

CONDITIONS OF SALE

1. This Sales Contract is subject to the general terms of business stipulated hereunder and shall override and take the place of any other terms and conditions of the client. Varying or additional arrangements shall only be effective if agreed upon in writing.

2. Our offers are subject to alteration. A sales contract is concluded when the client has received our written acknowledgement of the order. The order will be executed as set out in this written acknowledgement. The client's orders shall be based upon prices and rebates valid at the time of delivery. The delivery terms are fixed as ex works.

3. The contractor, on behalf of the client, undertakes to carefully execute the shipment of the order but shall not be held liable for any default except for wilful damage or negligence. Insurance of the merchandise is subject to the currently applicable transportation terms and conditions of the carrier and shall be paid for by the client.

If not otherwise explicitly agreed in writing, the indicated dates of delivery are only approximate dates of planned delivery and are not binding on the contractor. The contractor may only be held liable if the contractor is at fault or fails to observe the delivery date which has been explicitly agreed on and confirmed in writing.

For any delay in executing the order, NOTES shall be granted a reasonable time extension. If this time limit expires without the contractor having executed the order, the client is free to cancel the order. Any indemnification claimed from NOTES shall not exceed the equivalent of the value of the order (own fundings, except for outlay, preliminary work and materials).

Breakdowns - occurring either at the contractor's own facility or at the facility of any of the contractor's suppliers - especially caused by strikes, lockouts, war, uprisings or any other cases of force majeure, shall not entitle either party to cancel the contract. The principles on the discontinuation of the inherent basis of the contract shall remain unaffected.

The risk that the goods may be accidentally destroyed shall pass to the client no later than the time that the parts to be shipped are dispatched from the contractor's works, even if delivery is executed in individual stages or if the contractor has assumed additional responsibilities, such as bearing the shipping costs or the cost of delivery. We will store any finished parts at the client's risk. In certain cases the client may be required to bear the cost of an insurance policy to cover the risk of the goods becoming lost or being accidentally destroyed.

4. On delivery, the client is obliged to accept and inspect the goods. Any claims have to be submitted immediately and confirmed in writing within eight days after receiving the goods. Transport damages have to be claimed with the company effecting the delivery (courier service, forwarder, etc.). Moreover, the client shall immediately take all necessary steps to exactly assess the degree of damage and to restrict any further extent of the damage.

5. Proofs are to be checked with regards to their correctness and completeness. The authorisation of a proof made by the client is binding for the final printing and indemnifies NOTES against any printing errors. If the client provides artworks as electronic files the customer holds the full responsibility for content and technical correctness.

6. Following tolerances are acceptable:

- minor technical amendments and amendments of material characteristics
- minor differences of colours
- surplus or short deliveries up to 10%
- differences of position of print up to 0,5% of the sheet size
- quality differences caused by technical circumstances in the responsibility of paper suppliers / manufacturers or by the general conditions of sales of the respective manufacturer / supplier of foils and carbon(less) copy paper, which will be made available upon request.

7. Upon justified claims, NOTES undertakes to either carry out corrective actions and/or replace the goods within and up to the order's money value, at the most, excluding any further demands whatsoever, providing that no warranted characteristics were promised and that the contractor or the contractor's vicarious agents did not act wilfully or with gross negligence. The same applies for any justified claims regarding corrective actions and/or the substitute deliveries. In the event of delayed, neglected or unsuccessful corrective actions or replacement, however, the client shall be entitled to rescind the contract. Any liability for consequential damage shall be excluded, providing that NOTES or its vicarious agents did not act wilfully or with gross negligence.

Defects in part of the order do not entitle the client to submit a complaint about the entire order unless a part shipment means that the complete order is then of no use to the client.

8. Unless otherwise provided for in our acknowledgement, a 2 % discount is granted if the invoice is paid within 14 days of the invoice date. The invoice is to be paid net if settled within 30 days. No discount is granted if older invoices which have become due have not yet been paid.

9. Delays in payment entitle us to charge interest at a rate which is 5 % above the discount rate of the German Bundesbank. The client shall be deemed to have defaulted on payment after the periods of time allowed for payment have expired. It shall not be necessary for an explicit reminder to be sent.

10. Without prejudice to the passage of risk, as set out in clause 3, the objects delivered, together with all accessories and any subsequent deliveries, shall remain the property of the contractor until full and final settlement of the total price or until all the contractor's claims have been paid, even if payment has been made for explicit goods.

Until all the goods have been paid for in full, they shall be deemed to be on loan to the client.

If payment is made by a bill of exchange, the goods delivered shall remain the property of the contractor until the bill has been honoured and all discount and bill charges have been redeemed in full. The client undertakes to immediately notify the contractor if any third parties assert any rights to the objects which have been delivered and are still the property of the contractor. The sale of goods which are under reserved rights of ownership shall be deemed misappropriation. For the reseller it shall be deemed agreed in advance that the claim to the payment of the purchase price by a third party shall be assigned to the contractor. When the third-party has paid the purchase price, the proceeds shall replace the obligation to hand over the goods. The proceeds must then be paid directly to the contractor or must be held in trust and paid into an account to be opened in the contractor's name. Such assignments and securities shall also serve as collateral for any other claims which the contractor may have due to other transactions.

The contractor shall be entitled to notify the third-party buyer that payment is to be made to the contractor. The client shall be obliged to provide the contractor with the information required in order for the contractor to assert its rights vis-à-vis the third-party buyer and to provide the contractor with the necessary documents.

11. Should there be any alterations in the client's financial circumstances, particularly in the event of any signs of a deterioration in the client's credit standing, death, the dissolution or alteration of the client's legal form, or in the case of persons, a change of owner, including the sale of the business, or the failure to pay a claim which has become due, despite a reminder having been sent, the supplier shall be entitled to either demand a security, before or after having shipped the goods, or, if the client fails to provide such a security, to require that any outstanding orders are executed concurrently or to rescind the contract.

12. We assume no liability for any presumed suitability of our products for the purpose which the client envisages.

13. All tools and printing materials produced by us shall remain our property, even if the client has been charged for them separately. The client shall be responsible for the duplication of the printing designs ordered as this is the client's lawful right.

14. The copyright and the right to duplicate with any means of duplication and for any purpose of use of sketches, drafts, originals, films, electronic artworks and similar properties belonging to NOTES remain with NOTES. Re-printing or other duplication, also of deliveries not being subject to a copyright or other protective rights, are forbidden with prior approval by NOTES in written.

15. Sketches, drafts, layouts, machine proofs, samples and similar preparatory works made upon request of the client will be charged even in case of not placing or withdrawing the order.

16. Verbal agreements, modifications of these terms and conditions and any declarations of persons acting on the instructions of the contractor shall only be effective and binding if they are confirmed in writing.
Should any provision of these conditions of sale and delivery be invalid, this shall not affect the validity of the remaining provisions. These conditions of sale and delivery shall apply for all contracts that we enter into.

17. The place of performance for all obligations under this contract is the place where NOTES is domiciled.

If the client should be a full merchant who has been entered in the commercial register, the local court in the place where we are domiciled shall have exclusive jurisdiction in any disputes resulting either directly or indirectly from this contract.

Should we bring legal action against the other party, we shall also have the right to file this suit before the court which has jurisdiction in the place where the debtor is domiciled.

18. These conditions of sale and all legal relations between contractor and client shall be governed by the law of the Federal Republic of Germany. The standard law concerning the international purchase of movable items and the UN Sales Convention do not apply for this contract.