

**General Terms and Conditions of Delivery
of the company Martin Krandick Tiefdruckgravuren GmbH & Co. KG**
Version of October 2013

Art. 1 Scope of Application

- (1) Our General Terms and Conditions (GTC) shall apply to the rendering of deliveries and services to merchants and entrepreneurs as defined in Art. 14 of the BGB [German Civil Code] as well as to legal persons under public laws or special funds under public law.
- (2) Our GTC shall apply exclusively; we do not accept any provisions of Principal which deviate from or contradict our GTC, unless we have expressly agreed to their applicability. Our GTC shall apply even if we perform the deliveries and services without reservations in full knowledge of provisions of Principal which deviate from or contradict our Terms and Conditions.

Art. 2 Conclusion of Contract – Statements – Offer Documents – Prohibition of Assignment

- (1) Principal's purchase order constitutes a binding offer. Any offers or cost estimates provided by us in advance shall be subject to change. We may accept purchase orders or orders within fourteen days after receipt.
- (2) Oral agreements by our representatives or other auxiliary staff shall require a written confirmation by us.
- (3) We reserve the proprietary right and copyrights to figures, drawings, repro-data, drafts, calculations, samples and other documents. That shall also apply to such written documents which are identified as confidential. Principal shall obtain our express written consent before he forwards such to third parties.
- (4) Principal shall not be entitled to transfer contractual claims without our written consent, unless the provision in Art. 354 a of the HGB [German Commercial Code] applies.

Art. 3 Regulations on the Subject Matter of the Contract and Service

- (1) Notwithstanding any express agreement – it shall not be part of our contractual obligation to ensure that Principal is able to use the products delivered by us for his processes.
- (2) Information provided by us on the subject matter of the delivery or service (e.g. weights, measurements, values in use, load-bearing capacities, tolerances and technical data) as well as our representations of same (e.g. drawings and figures) are only approximate guides, unless a precondition for their usability for the contractually intended purpose is a precise conformity.
- (3) Descriptions of the subject matter of the contract or the scope of delivery and service, specifications of properties and technical data shall not be interpreted as quality guarantees.
- (4) Customary deviations and deviations made on the basis of legal provisions or which constitute technical improvements as well as the replacement of components by equivalent parts shall be permitted, unless such impair the usability for the contractually intended purpose.

Art. 4 Prices

- (1) Prices apply to the agreed scope of services and deliveries. Extra or special services will be invoiced separately. If Principal delivers old cylinders with damage to the surface, at the front side or journal or if such show other technical irregularities and if we were unaware thereof at the time of conclusion of the contract, the price will increase according to the expenses required for the necessary processing.
- (2) Prices are in Euros, ex works, plus packaging, legal value added tax, and, in case of export deliveries, customs as well as charges and other public duties.
- (3) If delivery or service is delayed by more than four months from the conclusion of the contract and if costs for wage, material, packaging material, freight, taxes or charges have increased in the meantime, the agreed price may be adjusted according to the effect of the above-mentioned cost factors. Insofar as the agreed prices are based on our list prices and if delivery or service should only be made more than four months after the conclusion of the contract, our list prices applicable at the time of delivery or service shall apply (each less any agreed percentage or fixed discount). If such price changes thus by more than 5 % compared to the contractually agreed price, Principal shall be entitled to withdraw from the contract, insofar as we maintain our request for price increase, despite having been informed about the Principal's intention to withdraw from the contract.

Art. 5 Payment Terms

- (1) Unless otherwise specified by us or agreed, customer shall be obliged to immediately pay the price after receipt of the goods or other services without deduction of any discount.
- (2) Principal shall not be entitled to a right of set-off, unless his counter-claims have been found to be final and legally effective, are undisputed or were accepted by us.
- (3) Any right of retention on the part of the Principal shall be excluded, unless Principal's counterclaim arises from the same contractual relationship and is undisputed or has been found to be final and legally effective.
- (4) In the event of legally permissible or contractually agreed down payments or payment by instalments, we may extraordinarily terminate the contractual relationship without notice if Principal
 - a) Is in default of such down payment or instalment for two consecutive dates; or
 - b) Is, in a period comprising more than two dates, in default with one down payment or one instalment in an amount which is equivalent to the down payment or instalment due on two dates.
- (5) If customer is in default of payment of any due claim, all other claims which we have against the customer from other legal relationships and which have accrued already shall also be due immediately; i.e. any payment periods granted by us, any forbearances or similar payment aids will be cancelled immediately.
- (6) If it is recognizable after the conclusion of the contract that our claim for the purchase price will be endangered on account of Principal's lack of capacity to perform (e.g. on account of a request for initiation of insolvency proceedings), we are entitled to refuse our services and – after the grant of a grace period, if any – to withdraw from the contract (Art. 321 of the BGB) according to the legal provisions. In case of contracts on the manufacture of non-fungible objects (custom-built individual production), we may declare a withdrawal without notice; legal provisions on the dispensability of fixing a deadline shall remain unaffected.

Art. 6 Proprietary Rights and Copyrights Arising from the Rendering of Service

- (1) If Principal delivers goods which are his property and which will be processed by us, treated or combined with other movable objects, we acquire the ownership to these goods when such are handed over to us. In relation to these goods, we shall be manufacturer pursuant to Art. 950 of the BGB if we process or treat them. We reserve the title in the manufactured and delivered final product pursuant to Art. 14 of the GTC.

- (2) We hold the copyright in the sketches, graphics, patterns, designs and drafts (so-called reproductions). Subject matter of the contract is only the product manufactured by us; its intended utilisation does not comprise the right to use the reproductions, unless that was separately agreed.
- (3) The data sets and storage media containing the reproductions prepared by us will remain with us; they are our property. They shall be archived, free of charge, for five years from the conclusion of the contract with the customer, at the longest.

Art. 7 Service and Service Period

- (1) Binding deadlines for deliveries or services require our written confirmation to serve as proof. Insofar as a duty to cooperate is necessary on the part of Principal, the agreed performance period will only commence when Principal has fulfilled such duty.
- (2) We may only process any old cylinders provided by Principal if such are free from any defects or other technical irregularities.
- (3) We shall be entitled to make partial deliveries, if
 - Principal is able to use such partial delivery in the scope of the contractually agreed intended purpose;
 - Delivery of the remaining ordered goods is ensured; and
 - No significant extra expenses or additional costs arise for Principal (unless Principal agrees to bear such costs).
- (4) If we do not receive deliveries or services from our sub-suppliers or from subcontractors, or do not receive them properly or in time, for reasons for which we are not accountable and despite a reasonable stock being maintained or if events of force majeure occur, we will inform Principal in due time. In such case, we shall be entitled to extend the delivery or service by the duration of the impairment or to withdraw from the contract, in whole or in part, for the part not fulfilled yet, insofar as we have fulfilled our above-mentioned duty to inform and did not take over the risk of procurement or risk of manufacturing. Strike, lockout, interventions by authorities, energy and raw material scarcity, transport bottlenecks for which we are not accountable, operational impairments for which we are not accountable, e.g. caused by fire, water and machine damage and all other impairments which were objectively not culpably caused by us, shall be equivalent to force majeure.
- (5) If a date of delivery or service or a period of delivery or service was bindingly agreed or if the agreed date of delivery or service of the agreed period of delivery and service is exceeded by more than four weeks based on events as specified in the above paragraph 4, or if an adherence to the contract is objectively unreasonable for Principal in case of an unbinding date of service, principal shall be entitled to withdraw from the contract regarding the part which has not been fulfilled yet. In such case, Principal shall have no other rights, in particular no rights to claim damages.

Art. 8 Liability for Default

- (1) If one precondition for the assertion of rights on the part of Principal is to grant an appropriate grace period, such shall be at least two weeks.
- (2) If we are in default, our liability for the replacement of the damage caused by default shall be limited to 5 % of the contract price in case of simple negligence. Other claims of Principal shall remain unaffected.

Art. 9 Representation Obligation

If the object to be delivered is defined by generic features only, we will only be liable for the reimbursement of the damage if we fail to prove that we are not responsible for rework, delay in delivery or defectiveness of the object. The provisions of Art. 13 of the GTC apply as a supplement.

Art. 10 Performance – Transfer of Risk – Acceptance

- (1) Delivery shall be made ex works which is also the place of fulfillment. At Principal's request, goods will also be sent to another place of destination (purchase to destination). We shall be entitled to determine the type of shipment (in particular forwarding company, transport route, packaging), unless otherwise agreed.
- (2) We will insure the shipment against theft, breakage, transport, fire and water damage or other insurable risks, only at Principal's express request and at the latter's expense.
- (3) The risk of accidental breakdown or accidental deterioration of the goods will be transferred to Principal upon hand-over, at the latest. However, in case of purchase to destination, the risk of accidental breakdown and accidental deterioration of the goods as well as the risk of delay will be transferred to the forwarding company, carrier or other persons or offices engaged to perform the shipment at the time of delivery of the goods.
- (4) Insofar as an acceptance was agreed, such shall be decisive for the transfer of risk. The legal provisions of the contracts for work laws shall apply mutatis mutandis to an agreed acceptance. Insofar as a trial operation was agreed, the risk will be transferred to customer after a fault-free trial operation; provided the trial operation starts immediately after the installation and assembly ready for operation. If Principal is in default of acceptance, such shall constitute a hand-over or acceptance.

Art. 11 Delay of Acceptance

If Principal is in delay of acceptance, fails to cooperate or if our delivery is delayed for other reasons for which Principal is responsible, we shall be entitled to request a reimbursement of the damage caused thereby, including extra expenses (e.g. warehouse costs). For that, we will charge a flat-rate compensation in the amount of 0.25 % of the invoice amount of the deliverables to be stored per completed week, starting with the delivery period or – if no such delivery period exists – upon notification that the goods are ready for dispatch. The proof of a higher damage and our legal claims (in particular reimbursement of extra expenses; adequate compensation, termination) shall remain unaffected; the flat-rate shall, however, be set off with the any further monetary claims. Principal shall be entitled to prove that no or only a significantly lower damage was caused than the above-mentioned flat rate.

Art. 12 Liability for Defects – Statute of Limitation

- (1) Principal shall observe the obligations defined in Art. 377 of the HGB. The forwarding company must be informed about any defects recognisable upon delivery and the latter must initiate a recording of the defects. Complaints for defects must contain a description of the defects with as many details as possible. Any complaint made outside of the legal period shall result in an exclusion of any claim of Principal.
- (2) We will not accept any liability for public statements, praise or advertising of manufacturer or other third parties; they do not constitute a statement regarding the contractual quality of the goods.
- (3) Delivered goods shall be deemed to be approved by Principal and in compliance with the contract upon commencement of processing, treatment, combining or mixing with other objects. The same shall apply in case of an on-shipment from the original place of destination.
- (4) Claims of Principal for the expenses required for the purpose of rework, in particular transport, way, work and material costs shall be excluded, insofar as expenses arise as the goods delivered by us have subsequently been brought to another place than the subsidiary of Principal, unless such transport corresponds to their intended use.

- (5) If a complaint for defects is unjustified, we shall be entitled to request the Principal to make a reimbursement of the expenses incurred by us. We will charge a reimbursement for test expenses based on our price list applicable at the relevant time.
- (6) We do not grant any warranty for used goods. Otherwise, the statute of limitation for claims for defaults shall be 12 months. That shall not apply to construction contracts, objects which have been used for a building according to their customary use and have caused its defectiveness, for claims for the injury of life, body and health and in case of an at least grossly negligent violation of duties by us or by one of our legal representatives or vicarious agents. Special legal provisions for material claims for surrender of third parties (Art. 438 I no. 1 of the BGB), for malice of seller (Art. 438 III of the BGB) and for claims in supplier recourse for final delivery to a consumer (Art. 479 of the BGB) shall remain unaffected.

Art. 13 Liability for Damage

- (1) We shall be liable, without restrictions, for damage – irrespective of the legal reason –
 - a) Caused by intent;
 - b) Caused by a culpable injury of life, body or health;
 - c) Caused by defects which we fraudulently concealed or the absence of which we have guaranteed;
 - d) For defects of the deliverables, if liability exists under the *Produkthaftungsgesetz* [Product Liability Act] for personal injury or property damage to privately used objects.
- (2) We shall also be liable for a culpable infringement of essential contractual obligations, however, in case of simple negligence, such liability shall be limited to damage which we have foreseen at the time of conclusion of the contract as a possible consequence of a violation of the contract or which we should have foreseen if we had observed the common duty of care or which are typically to be expected if the deliverables are used according to their intended use. Essential contractual obligations are those duties which protect legal positions of the Principal which are decisive for the contract, which are to be granted to him according to the contents and purpose of the contract and those obligations whose fulfillment enable a proper performance of the contract and on the compliance with which the Principal normally relies and may rely.
- (3) We shall also be liable for damage caused by gross negligence. However, if other than essential contractual obligations have been infringed and if other legal goods than life, body or health are affected, our liability in case of gross negligence shall also be limited to damage which we have foreseen upon conclusion of the contract as a possible consequence of an infringement of the contract or which we should have foreseen if we had observed the normal duty of care and which are typically to be expected in case of a use of the deliverables in compliance with their intended use.
- (4) Any other claims shall be excluded.
- (5) The exclusions and limitations of liability mentioned in paragraphs 1 to 4 shall also apply to the infringement of duties by our vicarious agents.
- (6) Insofar as any liability for damages toward us is excluded or limited, that shall also apply with regard to the personal liability for damages of our bodies, legal representatives, employees and other vicarious agents.

Art. 14 Retention of Title

- (1) We reserve the title to the sold goods until the complete payment of all our current and future claims under the contract and an on-going business relationship (secured claims).
- (2) The goods subject to retention of title shall neither be pledged to third parties nor transferred as security before the payment, in full, of the secured claims. Buyer shall inform us in writing immediately if and insofar as third parties access the goods owned by us. That shall also apply to impairments of any other type. Irrespective thereof, Principal shall inform third parties from the beginning about the rights existing in the goods. The costs of an intervention by us shall be borne by Principal, unless third parties are able to reimburse them.
- (3) Principal shall be entitled to resell and/or process the goods subject to retention of title in its normal course of business. In such case, the following provisions shall apply supplementary:
 - a) The retention of title covers the goods resulting from a processing, mixing or combining of our goods, up to their full value, where we shall be deemed to be the manufacturer. If the goods are processed, mixed or combined with goods of third parties and their proprietary right remains in effect, we acquire a co-ownership in proportion to the invoice values of the processed, mixed or combined goods. Otherwise, the same shall apply to the arising good as applies to the goods delivered subject to retention of title.
 - b) Principal assigns, as of now, any claims against third parties arising from the resale of the goods or product to us as security, in full or in the amount of our co-ownership share pursuant to the above paragraph a). We accept such assignment. Principal's duties mentioned in sec. 2 shall also apply in view of the assigned claims.
 - c) Principal shall remain entitled to collect the claim, in addition to us. We undertake to not collect the claim, for as long as Principal complies with its payment obligations toward us, is not in default, has not filed a request for initiation of insolvency proceedings and if no other defect exists in his performance capacity. However, if that is the case, we may request that Principal informs us about the assigned claims and third debtors, provides all information required for collection, hands out all associated documents and informs the debtors (third parties) about the assignment.
 - d) If the realisable value of the securities exceeds our claims by more than 10 %, we will release the securities, at our discretion and at Principal's request.

Art. 15 Protective Rights of Third Parties

- (1) If any third party asserts claims for industrial property rights or copyrights (hereinafter referred to as: protective rights) toward the customer based on the products delivered by us and if the use of the products according to the contract by customer is hereby impaired or prohibited, customer shall inform us immediately. Customer will not acknowledge the alleged infringement and will only conduct any dispute with the third party about the infringement of protective rights in consultation with us. If customer stops the use of the product to mitigate the damage or for other important reasons, he shall be obliged to inform the third party that no acknowledgement of the infringement of protective rights is associated with the cease of their use.
- (2) Customer shall have no claims for infringement of a protective right if he is responsible for the infringement of the protective right or if such is based on special defaults of customer, if it is based on any use not intended in the product documentation or is caused by the fact that the product was modified by customer or is used jointly with products not delivered by us.

Art. 16 Choice of Law – Place of Jurisdiction

- (1) The laws of the Federal Republic of Germany shall apply, to the exclusion of the rules on conflict of laws and the UN Convention on Contracts for the International Sale of Goods (CISG).
- (2) Exclusive place of jurisdiction shall have the court competent for Vreden.