



General Terms and Conditions of Delivery of SGK Group

I. General Conditions

Companies of the SGK Group in Germany (hereinafter referred to as SGK) shall only conclude contracts with entrepreneurs (§ 14 German Civil Code), legal entities under public law or special funds under public law (hereinafter referred to as the Contractual Partner) for deliveries and services by SGK to the Contractual Partner, of which these General Terms and Conditions of Delivery shall become an integral part. General terms and conditions of the Contractual Partner or a third party shall not become part of contracts with SGK.

Individual contractual agreements take precedence over these General Terms and Conditions of Delivery.

2. Offers made by SGK to the Contractual Partner shall be subject to change and non-binding unless they are expressly marked as binding or contain a specific acceptance period. Orders or purchase orders of the Contractual Partner can be accepted by SGK within two weeks of receipt. The Contractual Partner shall be obliged to inform SGK of the regulations on environmental protection and accident prevention valid at the place of destination of the delivery or service and to be applied in each individual case even before conclusion of the contract.

3. Information provided by SGK on the subject matter of the object of delivery or service (e.g. weights, dimensions, utility values, load-bearing capacity, tolerances and technical data) as well as representations (e.g. drawings, illustrations and samples) are only approximately authoritative, unless usability for the contractually intended purpose requires exact conformity. Data and representations are not guaranteed quality features, but descriptions or identifications of the delivery or service. Deviations that are customary in the trade and deviations that occur due to legal regulations or represent technical improvements as well as the replacement of components with equivalent parts are permissible insofar as they do not impair the usability of the delivery or service for the contractually intended purpose.

4. The place of performance for deliveries and services shall be the registered office of the SGK company with which the Contractual Partner concludes the contract.

5. Times promised by SGK for deliveries and services shall only apply approximately unless a binding

deadline or a binding date has been expressly agreed. Insofar as the shipment of an item has been agreed deadlines and dates shall refer to the time at which SGK hands over the item to the forwarding agent, carrier or any other third party commissioned with the shipment.

6. SGK shall not be liable for the impossibility of delivery or performance or delays insofar as these arise due to force majeure or other events that were not foreseeable at the time of the conclusion of the contract and for which SGK is not responsible (e.g. operational disruptions, difficulties in the procurement of materials or energy, transport delays, strikes, lawful lockouts, shortage of labour, energy or raw materials, difficulties in obtaining necessary official permits, official measures e.g. to avert danger or incorrect or untimely deliveries by suppliers). This shall also apply if such events occur after SGK is in default. Insofar as such events make the delivery or performance significantly more difficult or impossible and the impediment is not only of a temporary duration, both parties shall be entitled to withdraw from the contract. In the event of hindrances of temporary duration, the deadlines shall be extended or postponed accordingly plus a reasonable start-up period. If the Contractual Partner can no longer reasonably be expected to accept the delivery or service due to such a delay, the Contractual Partner may withdraw from the contract.

7. If it becomes apparent after the conclusion of the contract that the claim of SGK to consideration is at risk due to a lack of ability to pay on the part of the Contractual Partner SGK shall be entitled to deliver or perform only concurrently or against provision of security.

8. All prices are quoted in EURO ex works plus packaging, value added tax and other public charges (e.g. fees, costs for permits or customs formalities). All taxes, fees or other charges arising outside the Federal Republic of Germany shall be borne by the Contractual Partner. The Contractual Partner shall also arrange for official permits in the exporting country (e.g. import permits) at its own expense. Insofar as the agreed prices are based on list prices of SGK and the delivery or service is to be effected more than four months after conclusion of the contract the list prices valid at the time of delivery or service shall apply. Any agreed discount shall be taken into account accordingly.



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Unless otherwise agreed, all preparatory work and materials required for the execution of the order (e.g. sketches, drafts, sample sets, sample prints, specimen, data carriers, proofs, artwork) shall be charged separately.

Invoice amounts are due for payment within thirty days without deduction. Payment by bill of exchange or cheque is excluded. If the Contractual Party fails to make payment when due, interest of 5% p.a. shall be payable on outstanding amounts from the due date; the right to claim higher interest and further damages in the event of default shall remain unaffected.

9. Offsetting with counterclaims of the Contractual Partner or the retention of payments due to such claims shall only be permissible insofar as the counterclaims have been legally established or are not disputed by SGK.

10. SGK shall retain ownership or copyright of the drawings, illustrations, calculations, descriptions and other documents provided by SGK. The Contractual Partner may neither make these documents accessible to third parties nor use or reproduce them itself or through third parties without SGK's consent. The Contractual Partner shall return these documents to SGK upon request if they are no longer required or if negotiations do not lead to the conclusion of a contract or if the contract is terminated. Copies made by the Contractual Partner must be destroyed unless there are legal obligations to retain them.

11. The Contractual Partner shall ensure that the templates to be provided by it (e.g. photos, raw data, final artwork, drawings, sample documents or similar) are complete and correct in terms of content. The Contractual Partner shall be responsible for ensuring that no third-party rights are infringed by the use of these templates and shall indemnify SGK against corresponding third-party claims.

Changes to reproduction templates, transfer films, repro data and data carriers or tools etc. duly created by SGK as preliminary services or intermediate products which are made at the request of the Contractual Partner (e.g. as part of the release of the control or correction template) shall be remunerated separately. If SGK hands over preliminary services and intermediate products to the Contractual Partner at the latter's request without also supplying a reproduction tool, the Contractual Partner shall remunerate these preliminary services or the intermediate product in accordance with the valid list prices.

Unless expressly agreed otherwise, SGK shall not be obliged to hand over to the Contractual Partner the reproduction templates, transfer films, repro data and data carriers or tools etc. created by SGK as preliminary work or intermediate product; this shall also apply if the

Contractual Partner owes remuneration for the production of these preliminary services and intermediate products.

The reproduction templates, transfer films, repro data and data carriers and tools etc. created by SGK shall be stored for a maximum of five years. However, due to the expected technical progress, SGK cannot guarantee that these templates or data can also be used or adapted for future deliveries or services.

12. The Contractual Partner may only transfer rights and obligations arising from a contract concluded with SGK to third parties with SGK's consent. This does not apply insofar as monetary claims against SGK are concerned.

13. The liability of SGK for damages shall be limited in accordance with the following provisions, insofar as fault is relevant in each case:

SGK shall not be liable in the event of slight negligence on the part of organs, legal representatives, employees or other vicarious agents, unless material contractual obligations are breached. Material contractual obligations are obligations which SGK is obliged to grant to the Contractual Partner in accordance with the content and purpose of the contract or the fulfilment of which is essential for the proper performance of the contract and on the observance of which the Contractual Partner regularly relies and may rely.

A claim for damages due to a slightly negligent breach of material contractual obligations shall be limited to the foreseeable damage typical for the contract; in the case of property damage and further financial losses resulting therefrom, however, at most to the amount covered by the liability insurance which SGK maintains at least to the extent customary in the industry.

The above limitations of liability shall apply to the same extent in favour of SGK's executive bodies, legal representatives, employees and other vicarious agents, insofar as they are personally liable (contract for the benefit of third parties).

Insofar as SGK provides technical information or advices to the Contractual Partner and this information or advice is not part of the contractually agreed scope of services owed by SGK, this is done free of charge and to the exclusion of any liability.

The above provisions shall not affect liability for grossly negligent or intentional conduct, for guaranteed characteristics, for injury to life, limb or health or insofar as liability is also assumed without fault in accordance with mandatory statutory provisions.

14 The law of the Federal Republic of Germany shall apply with the exception of the provisions of the United Nations Convention on Contracts for the International Sale of Goods (CISG). The courts at the registered office



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of the SGK company concluding the contract shall have jurisdiction for all disputes arising from contracts with SGK. SGK is also entitled to bring an action before the courts at the registered office of the Contractual Party.

II. Delivery Conditions

The following terms and conditions of delivery shall apply to all items delivered by SGK, in particular to the delivery of printing cylinders, printing forms, flexographic printing forms (flexographic printing plates, flexographic printing sleeves), embossing cylinders (embossing rollers, embossing forms) and generally reproduction tools as well as for all other services such as production of data prepared ready for reproduction, final artwork data, design drafts (hereinafter referred to collectively as Delivery Item).

1. Templates provided by the Contractual Partner must be prepared in a reproducible manner. Additional costs incurred due to change requests by the Contractual Partner after commencement of work or additional services due to non-reproducible templates shall be borne by the Contractual Partner.

2. SGK shall additionally charge the costs for necessary adaptations of the Delivery Item requested by the Contractual Partner to the Contractual Partner's technical production requirement, which only arise during the use of the Delivery Item, according to the actual expenditure.

3. Deliveries shall be made ex works. A delivery period specified by SGK shall commence on the date of the order confirmation by SGK, but not before receipt of the templates to be provided by the Contractual Partner and not before release of test templates by the Contractual Partner.

4. The risk shall pass to the Contractual Partner at the latest when the Delivery Item is handed over to the forwarding agent, carrier or any other third party commissioned to carry out the shipment. The start of the loading process is decisive. This shall also apply if partial deliveries are made or SGK has assumed other services (e.g. assembly). If the dispatch or handover is delayed due to a circumstance for which the Contractual Partner is responsible, the risk shall pass to the Contractual Partner when the Delivery Item is ready for dispatch and SGK has notified the Contractual Partner of this. Expenses for the storage and receipt of the Delivery Item shall be borne by the Contractual Partner in this case. A consignment of goods shall only be insured by SGK at the express request of the Contractual Partner and at the Contractual Partner's expense.

5. SGK shall be entitled to make partial deliveries if a partial delivery is usable for the Contractual Partner within the scope of the contractual purpose, the remaining delivery is ensured and the Contractual

Partner does not incur any significant additional expenses or additional costs as a result or SGK declares its willingness to bear these costs.

6. Delivered Items shall be inspected immediately after delivery to the Contractual Partner or to the third party designated by the Contractual Partner. With regard to obvious defects or other defects that would have been recognisable in the event of an immediate and careful inspection, Delivery Items shall be deemed to have been approved by the Contractual Partner if SGK does not receive notification of the defect within one week of delivery. With regard to other defects, the Delivery Item shall be deemed to have been approved by the Contractual Partner if SGK does not receive notification of the defect within the same period after the time at which the defect becomes apparent. If the defect was already apparent at an earlier point in time during normal use, this earlier point in time shall be decisive for the commencement of the notification period. Upon request, the Delivery Item complained about shall be returned to SGK carriage paid. If the notification of defects is justified SGK shall reimburse the costs of the most favourable shipping route. This shall not apply if additional costs are incurred because the Delivery Item is located at a place other than the place of intended use.

7. In the event of material defects or defects of title, the statutory provisions shall apply with the proviso that SGK shall determine the type of subsequent performance (remedy of the defect or delivery of a defect-free Delivery Item) within a reasonable period of time.

If the Contractual Partner has released a control or correction template, the Delivery Item shall not be defective if the Delivery Item is manufactured in accordance with the control or correction template. SGK shall not be liable for certain properties of the intermediate and end products which are produced with Delivery Items manufactured by SGK in accordance with the contract; this shall also apply in particular to colour and sample impressions that deviate slightly from the template.

Claims for defects shall lapse if the Contractual Partner modifies the Delivery Item or has it modified by a third party without the consent of SGK and subsequent performance becomes impossible or unreasonably difficult as a result; the Contractual Partner shall bear the additional costs of subsequent performance arising from the modification.

Claims arising from material defects and defects of title shall become statute-barred one year after delivery. Insofar as acceptance has been agreed, the limitation period shall begin with acceptance. The Contractual Partner may claim damages for material defects and



defects of title in accordance with the provisions in Section I. No. 13.

8. In the event of material defects or defects of title of third party components which SGK cannot remedy for factual or legal reasons, SGK shall, at its own discretion, assert the defect rights against the third party for the account of the Contractual Partner or assign them to the Contractual Partner. Claims against SGK shall only exist in the case of such defects if the legal enforcement of such claims against the third party is unsuccessful or futile. For the duration of the legal dispute the limitation of the relevant claims for defects of the Contractual Partner against SGK shall be suspended.

9. A delivery of used items agreed with the Contractual Partner in an individual case shall be made to the exclusion of any claims for material defects and defects of title. Section I. No. 13., last paragraph, remains unaffected.

10. The following agreed retention of title shall serve as security for current and future claims of SGK against the Contractual Partner (including balance claims from a current account relationship limited to this delivery relationship).

The item delivered by SGK to the Contractual Partner shall remain the property of SGK until full payment of all secured claims. The item, as well as the item taking its place in accordance with the following provisions and covered by the retention of title, is hereinafter referred to as the Reserved Goods.

The Contractual Partner shall store the Reserved Goods free of charge for SGK.

The Contractual Partner is entitled to process and sell the Reserved Goods in the ordinary course of business until the Event of Realisation (see below). However, pledges and transfers of ownership by way of security are not permitted.

If the Reserved Goods are processed by the Contractual Partner the processing shall be carried out in the name and for the account of SGK as the manufacturer. SGK shall directly acquire ownership or – if the processing is carried out using materials from several owners or the value of the processed item is higher than the value of the Reserved Goods – co-ownership (fractional ownership) of the newly created item in the ratio of the value of the Reserved Goods to the value of the newly created item. In the event that no such acquisition of ownership by SGK should occur, the Contractual Partner shall already now transfer its future ownership or – in the aforementioned ratio – co-ownership of the newly created item to SGK as security. If the Reserved Goods are combined or inseparably mixed with other items to form a uniform item and if one of the other items is to be regarded as the main

item, SGK shall insofar as the main item belongs to SGK transfer to the Contractual Partner pro rata co-ownership of the uniform item in the aforementioned ratio.

In the event of resale of Reserved Goods the Contractual Partner hereby assigns to SGK by way of security the resulting claim against the purchaser – in the event of co-ownership by SGK in the Reserved Goods in proportion to the co-ownership share. The same shall apply to other claims which take the place of the Reserved

Goods or otherwise arise with regard to the Reserved Goods such as insurance claims or claims in tort in the event of loss or destruction. SGK revocably authorises the Contractual Partner to direct debit the claims assigned to SGK in its own name. SGK may only revoke this direct debit authorisation in the Event of Realisation.

If third parties access the Reserved Goods, in particular by way of seizure, the Contractual Partner shall immediately draw their attention to SGK's ownership and inform SGK thereof in order to enable SGK to enforce its ownership rights. Insofar as the third party is not in a position to reimburse SGK for the judicial or extrajudicial costs incurred in this context, the Contractual Partner shall be liable for these.

SGK shall release the Reserved Goods as well as the items or claims replacing them insofar as their value exceeds the amount of the secured claims by more than 50%. The selection of the items to be released thereafter shall be at SGK's discretion.

If SGK withdraws from the contract in the event of conduct by the Contractual Partner that is in breach of the contract – in particular default of payment – (Event of Realisation) SGK shall be entitled to demand the return of the