherwise dispose of the goods in the event that the setting of an appropriate deadline for acceptance is unsuccessful or to deliver the goods to the buyer at a new and appropriate date.

3. Delivery Times

- a) Delivery dates indicated by the seller are not binding as a matter of principle.
- b) In the event that definite delivery dates have been expressly agreed, the delivery period shall begin with postal date of the confirmation or acknowledgement of order. Should the buyer request subsequent changes that influence production time, the delivery period shall then commence with the seller's confirmation of the changes.
- c) The buyer's rights are limited to cancellation of the order in the event that delivery is delayed due to reasons that are attributable to the seller, however, then only in such cases where the delivery period is exceeded by more than one third or at least 5 working days.
- d) In as far as goods are not produced by the seller himself, the seller may not be held responsible for delays in delivery before he himself having been delivered. Moreover, the seller reserves the right to be released from his contractual obligations in the event that goods are not available provided he gives the buyer immediate notice of unavailability and immediately reimburses any considerations that might already have been made by the buyer.

4. Notice of Defects

- a) The buyer's duties regarding inspection and reproof are defined in article 377 of the German Commercial Code.
- b) Liability of any nature is excluded in the event that goods have been used or processed.
- c) In the case of defective goods the buyer only has the right to demand a reduction in price or a delivery of goods without defect in exchange, any other rights being excluded. Prior to this the seller must be given the opportunity to verify the defects that have been notified in situ.
- d) In as far as the goods are not produced by himself, the seller's liability shall be limited to his rights against his preliminary supplier.

5. Inability to Deliver

The seller reserves the right to demand an appropriate extension of the delivery time or to cancel the contract completely or in part in the event that he is not in a position to deliver within the stipulated period nor at an acceptable later date due to reasons that lie beyond his control (e.g. bottlenecks in raw material supply, strikes, damage to machines, natural catastrophes, fire or the inability to deliver on the part of his preliminary suppliers).

The seller is obliged to give the buyer immediate notice in such aforementioned cases and to reimburse any considerations that might have been made.

6. Terms of Payment

a) Unless otherwise agreed, the seller's invoices are due for remittance at 30 days net as of the date of the invoice.

b) Should the buyer prove that he did not receive an invoice within three days of its compilation, the payment period shall be extended accordingly.

c) In cases where an early payment discount has been granted to the buyer, this discount shall only be valid in the event that at the time of expiry of the discount there are no other outstanding invoices exceeding the 30-day date.

d) In the case of delayed payment, the seller reserves the right to charge interest at a rate 8% above the base rate.

e) Any discounts, bonuses or freight reimbursements shall become null and void in the case of court or out-of-court composition proceedings, insolvency or default of payment (§ 286 German Civil Code) as well as in the case of court orders. The same legal consequences come to bear on the 31 day after an invoice is due for payment.

f) Unless otherwise expressly agreed, no other method of payment is acceptable except cash payment, bank transfers or cheques. Fees for bills of exchange clearance and discounting fees shall be charged to the buyer. These to be paid in cash in advance. Bank bills shall not be accepted as a matter of principle.

g) In the event that more than one invoice is outstanding, the seller reserves the right to offset the payments made by the buyer in the sequence of dates when payments were due. The debtor's right of determination according to § 366/1 German Civil Code is in so far excluded.

7. Retention of Title

a) Until full payment has been effected, the sole ownership of the goods remains with the seller.

b) The buyer is entitled to resell the goods within the scope of duly accepted business operations. A right to settlement from the profit on the sale then replaces the seller's right to retention of title. In cases where the goods have been processed (§ 950 German Civil Code) the new product replaces the delivered goods. In the case of assembly (§ 947 German Civil Code) and amalgamation (§ 948 German Civil Code) the seller reserves the right to co-ownership, his part being a proportionate value of the goods at the time of processing (extended retention of title).

c) The right to retention of title, and its surrogates, remain valid until such time as all obligations to the seller arising from the business transaction have been fulfilled (current account reservation).

d) Should the value of the goods held in distraint exceed the total outstanding monies by more than 20%, the seller is obliged to release these on demand of the buyer.

e) The buyer is neither entitled to give the goods as collateral nor provide them as security for as long as the title of retention is valid. Should the buyer violate aforementioned stipulations and should third parties acquire a bona fide right to the goods held in distraint the buyer is obliged to pay compensation to the seller.

f) In cases where payment is effected by cheque or bill of exchange, the title to the goods is not transferred to the buyer until such time as aforementioned have been cleared.

8. Security of the Seller

a) In cases where knowledge of solvency problems reaches the seller or where the buyer is in default of payment, the seller retains the right to require immediate payment of all outstanding invoices including any where the payment period has not yet expired and to require advance cash payment for any outstanding deliveries.

b) Until such time as full remittance of all outstanding invoices inclusive of interest has been effected, the seller is not obliged to make any further deliveries arising from on-going contracts. Delays due to aforementioned reasons do not entitle the buyer to termination of the contract or to compensation.

c) The buyers right to offset obligations is limited to such considerations that are not in dispute and have been legally determined. Moreover, in the case of notice of defect, the buyer is not entitled to reduce or hold back payments due for other deliveries until such time as the matter has been settled.

9. Place of Fulfilment, Jurisdiction and Applicable Law

a) Morbach is the agreed place for deliveries and payment.

b) The location and legal place of jurisdiction for both parties is the District Court of Bernkastel-Kues or rather the County Court of Trier.

c) The Law of the Federal republic of Germany is valid exclusively.

d) The application of the uniform law regarding the conclusion of international contracts of sale concerning chattels is excluded.

10. Other Claims for Damages

a) In cases of violation of contractual secondary obligations, liability of the seller is limited to cases of gross negligence and wilful intent.

b) Moreover, the seller is only obliged to replace typically foreseeable damage, over and above this he is not liable for any loss of profit, consequential harm caused by defect or production failures.

c) This limitation of liability is also applicable in cases of tortious liability as well as in favour of vicarious agents of the seller.

d) Claims for damages that do not arise from a redhibitory defect and where a constraint on the statutory period of limitation is permissible, become time-barred within one year to the end of the calendar year in which the claim arose and the injured party received knowledge of the founded particularities of the claim or could have received knowledge without gross negligence.

B. Special Provisions

1. Industrial Property Rights and Law of Life-cycle Management

a) In the case of the use of the buyer's samples and lithographs, the buyer himself is responsible for ensuring that no copyright

and / or industrial property rights of third parties are infringed. Accordingly, the buyer is obliged to bear with alacrity any claims made against the seller by third parties. In the event that copyrights for the seller evolve during the development and execution of a contract, these are not transferred with the sale of the goods.

b) Should the buyer violate any laws of life-cycle management or packaging provisions and should claims be made against the seller as a result of the aforementioned violations, the buyer is obliged to release the seller from any claims made against him as well as to reimburse any expenditure incurred by him in this connection. In the event that a customer should violate any laws or provisions of other states that comply with the laws of life-cycle management or packaging provisions and should claims be made against the seller for this reason, the above-mentioned regulation is equally applicable.

2. Printing Contracts

In the case of printing contracts, setting or rather printing plate costs are charged to the customer even in such cases where a contract does not subsequently come to a conclusion.

Any printing materials such as drafts, drawings, printing plates, films, impression or plate cylinders that are made available to the seller by the buyer remain the property of the seller even in such cases where the buyer has contributed proportionally to the costs. The buyer has the right to demand the return of the aforementioned printing materials in such cases where he, the buyer, has paid the total costs.

Moreover, the seller reserves the right to certain deviations where application according to colour materials or rather definite colour specifications are concerned, as certain technically based deviations are inevitable in the case of flexoprinting. The aforementioned is equally valid in the case of various substrates such as paper or synthetic materials.

In the case of synthetic products, the seller can give no guarantee for movement of additives or other migratory occurrences or results deriving from such. Claims for damages resulting from gross negligence or wilful intent are not exempt.

The seller uses for his printing inks that are usual in the trade. The customer when placing the order, if particular specifications such as light, alkaline or friction resistance etc. are required must give written notification.

The design must be agreed with the contractor with regard to the conditionally technical production possibilities in the case of codification or numeration. The customer is responsible for the correctness of the codification and its placing. The seller gives no guarantee for master codifications that are made available. Due to the lack of uniform reading technologies, in particular no guarantee can be given for the readability at retail cash desks.

3. Prices

In the case of deliveries made by weight specifications, both weighing and prices are understood gross for net in accordance with the appropriate conditions of trade in the paper industry.

4. Marginal Defects

a) An occurrence of a proportionally small number of defective goods is technically inevitable in the production of paper and plastic packaging and a part of a maximum of 5% of the total amount shall not be rejected, whether or not the defect lies in the processing or in the printing. Defects in a part of the delivery may not allow a whole delivery to be rejected if a separation of the defective and non-defective parts can be accomplished by reasonable methods or if it can be accomplished by, or rather, at the cost of the supplier.

b) In the case of all manufactured parts, the contractor is entitled to excess or short delivery of up to 20 % of the ordered quantity (in the case of sales by quantity (quantities of less than 50, 000 pieces) and collective series production with print changes within the series, as well as sales by weight (weights less than 500 kg) the quantity tolerances are up to 30 % of the ordered quantity). Actual quantities delivered will be charged in full.

c) The customer is not entitled to damage claims for tolerances in size of +/- 5 %. Tolerances in material thickness for paper are +/- 5 %. The following tolerance ranges apply to synthetics:

film thickness	tolerance in material thicknesses
<= 15 µm	+/- 25 %
15 µm < 25µm	+/- 15 %
> 25 µm	+/- 13 %

d) Quantity deviations of up to 3 % are permissible.

e) Deviations in surface character, colour, pureness and physical values are unavoidable and do not entitle the customer to any damage claims.

C. Miscellaneous

- The buyer authorises the seller, to process any data he receives that concerns the buyer, with regard to the business connection or in relation to it, in the sense of the Data Protection Law, regardless of whether this data originates from the buyer himself or from a third party.
- Should any provision of these terms and conditions of trade be wholly or partly invalid, this shall in no way affect the validity of the remaining provisions. In such a case the invalid provision shall be replaced by one nearest to the commercial intent and which is lawfully permissible.
- These terms and conditions of trade are binding for the buyer from such time as his being acquainted with them or his having been given the opportunity to become acquainted with them. The current version is applicable as a matter of principle. In the event that the buyer is not yet acquainted with this version and has also been given no opportunity to become acquainted with it, the version to which he is acquainted shall act as a substitute.