

General Terms and Conditions of Delivery

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1. Scope of Application

a) All deliveries and services (hereinafter collectively referred to as "Deliveries") are exclusively subject to these General Terms and Conditions of Delivery failing any individual binding agreements deviating therefrom. These Terms and Conditions shall be applicable vis-à-vis entrepreneurs, public law entities and special public law funds (Buyer).

b) By taking receipt thereof without contradiction, the Buyer agrees to the exclusive applicability of these Terms and Conditions to the delivery concerned and to all follow-up transactions. Any terms and conditions of purchase of the Buyer deviating from or supplementing these Terms and Conditions shall be valid only if GIS has expressly consented to their validity in writing. These Terms and Conditions shall apply even if GIS effects the delivery without reservation while knowing of conflicting or deviating terms and conditions of the Buyer.

2. Offers, Formation of Contract, Information, Guarantees

a) Offers of GIS shall not be binding as regards price, quantity, delivery period and delivery capability. Offers may be accepted only within 30 days, unless otherwise specified in the offer.

b) Quality information, including keeping/shelf life information, shall be deemed to be guarantees only if they are expressly termed such. The same shall apply to assumption of a procurement risk.

c) The information contained in data sheets, brochures and other information material serves merely as a guideline and shall become a binding integral part of the contract only if GIS has expressly consented thereto in writing.

d) The contract shall not be binding until GIS has issued a written confirmation of the order. Oral agreements shall require written confirmation by GIS.

3. Execution of Deliveries/of the Assembly

a) Unless otherwise agreed, GIS shall decide the mode of shipment and the shipping route.

b) If transport at no charge to the Buyer is agreed without the shipment having been prepaid or the freight having been deducted from the invoice, the Buyer must pay the costs of the freight in advance for GIS. The invoice amount may be reduced accordingly. In this case, the freight rates valid on the day of computation shall be applicable. Any freight increase resulting from a subsequent change to the mode of shipment, transport route or place of destination, from supplementary charges owing to low water, high water or ice or from similar circumstances affecting the freight charges shall be borne by the Buyer.

c) If the assembly of the delivery at the place of installation is to be done by GIS, this must be agreed separately.

d) If deliveries stored at GIS are held in store for the Buyer's disposal or are sold for fabrication without any shipping instructions, the Buyer shall take delivery of these within four weeks of notification of completion.

4. Bearing of Risk

Regarding the bearing of risk, the relevant terms of Incoterms 2010 EXW, particularly item A. 5 and B 5, shall be applicable.

5. Delivery, Delivery Period, Partial and Additional Deliveries

a) GIS's written confirmation of the order shall be decisive for the manner and scope of the delivery. GIS shall be entitled to effect partial deliveries if this can reasonably be expected of the Buyer.

b) Delivery times shall be approximate only unless they were expressly guaranteed as binding in writing. The delivery period shall commence upon dispatch of the confirmation of the order, but not before all questions essential to the implementation of the contract have been clarified. If after acceptance of the order the Buyer demands changes which affect the production time, the delivery period shall commence only upon confirmation of the changes. In particular, the delivery period shall not commence before GIS receives all the information required or before the Buyer furnishes proof that it has, as per contract, opened a letter of credit or made an advance payment or provided security.

c) Adherence to the delivery time shall be subject to GIS itself obtaining correct supplies and in good time. GIS shall give prompt notice of any delays which become apparent.

d) If the delivery is delayed at the Buyer's instigation, GIS may, beginning one month after the notice of readiness to deliver, charge for the storage costs incurred by it, a minimum however of 0.5 % of the invoice amount for each month. More extensive claims remain reserved; the Buyer is entitled to furnish proof that GIS has suffered no or far less damage as a result of the delay.

e) After a reasonable extension has expired without results, GIS is, in the aforesaid case (Section 5. d)), also entitled to dispose of the delivery otherwise and to supply the Buyer within a reasonably extended delivery period.

6. Defects of the Delivery, Duties of the Buyer in the Event of a Notice of Defects by its Buyers, Reimbursement of Expenses, Liability

a) Warranty claims of the Buyer presuppose that the Buyer has duly performed its legal duties to carry out an inspection and to give notice of defects. If the delivery is obviously defective or incomplete, the complaints must be brought to the notice of GIS in writing within 2 weeks of arrival of the delivery at the place of destination, specifying the defect and the invoice number. Claims of the Buyer based on obvious defects or incompleteness of the delivery shall be excluded if it does not meet this obligation.

b) Any non-obvious defects which are discovered shall be notified to GIS in writing without undue delay, however no later than five workdays after their discovery.

c) Should the delivery be defective, GIS may, at its option, remedy the defects or deliver a substitute free of defects as subsequent fulfilment. Only if such repeatedly fails or cannot be reasonably expected of the Buyer and the defects are not just insignificant ones shall the Buyer be entitled to rescind the contract or reduce the price in accordance with the statutory provisions. Section 478 of the German Civil Code (*BGB*) remains unaffected. The Buyer is entitled to assert claims for damages in accordance with Section 6 g).

d) The Buyer shall inform GIS of any notice of defects of its buyer in respect of the delivery items in writing without undue delay. If the Buyer fails to honour this obligation, it shall have no claims based on defects against GIS, including claims for reimbursement of expenses pursuant to Section 478 BGB.

e) The Buyer may assert compensation claims against GIS by way of a recourse claim (Section 478 BGB) arising from the substitute delivery from third parties or from using the services of third parties to remedy defects only if it has granted GIS a reasonable extension to perform the remedial measures and GIS has failed to perform this. In the event of a recourse claim, GIS shall bear for a 6-month period from the delivery to the third party the burden of proving to the Buyer that the defect did not already exist prior to the passing of risk to the Buyer only if not more than 12 months have elapsed between this passing of risk and the resale by the Buyer.

f) Claims based on defects shall not exist if the products deviate only negligibly from the agreed quality and/or their usability is only negligibly impaired.

g) GIS shall be subject to unlimited liability under the German Product Liability Act (*Produkthaftungsgesetz*), in cases in which it has expressly accepted a guarantee or assumed a procurement risk and for intentional or grossly negligent breaches of duty. GIS shall likewise be subject to unlimited liability in case of intentional or negligent injury to life, the body or health. For property damage and pecuniary loss caused through slight negligence, GIS shall be liable only if essential contractual duties (*Kardinalpflichten*) are infringed, but its liability shall be limited to the damage typical of the contract that was foreseeable upon conclusion of the contract.

h) Claims for compensation for damage of any kind resulting from improper handling, alteration, assembly and/or operation of the delivery items or resulting from incorrect advice or instructions given by the Buyer are precluded unless GIS is responsible for such damage.

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i) If the Buyer is entitled to claim damages instead of the performance or to rescind the contract, it must declare within a reasonable period at GIS's request whether and how it will avail itself of these rights. If the Buyer does not make such declaration on time or insists on the performance, it shall be entitled to exercise these rights only after a further reasonable extension has expired without results.

j) Claims based on defects shall be barred by limitation 12 months after the passing of risk unless otherwise agreed between the parties in writing. The same shall apply to defects in title. Intentional breaches of duty, claims in tort, lack of guaranteed characteristics, assumption of procurement risks and personal injury shall be governed by the statutory limitation periods. If the work/service performed is intended for a building and has caused its defectiveness, the warranty period shall amount to 5 years. Sections 438 para. 3, 479 and 634 para. 3 BGB remain unaffected.

k) More extensive liability for damages other than provided for in the above paragraphs of this Section 6 is excluded, regardless of the legal nature of the asserted claim.

l) The above limitations of liability shall apply on the merits and in terms of amount also for the benefit of the legal representatives, staff and other vicarious agents of and/or persons engaged by GIS to perform its contractual obligations.

7. Industrial Property Rights and Copyrights; Defects in Title

a) Unless otherwise agreed, GIS is obliged to effect the delivery only in the country of the place of delivery free of industrial property rights and copyrights of third parties (hereinafter referred to as "Proprietary Rights"). If a third party makes legitimate claims against the Buyer owing to an infringement of Proprietary Rights by deliveries effected by GIS and used as per contract, GIS shall be liable to the Buyer within the period stipulated in Section 6 j) as follows:

- (1) GIS shall, at its option and at its expense, either obtain a right of use for the deliveries concerned, modify the deliveries in such a manner that the proprietary right is not infringed or replace them. If it is not possible for GIS to do this on reasonable conditions, the Buyer shall be entitled to the legal rights to rescind the contract or reduce the price.
- (2) The supplier's duty to pay compensation for damage is determined by Section 6 g) to l).
- (3) The aforesaid obligations of GIS shall exist only if the Buyer informs GIS in writing without undue delay of the claims asserted by the third party, does not acknowledge an infringement, and all measures to avert the claims and negotiations about a settlement remain reserved for GIS. If the Buyer stops using the delivery in order to minimize the damage or for other important reasons, it is obliged to point out to the third party that the discontinuation of use does not amount to an acknowledgement of an infringement of a proprietary right.

b) Claims of the Buyer shall be excluded if the Buyer is responsible for the proprietary right infringement.

c) Claims of the Buyer shall further be excluded if the proprietary right infringement is caused by special stipulations of the Buyer, by an application not foreseeable by GIS or by the fact that the Buyer alters the delivery or uses it together with products not delivered by GIS.

d) The provisions of Section 6 d), e) and i) shall apply mutatis mutandis to proprietary rights' infringements.

e) The provisions of Section 6 shall apply mutatis mutandis to any other defects in title.

f) More extensive claims of the Buyer or claims of the Buyer other than those provided for in this Section 7) against GIS and parties engaged by it to perform a contractual obligation based on a defect in title are excluded.

8. Force Majeure

All cases of force majeure, strikes, lockouts, insufficient supply of materials or of energy, lack of transport and other similar circumstances or causes beyond GIS's control shall release GIS for the

duration and to the extent of such impediments from its obligation to perform the contract. This shall also apply if these circumstances occur at suppliers of GIS. GIS shall also not be responsible for the aforesaid circumstances if they occur during an already existing default. GIS shall notify the Buyer of the commencement and end of such impediments as soon as possible.

9. Terms of Payment, Prices, Default

a) Prices shall be exclusive of legal value-added tax and shipping costs, unless otherwise agreed.

b) Payments shall be made as detailed in offer.

b) All invoices are payable free of any deductions within 10 days of the invoice date, unless otherwise noted on the invoice. Receipt of the payment in the bank accounts of GIS shall be decisive for compliance with terms of payment. Cheques shall be accepted only on account of payment (pending full discharge of the debt). Accruing expenses shall be for the Buyer's account.

c) In the event of default in payment, interest of 8 percent per annum above the then prevailing basic interest rate (Section 247 BGB) shall fall due. The right to prove more extensive damage caused by default remains reserved.

d) GIS is not obliged to perform the contract to the extent to which the Buyer fails to perform its contractual duties including those pursuant to other contracts with GIS, in particular where the Buyer does not pay invoices due.

e) If several debt claims exist, GIS is entitled to set off payments made by the Buyer against GIS's debt claims in the order of their due dates. The debtor's right of option pursuant to Section 366 para. 1 BGB is excluded in this regard.

f) The Buyer may only make a setoff against or withhold payment on account of such claims which are uncontested in writing or have become res judicata.

g) After the lapse of a reasonable extension, GIS shall be entitled to effect outstanding deliveries only against a payment in advance or to make these contingent on the provision of security if the Buyer fails to make payment within the periods allowed for payment or, applying standards customary in banking, there is reason to doubt the Buyer's ability to pay.

10. Performance by Third Parties

At GIS's request, each of its contractual obligations may be performed by a different enterprise. Due regard must then be paid to the Buyer's legitimate interests. As long as the third party's performance is equivalent to GIS's, the contractual obligations concerned shall be deemed fulfilled.

11. Retention of Title

a) The items delivered shall remain GIS's property until payment in full of the purchase price and of all other claims of GIS against the Buyer. The retained title shall be considered to be security for GIS's balance claim in case of a current account. If payments are suspended, the Buyer must set aside the delivery and hold this at GIS's disposal without being requested.

b) Any processing of the delivered items by the Buyer shall be done for GIS as manufacturer within the meaning of Section 950 BGB without obligating GIS as a result. If the reserved delivery items are combined or inseparably mixed with other items not belonging to GIS to form one homogeneous thing and this thing must be deemed to be the main thing, the Buyer herewith transfers to GIS proportional joint title to the extent that the main thing belongs to the Buyer. The Buyer shall hold the title having thus arisen in safekeeping for GIS free of charge.

c) The Buyer shall be entitled to sell, reprocess or transform the reserved delivery items in the course of proper management until revoked by GIS, which GIS is permitted to do at any time and without stating any specific reason. The Buyer herewith assigns any claims arising therefrom to GIS. If the Buyer sells the reserved delivery items together with other items not delivered by GIS, the assignment shall apply only to the extent of the values stated in GIS's invoice of the sold reserved delivery items. If items in which GIS has co-ownership interests pursuant to Section 11 b)

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are resold, the assignment shall apply to the extent of these co-ownership interests. The assigned claims shall serve as security to the extent as the reserved delivery items.

If the assigned claim is included in a current account, the Buyer herewith assigns to GIS any balance on the current account equal to this claim in terms of amount. The Buyer is entitled to collect the assigned claim until revoked by GIS, which GIS is permitted to do at any time and without stating any specific reason. The Buyer is obliged at GIS's request to notify its buyers of the assignment of future claims and to make available to GIS the information and documents required to assert the claim.

d) If the value of the securities existing for GIS exceeds its claims by more than 10 % in total, GIS shall be obliged, at the Buyer's request, to release securities selected by GIS to a corresponding extent.

e) The Buyer is not entitled to dispose of the reserved delivery items otherwise (pledging, transfers by way of security) or to make any other assignments of the claims mentioned in Section 11. c). In the event of the reserved delivery items being attached, seized, distrained or confiscated, the Buyer shall make GIS's ownership known and inform GIS without undue delay.

f) The Buyer is obliged to take out at its expense adequate insurance coverage for the reserved delivery items against all customary risks, particularly against fire, theft and water damage, to treat them with care and to store them properly.

g) If the Buyer defaults in payment, GIS shall be entitled after the lapse of an extension granted by it to take back the reserved delivery items even if it has not rescinded the contract.

12. Drawings, Manufacturing Documents, Samples, etc.

a) Samples, cost estimates, drawings and the like, also in electronic form, shall remain GIS's property, unless the agreements between the parties or the circumstances otherwise require. This information must not be made available to third parties without GIS's written consent.

b) Third party drawings, manuscripts and other items made available must be preserved for six months at the most from the delivery of the last order executed with these. When the time limit has expired GIS may destroy said items without giving advance notice.

13. Place of Performance, Jurisdiction, Transfer of Rights, Applicable Law

a) The place of performance for deliveries and payment shall be Nuremberg.

b) The courts of Nuremberg shall have jurisdiction over all disputes arising out of the contractual relationship, including bills of exchange, summary and cheque proceedings, if the Buyer is a merchant, a public law entity or a special public law fund or has no place of general jurisdiction within the domestic territory. However, GIS is entitled to file an action against the Buyer also with the court at the Buyer's place of residence.

c) The Buyer's rights arising out of the contractual relationship may be transferred only with GIS's prior written consent.

d) The law of the Federal Republic of Germany applicable to legal relations of domestic contracting partners shall be the governing law without exception; the CSIG does not apply.