

## GENERAL TERMS OF DELIVERY 01/2002

### 1. Validity of Terms / Offers

These General Terms of Sales shall be exclusively valid for our (\*) existing as well as for our future offers, contracts, including contracts for services, deliveries, consultation services, proposals and other additional services even if the customer/purchaser/contract partner is not explicitly advised thereof in later contract conclusions. Differently worded terms by the customer, especially customer's conditions of purchase which we do not explicitly acknowledge in writing will not become the substance of a contract – either wholly or in parts – even if they are not again opposed to after receipt by us. Oral engagements, promises, assurances and guarantees shall require written confirmation for their validity. Our offers shall be non-binding and revocable by us anytime until receipt of our written order confirmation at the purchaser's, unless our delivery of goods to the purchaser made it apparent that we accepted the offer.

### 2. Prices - payment - Small contract orders

The prices on which our offers are based shall be non-binding, they shall be understood ex works and – provided there are no other agreements – without packaging, value-added tax, freight and insurance costs. Unless otherwise agreed, the prices in our quotations are quoted non-binding, ex works and, except when otherwise stipulated, excluding packaging, VAT, transport and insurance costs. For goods not yet delivered, we shall reserve an increase of the stipulated price if – due to a change of the raw materials and/or economic situation – circumstances arise which render manufacture and/or purchase of the products concerned considerably more expensive versus the time of the price agreement. In this case, purchaser may oppose the price increase in writing within two weeks after notification. Otherwise, the new price shall be considered approved. In case of opposition, we shall be entitled to rescind the contract. Unless otherwise agreed upon or indicated in our invoices, the purchase price shall be immediately due and payable after delivery without deduction of a discount and in such a manner that the amount is at our disposal on the due date. Purchaser shall bear the costs of the money transfer. Purchaser shall only have a right of retention and a right of set-off insofar as his counterclaims are uncontested or have been non-appealably established. If the period of payment is exceeded or in case of arrears, we shall charge interest in the amount of 8% points above the basic interest rate, unless higher interest has been agreed upon. We shall reserve the right to claim additional damage caused by default. If it becomes apparent after contract conclusion that our payment claim is jeopardized by the purchaser's inability to pay, we shall be able to claim the rights under § 321 BGB (German Civil Code) (plea of uncertainty). We shall then also be entitled to make due and payable all receivables from the business relationship with the purchaser which have not yet become statute-barred. Otherwise, the plea of uncertainty shall extend to all further outstanding deliveries and services from the business relationship with the purchaser. Any discount agreed upon shall always relate only to the invoice value, excluding freight and packaging and shall require the full balance of all due and payable liabilities by purchaser at the time of the discount. Checks and bills shall only be accepted on account of payment. Bills shall only be accepted on the basis of a prior agreement; in this case, the usual banking charges shall be separately invoiced. Administrative expenses of 20.00 EURO shall be invoiced for orders of a purchase value of up to 100.00 EURO. The provisions of this clause shall also apply for installment agreements.

### 3. Performance of deliveries and services; Delivery periods and due dates

Our delivery/service obligation shall be subject to the proviso of our obtaining our own proper and on-time delivery, unless the incorrect or delayed delivery for ourselves was not caused by our own fault. Information regarding delivery periods shall be approximate and are understood to be non-binding until receipt of the written order confirmation at the purchaser's. We shall reserve the right of interim sale. Otherwise, delivery periods shall be specified according to our best knowledge and belief and complied with as far as possible. We shall complete orders of special articles true to specimen if reference was made to the specimen.

The delivery period shall begin with the date of our order confirmation; not, however, before the complete performance of cooperation obligations which are possibly to be rendered by purchaser – in particular: furnishing documentation, permits, releases, issuing declarations, provision or faultless installation of devices, provision of personnel, and also not before receipt of a stipulated advance payment. Events of force majeure shall entitle us to postpone delivery or service – even in case of bindingly stipulated due dates and periods – for the duration of the obstruction plus a reasonable startup period, or to withdraw from the contract wholly or in parts due to the part not yet performed. This shall also apply if such events occur during an existing delay. Force majeure shall be equivalent to: especially subsequent difficulties in the procurement of materials, operational and/or production disorders which were not caused by us, strike, lock-out, lack of personnel, obstruction of traffic routes, heavy frost or similarly extreme climatic conditions; fire, fire or commercial policy and other national measures as well as all other circumstances of whatever type as far as they are not caused by our fault and as far as such circumstances demonstrably have a considerable effect on the delivery or service. This shall also apply if the circumstances occur at our subcontractors. If, due to the aforementioned events, the contract performance becomes unreasonable for one party to the contract – especially if performance of the contract in its essential parts is delayed by more than 3 months – the party concerned may rescind the contract if a reasonable grace period was not complied with which had been given by means of a registered letter. Purchaser shall not be entitled to damage claims in case of rescission of the contract – whether it was declared by us or by the purchaser. This shall not apply if we are charged with intent or gross negligence. If shipment is delayed upon the purchaser's request, we may invoice him – starting one month after the notice of readiness for shipment – the costs incurred by the storage, at least in the amount of the locally standard storage rental. In case of storage with us, we shall be entitled to invoice a lump sum without itemized costs. This shall be according to a %rate of the net invoice amount and shall be 8 % above the corresponding basic interest rate by the ECB. These storage costs shall be due for payment monthly, in advance in each case. We shall reserve the right of rendering itemized proof of higher storage costs. This shall be independent of whether the costs are incurred due to storage with us or with third parties.

### 4. Shipment - Passing of the risk

We shall determine shipment route and means, as well as forwarder and carrier. Unless otherwise agreed upon, shipment shall be at the purchaser's costs. If transport is impossible or essentially impaired – without our fault – on the intended route or to the intended place in the intended period of time, we shall be entitled to deliver on a different route or to a different place; purchaser shall bear the additional costs incurred. Before that, he shall be given the opportunity to make a statement.

Upon surrender of the goods to a forwarder or carrier, at the latest, however, upon leaving the warehouse or the supplying plant, even if delivery is made directly by our subcontractor, the risk shall pass to the purchaser – even if the risk of attachment of the goods in all transactions, even in case of prepaid and free-domicile deliveries, even if we had still taken over export and/or installation. We shall only take care of insurance upon the purchaser's instructions and costs. The obligation and costs of unloading shall be the purchaser's charge. Without prejudice to his rights in Clause 6, purchaser shall accept delivered articles when they show only minor defects.

If shipment is delayed due to circumstances which are not our responsibility, the risk shall pass to purchaser as of the day of the readiness for shipment. We shall have complied with our delivery obligation upon the completed notification regarding the effected separation and storage which are effected at the purchaser's risk and cost (cf. Clause 6 – period of notice of defects). We shall be entitled to partial deliveries to an acceptable extent. Permitted shall be excess or short-fall quantities of the contractually stipulated quantity, as far as this is customary for the specific industry.

### 5. Call orders

As far as no call intervals and quantities have been agreed upon for call orders, purchaser shall be obligated to call, per month, 1/12th of the total quantity, and we shall be entitled to the corresponding delivery and invoicing. Goods which have been advised as ready for shipment must be immediately called; otherwise, we shall be entitled to send them, after a reminder, at our option at the purchaser's cost and risk, or to store it and immediately invoice it at our discretion. If purchaser calls quantities < 40% of the corresponding interval quantity, we shall also be entitled to store the correspondingly remaining quantity at the purchaser's cost and risk. For contract conclusions with continuous delivery, we shall be advised of variety classifications for approximately identical monthly quantities; otherwise, we shall be entitled to determine this ourselves at our own discretion. If the individual calls exceed the contract quantity altogether, we shall be entitled to deliver the excess quantity but we are not obligated to do so. We can invoice the excess quantity at the prices valid upon call or, respectively, upon delivery.

### 6. Notice of defects and Warranty

Immediately after receipt, purchaser shall examine the goods for completeness and existing defects and possibly wrong delivery (type deviations) and, respectively, for service life. As far as ordered goods are intended for large-scale manufacture or, respectively, for series production, or if major damage or consequential damage is threatened due to quality deviations, technical defects of any kind, purchaser shall immediately satisfy himself as to the delivered goods being in accordance with the technical standard – within the scope of the obligation of examination by means of suitable technical test methods with a statistically sufficient validity; and he shall then immediately advise us in writing of any defects detected. We shall be immediately advised in writing of any incomplete deliveries or defects, at the latest, however, within three working days after passing of the risk or, respectively, delivery. Any defects which cannot be detected even upon the most careful inspection within this period of time shall be advised in writing immediately after their discovery – at the latest before the expiration of the stipulated or statutory period of limitations, and upon immediate stoppage of any possible machining or processing or, respectively, utilization.

After completion of a stipulated acceptance inspection of the goods by purchaser, any complaint of defects shall be excluded which were detectable with the stipulated type of acceptance inspection. In case of a justified, on-time notice of defects, we can optionally either remedy the defect or deliver an article free from defects (post-performance). In case of failure or unjustified refusal of post-performance, purchaser may reduce the purchase price or rescind the contract after a reasonable period of time was given and has expired unsuccessfully. If the defect is not major, he shall only have the right of reduction. All rights for material defects shall be inapplicable if purchaser does not give us immediately the opportunity to convince ourselves of the defect, if he does not immediately make available – especially upon request – the objected to goods and samples thereof; or the plant settings, in case of problems arising with the encoding technology. Purchaser shall have no right of claiming defects for goods which have been sold as declassified material (so-called second class quality) with regard to the indicated declassification grounds and those which he must usually expect. Our liability for defects shall be excluded in case of a delivery of used goods. We shall take over the expenditures in connection with post-performance only as far as they are reasonable in the individual case, especially in relation to the purchase price of the goods. We shall not take over any expenditures which are due to the fact that the goods sold have been taken to a place other than the purchaser's registered seat or branch office, unless this would be in accordance with their contractual use. The customer's/purchaser's rights of recourse according to § 478 BGB (German Civil Code) shall remain unaffected. We shall reserve the right to tolerances which are customary in the business, as well as improvements or changes due to further developments.

Measures and weights shall be understood with the tolerances which are customary in the business. We shall reserve the right of quantity deviations of +/- 10 % versus the ordered quantity, with regard to the delivery of highly volatile substances (e.g. inks/solvents). In case of the separation or, respectively, storage of the delivery object, the period for a notice of defect shall be 14 days as of the receipt of our notification to the purchaser regarding the separation or, respectively, storage. Technical properties shall only be considered warranty properties if they have been explicitly designated as warranty properties. Descriptions in data sheets or in the offer / letter of confirmation or in the manufacturer's data sheets shall not be any warranty properties, no more than references to data sheets or DIN regulations. In particular, no warranty shall be assumed for damages which occurred due to the following reasons:

Unsuitable or improper modifications, faulty assembly or, respectively, commissioning by purchaser or third parties, natural wear, faulty or negligent treatment, unsuitable operating media, substitute materials, deficient construction work, unsuitable building ground, chemical, electrochemical or electrical influences, unless we are charged with intent or gross negligence. In these cases, purchaser shall have the burden of proof that the damage incurred was caused by one of the aforementioned circumstances. As far as a special permit, operating license or the like shall be required for the goods' commissioning, installation or further processing and the like, we shall be liable for the capacity of permit etc. only if purchaser had made reference to the corresponding technical requirements already upon contract award, with the inclusion of all directives, ordinances, laws and the like which regulate the required license/permit/operating license etc. Further claims by purchaser shall be excluded, in particular a claim for replacement of damages which did not arise on the delivery object itself, as well as consequential damages, unless they are due to intent or gross negligence. As far as they are not excluded, any possible claims by purchaser due to defects of the delivery object or consequential damages and the like shall be otherwise limited in the amount by our own replacement claim versus our subcontractors or the manufacturer, otherwise limited to the performance interest.

### 7. General limitation of liability

With regard to any breach of contractual or extra-contractual obligations, in particular due to impossibility, arrears, fault in contract preparation and illicit act, we shall only be liable – for our employees and other agents as well – in cases of intent and gross negligence, limited to the contract-typical damage which was foreseeable upon contract conclusion. These limitations shall not apply for faulty breach of essential contract obligations, as far as the achievement of the contract purpose is at risk, in cases of strict liability according to the Produkthaftungsgesetz (Law on Product Liability), in case of damages of life, body and health, and also not if and as far as we maliciously withheld the defect of the object or if we guaranteed the absence of the defect. The regulations regarding the burden of proof shall remain unaffected thereby. We shall not be liable for damages which arise due to the purchaser using our expendable products (e.g. inks, solvents, and the like) after expiration of their service life, or, respectively, if he allows their use. Unless otherwise agreed upon, all claims shall be statute-barred which purchaser has against us due to or in connection with the delivery of the goods, one year after delivery of the goods. Unaffected thereby shall be our liability for intentional and grossly negligent breaches of obligation, as well as the statutes of limitations of statutory recourse claims. In cases of post-performance, the statutes of limitations shall not begin to run anew.

### 8. Reservation of ownership

We shall reserve the right of ownership in the delivery objects until receipt of all payments from the current business connection (conditional goods). The ownership reservation shall also extend to the acknowledged balance (conditional balance) as far as we book receivables versus purchaser into the current account and it shall also extend to receivables which are substantiated unilaterally by the receiver in insolvency by way of performance selection. We shall be entitled to insure the delivery objects at the purchaser's costs against theft, breakage, fire, water and other damages, unless purchaser himself has demonstrably taken out such insurance. Purchaser may neither pledge the delivery objects nor transfer their ownership by way of security. Purchaser shall notify us immediately – by sending us the documents available to him (e.g. seizure records) – in case of impairment or threatening imperilment of our ownership in the conditional goods due to third parties, especially in case of seizure or attachment of the goods; and purchaser shall advise the third party of our ownership. Purchaser shall be charged with the costs incurred by the impairment of the rights. This shall include, in particular, the costs of reversal of the seizure and/or the return transport of the conditional goods. In case of purchaser's contract-breaching conduct – especially in case of default in payment – we shall be entitled to take back the goods and the purchaser shall be obligated to surrender them.

The same shall apply if it becomes apparent after conclusion of the contract that our payment claim from this or other contracts with purchaser is jeopardized by his inability to pay. Our claim of reservation of ownership as well as our taking back the delivery object shall not be considered a rescission of contract, unless this had been explicitly agreed upon. The provisions of the Insolvenzordnung (Insolvency Act) shall remain unaffected. The attachment of the delivery object by us shall always be a rescission of contract. Processing or transformation of the delivery object by the purchaser shall always be done for us within the meaning of § 950 BGB (German Civil Code) without obligating us.

If the delivery object is processed with other objects not belonging to us, we shall have co-ownership in the new object, at the ratio of the delivery object to the other processed objects at the time of processing. For the object which was developed through processing, the same shall incidentally apply as for the conditional goods. If the delivery object is inseparably mixed with other objects which do not belong to us, we shall acquire co-ownership in the new object at the ratio of the value of the delivery object to the other objects mixed at the time of the intermixture. If intermixture is done in such a manner that the purchaser's object is to be considered the major object, it shall be considered agreed that the purchaser shall assign to us co-ownership on a pro-rated basis. Purchaser shall safe keep the sole ownership or the co-ownership object at no cost for us.

Purchaser shall be entitled to further sell the delivery object in proper business dealings; however, he shall now already assign to us all claims in the amount of the invoice which he shall have – due to the further sale – versus his sub-purchasers or versus third parties; and this shall be irrespective of whether the delivery object has been further sold without or after processing. Purchaser shall be authorized to collect this claim even after this assignment. Our right to collect the claim on our own shall remain unaffected thereby; however, we shall be obligated not to collect this claim as long as purchaser properly meets all his payment obligations and is not in arrears of payment. In case of arrears, we can demand that purchaser discloses the assigned claims and their debtors, that he makes the required statements, hands over the pertinent documents and notifies debtor (third party) of the assignment. We shall be obligated to release, upon purchaser's request, the securities he is entitled to insofar as their value exceeds by more than 50% the claims still to be secured, including incidental claims (interest, costs, and the like) as far as these are not yet paid.

### 9. Modification of presentation

Not allowed shall be a modification of the presentation, in particular blistering of the goods delivered under our company logo. For any case of non-compliance by purchaser, we shall be entitled to charge a contract penalty in the amount of 10% of the purchase price of the goods which are provided with the modified presentation or blistering, respectively. We shall reserve the right to claim further damage.

### 10. Secrecy

The contracting parties shall be obligated to treat confidentially all business and operating secrets which they gained knowledge of within the scope of order handling; and they shall be obligated to secrecy versus third parties. The parties shall advise their respective employees that the corresponding data protection laws are to be complied with – in Germany, especially the Bundesdatenschutzgesetz (Federal Data Protection Law). Purchaser shall authorize us to include purchaser's company name into possibly reference and/or user lists and to make these accessible to interested parties for advertising purposes.

### 11. Place of performance - Legal venue - Applicable law

Our registered business office\* shall be the place of performance for deliveries and services. Agreed upon as legal venue shall be our registered office – even for legal actions regarding check and bills, as well as any disputes arising directly and indirectly from the contract relationship, and also for summary court proceedings for orders to pay debts – as far as purchaser is a fully qualified merchant, a legal entity under public law or a public-law special fund. We shall also be entitled to bring action at the purchaser's registered business office. In addition to these Terms, German law shall exclusively apply for all legal relationships between us and the purchaser.

As far as – without this applicable law – the provisions of the Convention regarding contracts regarding the international sale of goods (CISG) of April 11, 1980 would be applicable, they shall be excluded herewith in their entirety.

### 12. Miscellaneous

If a purchaser who has his residence outside of Germany (foreign purchaser) or his agent picks up the goods, or transports or ships them abroad, purchaser shall supply us with the proof of export which is required for taxation. If this proof is not supplied, purchaser shall pay the sales tax on the amount of invoice which is applicable for delivery within Germany. In case of deliveries from Germany into other EU member states, purchaser shall advise us, prior to the delivery, of his sales tax identification number under which he does the earnings taxation within the EU. Otherwise, he shall pay for our deliveries – in addition to the stipulated purchase price/performance price – the amount of sales tax statutorily owed by us. For invoicing deliveries from Germany into other EU member states, the sales tax regulations of the corresponding receiving member state shall be applied if either the purchaser is registered for sales tax in another EU member state or if we are registered for sales tax in the receiving member state. In case of the invalidity of a liability restriction or an exclusion of liability of these general terms of business, especially in the area of minor negligence, our liability shall be limited to the contract-typical, foreseeable damage. Not transferable shall be the purchaser's right under the legal transactions performed with us. Should any of the aforementioned clauses incidentally prove to be void, the validity of the others shall remain unaffected thereby. We shall be free to replace void provisions – as far as legally allowed – by such clauses which come closest to the intended economic purpose.

\* Fa. „WOLKE“ Inks & Printers GmbH, Hersbruck, Deutschland