

General Terms and Conditions of Business, Delivery and Performance TLS Anilox GmbH, Salzkotten, Deutschland

I. General terms and conditions

1. Conclusion

- 1.1 These General Terms and Conditions of Business, Delivery and Service - hereinafter referred to as GTC - apply to all our contracts, deliveries and services of any kind, unless they are amended or excluded with our express written approval.
- 1.2 Our General Terms and Conditions shall also apply to all future orders of the buyer (any buyer will be referred to as such in the following) regardless of whether we refer to them in every individual case.
- 1.3 The buyer's terms and conditions of purchase are hereby expressly rejected. They shall not be accepted even if we do not expressly object to them again receipt. Our terms and conditions are considered as acknowledged no later than with the acceptance of our goods or services.
- 1.4 Our offers are subject to confirmation. Incoming orders, agreements, confirmations and subsidiary agreements including suspensions and cancellations shall become legally binding only by our written confirmation.
- 1.5 Documents attached to the offer, such as e.g. illustrations, drawings, weight and performance specification, dimension, cost and quality data, brochures, advertising materials and spare parts catalogs etc. are only approximate if they are not explicitly termed as binding. Unless expressly declared by us otherwise, this and other information about characteristic properties do not constitute guaranteed properties. We retain ownership and copyright of all quotation documents. They may not be made accessible to third parties and must be returned on request.
- 1.6 Our General Terms and Conditions of Business shall exclusively apply to companies as defined in § 310 para. 1 BGB (German Civil Code).

2. Prices, payments, collaterals

- 2.1 Unless otherwise agreed, prices are net, ex works, without packaging or insurance.
- 2.2 The buyer may not retain any payments or offset any counter claims which are contested by us and have not become res judicata.
- 2.3 If the buyer is entitled to claims against us, our claims shall become due upon maturity of our liabilities and can be settled by us on the value date.
- 2.4 We shall accept discountable bills of exchange only by specific agreement on account of payment. Credit notes against bills of exchange and checks are issued subject to receipt of payment minus expenses at the value on

the day we are able to access the exchange value. If payment terms are not met, an interest rate of 3% above the respective German Central Bank discount rate will be charged, unless the buyer proves to us that a loss or damage in this amount did not occur. We reserve the right to assert claims for further damages - including interest loss.

- 2.5. Should we become aware of circumstances which reduce the credit standing of the buyer, all our receivables – as far as they are not affected by a statute of limitations or an acknowledged defect - shall become due immediately, irrespective of the maturity date of any accepted and credited bills of exchange.

If the buyer does not comply with the terms of payment, without there being circumstances for a reduced credit standing, the same shall apply to all receivables naturally economically connected with the receivable that was not fulfilled by the buyer according to the conditions. In such a case, we are also entitled to carry out outstanding deliveries which are in a natural economic connection with the respective claim only against advance payment or provision of security and to withdraw from the contract after a reasonable grace period or to claim compensation for non-performance. We may further prohibit the sale of the goods delivered under retention of title and demand their return at the buyer's expense, take them back and, if necessary, enter the buyer's premises and remove them, and revoke the direct debit authorization in accordance with 3.6.

- 2.6. We are entitled to demand adequate securities for our claims at any time, even if they are conditional or temporary. The buyer agrees that securities provided to us are liable for our receivables.
- 2.7. We reserve the right to a corresponding price increase, if the goods are delivered more than four months after conclusion of the contract and if any price increases for materials or wages not foreseeable at the time of conclusion of the contract occur in the meantime. If the buyer rejects the price increase, we are entitled to withdraw from the contract to the exclusion of damages.
- 2.8. As far as transport costs are included in our prices, these are based on the transport and freight costs upon conclusion of the contract. In addition, guaranteed freight conditions and normal unimpeded transport conditions are assumed. Additional costs based on general increases in freight and transport costs compared to the date the contract was concluded as well as transport surcharges shall be borne by the buyer. The same shall apply to additional costs resulting from transport obstructions, changes in means and routes of transport as well as defective freight. However, the buyer shall not be liable for these additional costs if we are responsible for them or if price surcharges for these complications were agreed upon; the latter, however, only with regard to the complications the surcharges apply to.
- 2.9. Insofar as customs duties, import sales tax, consulate fees, freight, insurance premiums and other additional costs are included in the prices, increases and additional new costs incurred after conclusion of the contract shall be borne by the buyer, unless we are responsible for them.

3. Retention of title

- 3.1 All deliveries remain our property (goods subject to retention of title) until all claims to the extent they have already incurred have been settled. This also applies to payments made for specially designated claims. In the case of current accounts, the reserved title shall be deemed security for our outstanding balance.
- 3.2 Processing and treatment of the goods subject to retention of title are carried out for us, so that there will not be any acquisition of ownership according to § 950 BGB. If the reserved goods are processed with or inseparably mixed with other items not owned by us, we shall acquire co-ownership of the new item in the ratio of the invoice value of the reserved goods to the invoice value of the other goods at the time of processing or mixing. The resulting co-ownership shall be considered to reserved goods.
- 3.3 Until revoked, the buyer may keep the reserved goods on a loan basis for us and only sell them in the ordinary course of business and under standard business conditions or use them to fulfil contracts for work and services or contracts for work and materials as long as he is not in default.
- 3.4 The buyer is not entitled to pledge the reserved goods or to transfer them by way of security. He must inform us immediately of any attachment of goods or any other endangerment of our rights by fax, e-mail or telephone. The costs of a judicial or extrajudicial intervention shall be borne by the buyer, provided that the intervention was successful and execution on the third-party defendant as cost debtor was not successful.
- 3.5 The buyer's claims from reselling the reserved goods shall be assigned to us immediately. They serve as our security to the same extent as the reserved goods within the meaning of para. 3.1. If goods subject to retention of title are sold with other goods not owned by us after processing, the assignment shall only apply to the amount of our co-ownership share in the sold goods. If the buyer uses the reserved goods to fulfil a contract for work and services or a contract for work and materials, the claim arising from the contract for work and services and work and materials shall be assigned to us in advance to the same extent as provided above.
- 3.6 The buyer is entitled to collect claims from the resale of the reserved goods until revoked by us. We will make use of our right of cancellation and collect the claim ourselves if we may deem this necessary, for example if the buyer is in default or in cases according to 2.5.
- 3.7 The buyer's right to possess the reserved goods expires if conditions of default according to § 326 BGB or § 455 BGB exist. We shall then be entitled to enter the buyer's premises and take possession of our reserved goods and, notwithstanding the buyer's payment and other obligations towards us, make the best possible use of them by private sale or auction. The proceeds of the sale will be credited to the buyer's liabilities after the deduction of costs. Any surplus shall be paid to the buyer.
- 3.8 The buyer of the reserved goods is obligated to insure the reserved goods at his own expense.

3.9 If the retention of title or the assignment is invalid under the law of the country where the goods are located, the security corresponding to the retention of title or the assignment in this country shall be deemed agreed. Should the cooperation of the buyer be required, he must take the necessary measures to substantiate and maintain such rights.

3.10 Should the realizable value of the securities due to us exceed the total accounts receivable against the buyer by more than 10 percent, we shall be obligated to release securities of our choice to the extent of the excess at the buyer's request.

4. Place of performance and jurisdiction

Place of performance is Langenfeld, court of jurisdiction for both parties to the contract is Düsseldorf, incl. legal actions relating to bills of exchange or checks. We are also entitled to sue the buyer at his general or special place of jurisdiction. The above also applies to all those who are liable for the buyer's obligations. The application of German law shall be deemed agreed in any case, with the exception of the law on the international purchase of movable goods and the uniform law on the conclusion of international sales contracts for movable goods, the application of which is excluded.

II. Execution of deliveries

1. Terms of delivery, dates of delivery

1.1 Terms of delivery and dates are always approximate unless expressly agreed as binding in writing.

1.2 The term of delivery begins on the day we confirm the order, but not before all the details of performance and timely provision of e.g. required official certificates as well as the receipt of e.g. an irrevocable letter of credit or bank guarantee have been clarified completely.

1.3 The term of delivery and delivery date refer to the period of dispatch ex works or warehouse. They shall be deemed fulfilled with the timely notification of readiness for dispatch if dispatch is impossible for us through no fault of our own.

1.4 The agreed delivery commitment and contractual obligations shall be extended - even if they were expressly agreed as firm - notwithstanding our rights arising from the buyer's default, by the time period the buyer is in default with his obligations arising from this or any other contract with a direct economic connection with the contract.

1.5 If we ourselves are in default, the buyer has to grant us a reasonable grace period. After the expiration of this grace period, he may withdraw from the contract if the goods have not been reported as ready for dispatch by the deadline.

2. Force majeure

Events of force majeure entitle us to postpone the delivery for the duration of the disruption plus an appropriate start-up period or to withdraw from the contract in whole or - if we have already partially fulfilled it – because of the part of the contract not yet fulfilled. Force majeure shall include circumstances which make delivery significantly more difficult or impossible for us, such as currency and trade policy measures, strikes, lock-outs, operational disruptions, fire, machine breakage, lack of contract materials or energy shortages as well as obstruction of transport routes and lack of supply, regardless of whether they occur on our or a subcontractor's premises. The buyer may demand a declaration whether we want to withdraw or deliver within a reasonable period of time. If we do not explain ourselves, the buyer may withdraw.

3. Acceptance

3.1 Acceptance can only take place at our premises immediately after notification of readiness for dispatch, whereby the buyer bears his own and any acceptance costs initiated by him; costs incurred by us in connection with the acceptance shall be charged at a T&M basis unless they were expressly agreed to be part of the purchase price.

3.2 If an acceptance to be arranged by the buyer is not performed, or not performed in time or not completely, we are entitled to dispatch the goods without acceptance or to store them at the buyer's expense. The goods shall be deemed accepted once they have been dispatched or stored and, as well as after an acceptance, shall be deemed delivered according to contract in every respect.

4. Dispatch, packaging and transfer of risk

4.1 We determine the trucking company or carrier.

4.2 If loading or transport of the goods is delayed for reasons the buyer is responsible for, we are entitled to store the goods at the buyer's expense and risk, to take measures deemed appropriate to maintain the goods and to invoice the goods as delivered. The same applies if goods reported as ready for dispatch are not called within four days. The statutory provisions on default of acceptance shall remain unaffected.

4.3 As far as customary in the trade, we deliver the goods packed and protected against rust; costs are born by the buyer. Packaging, protective and transport equipment are not taken back.

4.4 Transport insurance shall only be granted upon explicit request and at the buyer's expense.

4.5 In the event of transport damage, the buyer must immediately arrange for an ascertainment of facts by the relevant agencies.

- 4.6 The risk passes to the buyer once the goods are handed over to the trucking company or carrier; at the latest, though when they leave the factory or warehouse.
5. Defect; delivery of non-contractual goods
- 5.1 Leaving our plant is decisive for the contractual condition of the goods; in cases where we reserve the right of storage, that of storage.
- 5.2 Notices of defect must be made in writing by the buyer immediately, but no later than within one week after arrival of the goods at their destination. They do not, however, entitle the buyer to withhold the invoice amounts except in the cases regulated in I 2.2.
- 5.3 If the buyer accepts the delivery, future notices of defects which were not made at the time of acceptance are excluded, even though they were or could have been discovered.
- 5.4 Defects which cannot be detected even after careful inspection must be reported in writing immediately upon discovery, with the immediate cessation of any processing. In the case of a legitimate complaint made within the stipulated time, we will either repair the goods or take them back and replace them with defect-free ones. Instead, we may credit the reduced value. If we are in default with the repair or replacement delivery, II 1.5 and 1.6 shall apply accordingly. In all other respects, the warranty for rework or replacement delivery is the same as for the delivery item.
- 5.5 In cases of the absence of assured characteristics, we shall only be liable for damages to the extent that the assurance is intended to protect the buyer specifically against the incurred damages.
- 5.6 If the buyer does not immediately on request provide us with samples of the objected material, the claims for defect become invalid. The same shall apply – also if samples are provided - if the buyer does not permit us or our agent to inspect the material or if he carries out remedial work without compelling reason without having claimed warranty within a reasonable period of time.
- 5.7 The above conditions also apply to the delivery of other contractual goods.
- 5.8 For contracts involving used goods, any warranty and liability is excluded with the exception of those pursuant to II 5.
- 5.9 The following additionally applies to contract and finishing work:
- (a) We are not liable for rejects (shortages and/or processing defects) of up to 3% of the total quantity of parts to be processed or damage due to rejects to this extent.
- (b) Our performance obligation and its warranty implications are limited to contract and finishing work. As far as properties or defects of the provided material impair the quality of our contract or finishing work, warranty claims are excluded. We are entitled, but not obliged, to remedy any defects in the material provided to us

without first notifying the buyer and to charge the buyer for the cost of remediation, unless the costs of remediation are disproportionate to the value.

- (c) If we have to manufacture according to the buyer's design specifications, we shall not be liable for any resulting design defects and their consequences, even if the defects are based on the fact that the design information is unclear or incomplete.
- (d) Should the provided material be damaged on our premises by processing or by other circumstances or become unusable, we are liable only up to the value of the material that has become unusable, if the requirements according to III. of these conditions exist.

III. General limitation of liability

- 1. Unless otherwise provided for in these terms and conditions, we shall be liable for compensation due to breaching contractual or non-contractual obligations only in cases of intent or gross negligence. However, we shall only be liable for intent and gross negligence on the part of vicarious agents if they violate essential contractual obligations.
- 2. We shall not be liable for damages not occurred to the goods themselves – unless otherwise regulated under II. 5.5 above. Furthermore, we are only liable for damages typical for the contract and foreseeable ones, but not for typical and excessive damages.
- 3. Claims under the Product Liability Act remain unaffected.

IV. Industrial property rights

- 1. If we have to deliver objects according to drawings, models or samples provided by the buyer, the buyer shall guarantee that the property rights of third parties are not infringed by the production and delivery of the objects.
- 2. If we are prevented by a third party from producing or supplying objects manufactured according to drawings, models, or samples supplied by the buyer with reference to proprietary rights held by said third party, we shall be entitled to stop the delivery of products and demand compensation for the costs incurred without any obligation to review the legal situation and to the exclusion of all compensation claims of the buyer. The buyer undertakes to immediately release us from any third-party compensation claims due to the infringement of property rights. The buyer shall make an appropriate advance payment at our request and reimburse us for all direct and indirect damages arising from the infringement and assertion of any property rights.

3. Samples, drawings, films and data submitted to us will be returned on request only. If an order fails to materialize, we are permitted to destroy samples, drawings, films and data twelve months after submission of the offer.
4. All the designs, proposals, models or samples generated by us are our intellectual property. We reserve all rights arising thereof, particularly those for patent applications, utility patents and the like as well as all rights of reproduction. Without our express consent, none of the proposals, models, samples etc. may be made accessible to third parties.

V. Tools/Molds/Data

Tools or molds manufactured by us or by third parties on our behalf remain our property. Tools or molds already paid in full by the buyer are and remain his property and shall be used only for his purposes. We are committed safely to store the tools for subsequent orders in a safe place and to handle them with care. We are not liable for damages occurring to tools or molds despite proper handling. We shall not bear any maintenance costs. Our storage obligation expires twelve months after the last order placed by the buyer.

VI. Miscellaneous

1. Export certificate

If a buyer who is not a resident of the Federal Republic of Germany (foreign-territory buyer) or his authorized representative collects goods and transports or ships them to the foreign territory, the buyer must provide us with the export certificate required for tax purposes. If this proof is not furnished, the buyer has to pay the VAT rate of the invoice amount valid for deliveries within the Federal Republic of Germany.

2. Place of performance, court of jurisdiction, governing law

1. Place of performance and court of jurisdiction for deliveries and payments (including actions on checks and bills of exchange) as well as all disputes arising between us and the buyer from the sales contracts closed between us and the buyer shall be our company headquarter. We are entitled, though, to also sue the buyer at his place of residence and/or business.
2. Relations between the contracting parties shall exclusively conform to the governing law of the Federal Republic of Germany. The application of the UN Convention on Contracts for the International Sale of Goods (CISG) is excluded.