

General Terms and Conditions of Delivery, Assembly and Repair of SAUERESSIG Group

I. General Conditions

1. Companies of the SAUERESSIG Group in Germany (hereinafter referred to as **SAUERESSIG**) 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 of SAUERESSIG to the Contractual Partner of which these General Terms and Conditions of Delivery, Assembly and Repair shall become an integral part. General terms and conditions of the Contractual Partner or a third party shall not become part of contracts with SAUERESSIG.

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

2. Offers 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 SAUERESSIG within two weeks after receipt. The Contractual Partner shall be obliged to inform SAUERESSIG 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 SAUERESSIG on the object of the 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 the 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 SAUERESSIG company with which the Contractual Partner concludes the contract.

5. Times promised by SAUERESSIG 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 SAUERESSIG hands over the item to the forwarding agent, carrier or any other third party commissioned with the shipment.

6. SAUERESSIG 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 SAUERESSIG 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 SAUERESSIG 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 SAUERESSIG to consideration is at risk due to a lack of ability to pay on the part of the Contractual Partner, SAUERESSIG 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 SAUERESSIG 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.

Unless otherwise agreed all preparatory work and materials required for the execution of the order (e.g. sketches, drafts, sample sets, sample prints, specimens, 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 Contracting 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 SAUERESSIG.

10. SAUERESSIG shall retain ownership or copyright of the drawings, illustrations, calculations, descriptions and other documents provided by SAUERESSIG. The Contractual Partner may neither make these documents accessible to third parties nor use or reproduce them itself or through third parties without SAUERESSIG's consent. The Contractual Partner shall return these documents to SAUERESSIG 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 shall 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 SAUERESSIG against corresponding third-party claims.

Changes to reproduction templates, transfer films, repro data and data carriers or tools etc. duly created by SAUERESSIG 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 SAUERESSIG hands over preliminary services and intermediate products to the contracting partner at the latter's request without also supplying a reproduction tool, the contracting partner shall remunerate these preliminary services or the intermediate product in accordance with the valid list prices.

Unless expressly agreed otherwise, SAUERESSIG 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 SAUERESSIG as a 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 SAUERESSIG shall be stored for a maximum of five years. However, due to the expected technical progress SAUERESSIG 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 SAUERESSIG to third parties with SAUERESSIG's consent. This shall not apply insofar as monetary claims against SAUERESSIG are concerned.

13. SAUERESSIG's liability for damages shall be limited in accordance with the following provisions insofar as fault is relevant in each case:

SAUERESSIG 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 SAUERESSIG 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 coverage amount of the liability insurance which SAUERESSIG maintains at least to the extent customary in the industry.

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

SAUERESSIG shall not be liable – by way of clarification to this extent – for damage to printing and embossing cylinders that occurs during the processing of the surface according to the rules (in particular through de-chroming and re-chroming or re-grinding). Insofar as SAUERESSIG provides technical information or advises to the Contractual Partner and this information or advice is not part of the contractually agreed scope of services owed by SAUERESSIG this shall be 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 of the SAUERESSIG company concluding the contract shall have jurisdiction for all disputes arising from contracts with SAUERESSIG. SAUERESSIG shall also be entitled to bring an action before the courts at the registered office of the Contractual Partner.

II. Delivery Conditions

The following terms and condition of delivery shall apply to all items delivered by SAUERESSIG, in particular to the delivery of machines and systems or parts thereof as well as printing cylinders, printing forms, flexographic printing forms (flexographic printing plates, flexographic printing sleeves), embossing cylinders (embossing rollers, embossing forms) printing and embossing plates, nickel sleeves, stencils, artwork (repro and design) and generally reproduction tools, technical rollers and steel cores 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 the **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. SAUERESSIG shall additionally charge the costs for necessary adaptations of the Delivery Item to the production-related requirements of the Contracting Party which only arise during the commissioning of the Delivery Item according to the actual expenditure. In addition, the Terms and Conditions of Assembly pursuant to Section III. shall apply additionally to such work.

3. Deliveries shall be made ex works. A delivery period specified by SAUERESSIG shall commence on the date of the order confirmation by SAUERESSIG, 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 SAUERESSIG 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 SAUERESSIG 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 SAUERESSIG at the express request of the Contractual Partner and at the Contractual Partner's expense.

5. SAUERESSIG 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 SAUERESSIG 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 SAUERESSIG does not receive a notification of defects 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 SAUERESSIG 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 SAUERESSIG carriage paid. If the notification of defects is justified SAUERESSIG shall reimburse the costs of the most favourable shipping route. This shall not apply insofar as additional costs arise 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 SAUERESSIG 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. SAUERESSIG shall not be liable for certain properties of the intermediate and end products which are produced with Delivery Items manufactured by SAUERESSIG in accordance with the contract; this shall also apply in particular to colour and sample impressions which deviate slightly from the template.

If the Delivery Item is to become part of a production line SAUERESSIG shall not warrant that the Delivery Item can be integrated into the production line in terms of process and production technology in accordance with the expectations of the Contractual Partner and that the product intended by the Contractual Partner can be manufactured together with the other parts of the production line.

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 SAUERESSIG 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 SAUERESSIG cannot remedy for factual or legal reasons, SAUERESSIG 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 SAUERESSIG 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 SAUERESSIG 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 all current and future claims of SAUERESSIG against the Contractual Partner (including balance claims from a current account relationship limited to this delivery relationship).

The item delivered by SAUERESSIG to the Contractual Partner shall remain the property of SAUERESSIG 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 shall hereinafter be referred to as the **Reserved Goods**.

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

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 SAUERESSIG as the manufacturer. SAUERESSIG 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 SAUERESSIG should occur the Contracting Partner shall already now transfer its future ownership or – in the aforementioned ratio – co-ownership of the newly created item to SAUERESSIG 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 SAUERESSIG shall insofar as the main item belongs to SAUERESSIG transfer to the Contractual Partner pro rata co-ownership of the uniform item in the aforementioned ratio.

In the event of resale of the Reserved Goods the Contractual Partner hereby assigns to SAUERESSIG by way of security the resulting claim against the purchaser – in the event of co-ownership of SAUERESSIG 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. SAUERESSIG revocably authorises the Contractual Partner to collect the claims assigned to SAUERESSIG in its own name. SAUERESSIG 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 SAUERESSIG's ownership and inform SAUERESSIG thereof in order to enable SAUERESSIG to enforce its ownership rights. Insofar as the third party is not in a position to reimburse SAUERESSIG for the judicial or extrajudicial costs incurred in this context the Contractual Partner shall be liable for these.

SAUERESSIG 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 SAUERESSIG'S discretion.

If SAUERESSIG 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**), SAUERESSIG shall be entitled to demand the return of the Reserved Goods.

III. Assembly Conditions

The following terms and conditions apply to the assembly of machines and equipment or parts thereof as well as printing and embossing cylinders by SAUERESSIG.

1. The Contractual Partner shall take the necessary precautions to protect persons and property at the place of assembly. The Contractual Partner shall inform SAUERESSIG of the safety regulations to be complied with at the place of assembly.
2. The Contractual Partner shall provide SAUERESSIG with appropriate support during the assembly at its own expense, in particular as follows:
 - The Contractual Partner shall provide the necessary assistants (bricklayers, carpenters, locksmiths, electricians, other skilled workers, labourers etc.). The assistants shall follow the instructions of the installation manager. SAUERESSIG shall not assume any liability for the assistants unless a defect or damage has been caused by the assistants on the basis of the instructions of the installation manager; Section I. No. 13 shall apply.
 - The Contractual Partner shall perform all clearing, earthwork, construction, embedding and scaffolding work required for the assembly and procure the necessary building materials. The Contractual Partner shall secure the place of assembly.
 - The Contractual Partner shall provide the necessary devices and heavy tools (e.g. lifting tools, compressors) as well as commodities and materials (e.g. scaffolding timbers, wedges, underlays, cement, plaster and sealing material, lubricants, fuels, cross-wiring cables).
 - The Contractual Partner shall ensure the heating, lighting, operating power and supply of water to the place of assembly, including the necessary connections.
 - The Contractual Partner shall provide necessary lockable rooms for the storage of the fitters' tools.
 - The Contracting Party shall provide all materials and information and perform all other acts necessary for the adjustment of the machine or equipment and for the performance of a test as provided for in the contract.

If the Contractual Partner fails to comply with its obligations SAUERESSIG shall be entitled, after giving notice to the Contractual Partner and setting a reasonable deadline, to carry out the actions incumbent on the Contractual Partner in its place and at its expense.

3. If testing of the machine or equipment has been agreed the assembly period shall be deemed to have been complied with if the machine or equipment is ready for testing within the assembly period.
4. The Contractual Partner is obliged to accept the installation as soon as the Contractual Partner has been notified of its completion and any contractually stipulated testing has been successful. Acceptance may not be refused due to insignificant defects.
5. If the Contractual Partner is in default with the acceptance of the assembly work the acceptance shall be deemed to have taken place after twelve working days have elapsed since notification of the completion of the assembly (cf. No. 4 above). If the Contractual Partner has used the assembled machine or equipment without acceptance, acceptance shall be deemed to have taken place after the expiry of six working days after the start of use. In these cases, the Contractual Partner must assert reservations due to recognisable defects by the aforementioned dates at the latest.
- (6) In the event of defects in the installation services, Section II. No. 7 and No. 8 shall apply accordingly.

IV. Repair Conditions

The following terms and conditions apply to all repair services carried out by SAUERESSIG or by third parties commissioned by SAUERESSIG. The terms and conditions do not apply if repairs are carried out within the scope of claims for defects by the Contractual Partner.

1. A cost estimate requested by the Contractual Partner shall only be binding if it is submitted by SAUERESSIG in writing and designated as binding. The services required to submit the cost estimate shall be charged to the Contractual Partner insofar as the repair is not carried out or they cannot be utilised in carrying out the repair.
2. If it becomes apparent during the repair that the expected costs of the repair exceed the non-binding estimated costs and are not in an economically justifiable proportion to the current value of the item to be repaired SAUERESSIG shall inform the Contractual Partner of this without delay. The same shall apply to defects that are only discovered on the occasion of the repair and were not previously included in the scope of the repair order.

3. The item shall only be restored to its original condition after a termination of a repair for which SAUERESSIG is not responsible at the express request of the Contractual Partner and against reimbursement of the costs incurred as a result thereof.

4. When calculating the repair the prices for parts used, materials and special services as well as the prices for labour, travel and transport costs shall be shown separately in each case. If the repair is carried out on the basis of a binding cost estimate, a reference to the cost estimate shall suffice, whereby only deviations in the scope of services shall be listed separately.

5. The repair shall be carried out in the factory of the SAUERESSIG company. During the repair in the factory there is no insurance cover by the company insurances of SAUERESSIG. The Contractual Partner shall therefore independently ensure insurance cover for the item, e.g. with regard to fire, mains water, storm and machine breakage insurance. If SAUERESSIG returns the item at the request of the Contractual Partner this shall be at the Contractual Partner's expense. Section II. No. 4. shall apply accordingly. If the repair is carried out at the premises of the Contractual Partner the Contractual Partner must support the employees of SAUERESSIG in carrying out the repair at his own expense in accordance with Section III. No. 2.

6. With regard to deadlines, acceptance and defects in the repair services, Section III. No. 3. to No. 6. shall apply accordingly.

7. SAUERESSIG shall retain ownership of all spare parts used in accordance with Section II. No. 10. Furthermore, SAUERESSIG shall be entitled to the entrepreneur's lien in accordance with Section 647 of the German Civil Code (*Bürgerliches Gesetzbuch – BGB*). If SAUERESSIG is not in good faith with regard to the Contractual Partner's ownership of the object to be repaired, SAUERESSIG shall have a lien on the Contractual Partner's rights to the object to be repaired. The right of lien can also be asserted on account of claims from work carried out earlier, spare parts deliveries and other services insofar as they are connected with the object to be repaired. The right of lien shall only apply to other claims arising from the business relationship insofar as these are undisputed or have become legally binding.