

Terms and Conditions of Purchasing and Ordering of the company Martin Krandick Tiefdruckgravuren GmbH Co. KG

1.0 Scope of Application

1.1 These Terms and Conditions of Purchasing and Ordering apply exclusively to transactions with merchants, legal persons under public law or special funds under public law.

1.2 We order exclusively on the basis of these Terms and Conditions of Purchasing and Ordering. The acceptance of our purchase order shall be deemed to be an acknowledgement of these Terms and Conditions and a waiver of any contradictory terms and conditions of sale or delivery of Supplier; that shall apply also if we do not expressly contradict to such contradictory terms and conditions of Supplier.

1.3 Other provisions shall only be binding if we have accepted them in writing; our Terms and Conditions of Purchasing and Ordering shall then apply as a supplement.

2.0 Offers

2.1 In their offers, Supplier shall comply exactly with our inquiry. Any deviations from the inquiry shall be specified expressly in their offer.

2.2 The offer shall be provided free of charge and will not justify any type of obligation on our part as inquirer.

2.3 The offering Supplier shall be obliged to keep data from inquiries and purchase orders in confidence and shall not disclose them to third parties, unless we have provided our consent.

2.4 Documents belonging to Supplier's offer, in particular technical data and descriptions, specimen or samples contained therein shall be binding.

3.0 Purchase Orders, Letters and Invoice

3.1 If we place an order in advance over the phone, Supplier shall be obliged to immediately verify their and our former information upon receipt of the written purchase order and to inform us, the customer, about any deviations which might exist.

3.2 The following shall be stated in all letters and invoices of supplier: complete order number, date of purchase order, reference of customer and supplier number.

3.3 The invoice shall be sent to us as customer in a single copy in a separate letter.

4.0 Prices and Quantities

4.1 Prices stated in the offer shall be fixed prices. Costs for packaging, freight and transport to the specified mailing address or the place of destination are included in the prices.

4.2 Surcharges for general cargo and express delivery, connection and intermediate freights, insurance charges and other incidental costs shall be borne by Supplier.

5.0 Payment Terms

5.1 Precondition for any payment is that we have received an invoice containing the information required under Art. 14(4) of the *Umsatzsteuergesetz* [Value Added Tax Act].

5.2 Unless otherwise agreed, we will pay the amount within 14 days, calculated from the delivery and receipt of the invoice, with a discount of 2 % or we pay the net amount within 30 days after receipt of the invoice.

5.3 We reserve the right to make payment by bank transfer.

5.4 Payment does neither constitute an acceptance of the delivery, nor a confirmation of proper delivery.

5.5 Any assignment of claims toward us, insofar as such is permitted pursuant to Art. 354a of the *HGB* [German Commercial Code] shall be excluded insofar.

5.6 We shall be entitled to the right of set-off and right of retention as well as the defence of an unfulfilled contract to the statutory extent.

5.7 Supplier shall only have a right of set-off or retention on the basis of counter-claims which have been become final and legally effective or which are undisputed.

5.8 We do not owe any maturity interest. The default interest rate shall be 5 percent above the base interest rate per year.

6.0 Delivery Period and Delay in Delivery

6.1 The delivery period (date or period of delivery) specified in our purchase order shall be binding.

6.2 The delivery period shall start at the time of conclusion of the contract, unless separately otherwise agreed.

6.3 Supplier shall be obliged to inform us of any circumstances which might result in a delay in delivery.

6.4 If Supplier fails to render his service or if he fails to render it within the agreed delivery period or if he is in default, our rights – in particular the right to withdraw and to claim damages – shall be based on the legal provisions.

6.5 If Supplier is in default, we may request a flat-rate compensation for our damage caused by the default in the amount of 0.5 % of the net order value for each week of delay in delivery which has commenced, however a total of not more than 5 % of the net price of the goods delivered with delay. We reserve the right to prove that we incurred a higher damage. Supplier shall be entitled to prove that no damage or a significantly lower damage was caused.

6.6 If we accept a delayed service, we will assert an agreed contractual damage with the final payment, at the latest, in deviation to Art. 341(3) of the *BGB* [German Civil Code].

7.0 Service, Delivery and Transfer of Risk

7.1 Supplier shall bear the risk of procurement for his services, unless otherwise agreed in the individual case (e.g. sale of goods in stock).

7.2 Supplier shall not be entitled to make partial deliveries, unless we have given our prior consent.

7.3 Deliveries within Germany shall be made "free domicile" to the place specified in the purchase order. If no place of destination was specified or unless otherwise agreed, deliveries shall be made to our place of business in Vreden, Germany. The place of destination shall also be the place of fulfilment (duty to deliver).

7.4 A dispatch note shall be sent to our purchasing department upon dispatch of a delivery, on the date of dispatch, at the latest.

7.5 The delivery will always be made at Supplier's risk, irrespective of the type of delivery, the dispatch route, the means of transport and the address of the recipient. The risk of accidental destruction and accidental deterioration of the goods shall be transferred to us upon hand-over at the place of fulfilment. The transport insurance shall be paid by Supplier.

7.6 If the contract relates to the production of non-fungible objects (custom-built individual production), Supplier shall only be entitled to additional rights other than the reimbursement of extra charges, if we delay acceptance, if we undertook to cooperate and are responsible for the failure to cooperate.

8.0 Retention of Title

8.1 Any assignment of the goods to us shall be made without conditions and without regard for the payment of the price.

8.2 However, if we accept, in an individual case, an offer of Supplier for assignment under the condition of payment of the purchase price, Supplier's retention of title shall be cancelled upon payment of the purchase price for the delivered goods, at the latest. We remain entitled to resell the goods in the ordinary course of business before the payment of the purchase price, provided we assign the claim arising from such resale in advance (alternatively, the simple retention of title extended to the resale shall apply). This excludes all other forms of retention of title, in particular the extended, passed-on retention of title and the retention of title extended to further processing.

8.3 Reproduction samples, repro data, data carriers, storage media and all other documents which Supplier receives from us for rendering the services, shall remain in our property and shall be returned to us after the termination of the contract, at the latest. Any materials provided by us or contents stored and mapped there are subject to copyrights and will only be provided to Supplier to be used for the intended purpose.

9.0 Defective Delivery and Quality Requirements

9.1 Unless otherwise agreed below, the legal provisions shall apply to our rights in case of material defects and defects of title of the goods (including incorrect or short deliveries as well as improper assembly, defective assembly instructions, operating instructions or instruction

manuals) and in case of other breaches of duty by Supplier.

9.2 If the purchase order or the attached drawings fail to show clear quality information or if a delivery of the material qualities requested by us or agreed proves to be impossible at the agreed delivery dates, we must be consulted in each case.

9.3 The period of limitation for claims for defects shall be three years, deviating from Art. 438(1) no. 3 of the *BGB* and Art. 634a(1) no. 1 of the *BGB*. The period of limitation for claims for defects arising from a construction contract or for an object or service which, according to its usual type of use, was used for a building and caused its defectiveness, shall be five years and six months. The above-mentioned periods of limitation shall start according to the legal provisions.

10.0 Supplier's Liability for Defects

Supplier shall be liable to us for any type of damage caused by him or his vicarious agents, in full and for each degree of fault, according to the legal provisions

11.0 Producer Liability

11.1 If Supplier is responsible for a product defect, he shall release us of any type of claims from third parties insofar as the cause falls within his sphere of control and organisation and as he is liable in the external relationship.

11.2 In the scope of his obligation to release us, Supplier shall reimburse expenses pursuant to Articles 683, 670 of the *BGB* resulting from or in connection with any claims of third parties, including recall actions performed by us. We will inform Supplier about the contents and scope of recall actions and we will grant him the opportunity to make a statement. Any further legal claims shall remain unaffected.

11.3 Supplier shall take out and maintain a product liability insurance at his expense with a sum insured for personal injury and property damage that is adequate in proportion to the risk for damage; such insurance does not need to cover the recall risk or criminal or similar damage, unless otherwise agreed in the individual case.

12.0 Inspections

If inspections are planned for the object of delivery, Supplier shall bear the factual inspection costs and the costs for his personnel; we will bear the inspection costs for our personnel.

13.0 Documents

All drawings, standards, guidelines and other documents which we provide to Supplier for the manufacturing of the deliverables as well as the documents prepared by Supplier according to our special information shall remain our property and shall neither be used by Supplier for any other purpose nor be reproduced or made accessible to third parties.

14.0 Advertising Material / Reference

Any reference to the business relationship existing with us in information materials and advertising materials shall be prohibited, unless we have given our express written consent.

15.0 Applicable Law and Place of Jurisdiction

15.1 German law shall apply exclusively.

15.2 The provisions of the Convention on Contracts for the International Sale of Goods (CISG) shall apply.

15.3 Deviating from the regulation in Article 57 of the CISG on the place of payment, our domicile shall be deemed to be the place of fulfilment also for the fulfilment of any payment obligations.

15.4 Exclusive place of jurisdiction shall have the court competent for Vreden.

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