

Conditions of Purchasing (revised February 2010)

I. General, scope of application

1. These conditions of purchase apply for business conducted with the following companies:

- Prinovis Ltd. & Co. KG
- Prinovis Ahrensburg GmbH
- Prinovis Ahrensburg Weiterverarbeitung und Logistik GmbH
- Prinovis Dresden GmbH
- Prinovis Itzehoe GmbH
- Prinovis Itzehoe Weiterverarbeitung und Logistik GmbH
- Prinovis Itzehoe Service GmbH
- Prinovis Nürnberg GmbH
- Prinovis Klebebindung GmbH
- mbs Nürnberg GmbH
- PRINoTec GmbH

They also apply for the following companies, whose business transactions are conducted by the Purchasing Department of Prinovis Nürnberg GmbH:

- rtv media group GmbH

2. Our Conditions of Purchasing (hereinafter referred to as “Conditions”) shall apply exclusively to all orders. For any orders of construction work, the VOB/B (German ordinance for the award and contracting of construction work – General contracting terms and conditions for the execution of construction work) and/or the VOB/C (German ordinance for the award and contracting of construction work – Technical contractual terms and conditions for construction work) shall primarily apply in your area of application.

3. Any of the Supplier’s Conditions that conflict with or are in deviation to our Conditions shall not be acknowledged, unless we have expressly consented to their validity in writing. Our Conditions shall also apply, should we unreservedly accept the delivery in full awareness of the Supplier’s Conditions that conflict with or are in deviation to our Conditions.

4. All agreements made between the Supplier and our company shall ensue in writing. This also applies to the annulment of the written form requirement.

5. Our Conditions shall also apply to all future transactions with the Supplier.

II. Order, documents

1. Our orders shall ensue in writing. The Supplier shall confirm each order in writing, to include binding price and delivery date. Should the confirmation of order deviate, either in whole or in part, from the contents of the order or should it exceed the contents thereof, then the order with its deviating contents shall require our written confirmation.

2. Should the Supplier not accept the order within one week of receipt, we shall then be entitled to cancel said order.

3. As regards correspondence, each order shall be treated separately. All confirmations of order, delivery notes and invoices shall be furnished with our specified order number.

4. At our request the Supplier has to provide additional information as part of a credit check before the order.

III. Execution, Employment of Personnel

1. Only our descriptions, drawings and instructions shall be decisive for the composition and execution of the order. The Supplier shall notify us immediately prior to execution of any concerns on its part with regard to our specifications. Manufacture and delivery may in such case only ensue following further instructions on our part.
2. The units of quantity we order will be gross quantities. The subsidy will already be included therein. Any over-deliveries in excess of this shall only be possible with our express approval.
3. The Supplier shall in principle use its own personnel to carry out/perform its deliveries and services. The Supplier shall, in accordance with the provisions of law, only deploy employees to perform the contractually agreed services who hold a valid work permit for the Federal Republic of Germany or, if the services are not performed in Germany, a valid work permit for the respective country in which the goods are manufactured or the services provided, who are properly registered with the German social insurance institutions or the social insurance institutions of the country in which the goods are manufactured or the services provided, where the services performed by the employees, including the applicable tax and social security deductions are correctly processed for accounting purposes. The Supplier shall pay all applicable tax and social security deductions in full and on time to the relevant collection offices (e.g. social insurance institutions, tax office etc.). The employees have a valid contract of employment with the Supplier and shall be paid according to the applicable regulations in each case. The employees have been instructed by the Supplier to strictly observe the regulations concerning employment protection and general young person's employment protection and the applicable requirements imposed by law or by official bodies in each case. The Supplier shall continuously monitor the observance of the above specifications.
4. The Supplier may only arrange for the service and/or delivery to be carried out in full or in part by a suitable and reliable subcontractor with the prior written consent from us. In this case, there must be confirmation that the subcontractors are obliged to comply with the agreements between the Supplier and our company, in particular concerning secrecy etc. Consent on our part shall restrict neither the obligations of the Contractor/Supplier nor shall it justify any rights of the Subcontractor.

IV. Additions, confidentiality

1. We shall reserve the rights of ownership and copyright to any production documents, which we provide to the Supplier. The documents may not be made accessible to third parties without our express written permission. They shall only be used for the production based on our order. Once the order has been executed, they shall be returned to us unbidden at no charge.
2. The Supplier shall guarantee that no industrial property rights of third parties will be infringed by the delivery and use of the delivered objects. It shall be obligated to completely indemnify us against any claims of third parties.

3. Both Parties shall undertake to treat any business facts and background information, of which they become aware due to the mutual cooperation, as strictly confidential and to refrain from relaying them to third parties.

V. Scope of delivery, delivery time, default in delivery

1. We shall not be obligated to accept partial deliveries. At the same time we shall reserve the right to request the subsequent delivery of missing quantities and to return over-deliveries at the Supplier's expense and risk.
2. Any delivery times we cite shall be binding. The decisive factor for the adherence to the delivery time or the delivery period shall be the receipt of the goods at the point of receipt or use we have cited.
3. Should the Supplier realise that an agreed delivery time cannot be adhered to, for whatsoever reason, it shall immediately notify us in writing of this fact specifying the reasons and the duration of the delay.
4. In the event of a default in delivery of more than one week, we shall be authorised to demand a contractual penalty in the amount of 1% of the order value for each full week (rounding up to a full week will be take place automatically as of the 3rd day after the first week of default), not to exceed a maximum of 10% however. We shall be obligated to declare the retention of the contractual penalty, at the latest when paying the invoice. Moreover, we shall also be entitled to the usual statutory claims.
5. In the event of a default in delivery by the Supplier in connection with an order to be completed by us for a third party by a deadline, an immediate contractual penalty of 15% of the value of the order will apply in deviation from the aforementioned Clause 4 in Section V. Furthermore, the Supplier shall indemnify us to the legally permissible extent for demonstrably resulting consequential damage to third parties with regard to the late completion of the order on account of the fault of the Supplier. We shall be obligated to declare the retention of the contractual penalty, at the latest when paying of the invoice. Further claims based on default shall remain unaffected.

VI. Liability and Acts of God

1. Unless otherwise agreed in a written agreement, liability shall be governed solely by statutory regulations.
2. Act of God shall release the Supplier from its performance obligations for the duration of the interruption and to the extent of the effect thereof. The Supplier shall be obligated, within the scope of that which is reasonable, to immediately provide the necessary information and to adapt its obligations to the changed circumstances in good faith. We shall be released from the obligation to accept the ordered delivery/performance, either in whole or in part, and, inasmuch, shall be entitled to withdraw from the contract, if the delivery/performance is no longer economically realisable at our location due to the delay caused by such circumstances.

VII. Dispatch, transfer of risk and packaging

1. Any delivery within the EU shall ensue pursuant to Incoterms 2000 DDU to the destination point, unless otherwise agreed, and any deliveries to non-EU countries pursuant to DDP to the destination point. Should we, by way of an exception, assume the costs of dispatch, the most cost-effective method of dispatch shall be selected. Unless express dispatch from Prinovis was expressly requested and agreed.
2. All deliveries shall be given to the freight carrier in an adequately packaged state and with the necessary accompanying documentation (transport documents, etc.). A delivery note shall be enclosed with the consignment. Delivery notes, accompanying documentation, accompanying adhesive labels, etc. shall be furnished with our specified order number. In the case of damages and costs resulting from improper packaging, as well as for rearrangements, etc., the Supplier shall be liable. The Supplier shall dispose of the packaging at its own expense.
3. Should it be agreed that we are to take out transport insurance, it shall be incumbent upon the Supplier to promptly inform us of the date of dispatch, type of dispatch, the value of the consignment, the weight, the unit of freight, as well as the weight and dimensions of the largest unit of freight. Should we be unable to take out transport insurance, due to absent or delayed notification, this shall then be taken out at the Supplier's expense. The same shall apply in the case of incorrect or insufficient notifications on the part of the Supplier.

VIII. Assembly

1. When delivering machines and systems, at our request the Supplier shall assume the insertion and assembly. The assembly costs shall be invoiced on receipt of proof at the agreed rates, unless included in the price.
2. During assembly the Supplier shall strictly adhere to all general and special security provisions for the operation; the Supplier shall also obtain all official permits (e.g. in the case of fire-causing work) in advance. Our consent shall first be obtained prior to storing construction and other materials on our premises.
3. The construction and assembly sites shall always be maintained in perfect condition with regard to work safety, and shall be left in a tidy and clean status on a daily basis.

IX. Defect of quality or title

1. All objects delivered by the Supplier and all performances rendered by it must be in compliance with state-of-the-art technology, the relevant statutory provisions and the regulations and guidelines of authorities, professional associations as well as industrial unions, e.g. those of the Association of Property Insurers (VdS). Compliance with generally recognised international standards such as e.g. DIN, ISO, VDI, VDE, CE shall also be mandatory. The Supplier shall be obligated to inform itself of the standards and regulations with which it needs to comply in individual cases. Should deviations to these regulations be necessary in individual cases, the Supplier shall obtain our prior written consent.
2. The delivery shall always be accepted under the reserve of a quantity and quality control. We shall be obligated to inspect the goods for any defects within a reasonable period of time. A notice of defect shall be considered as having been made promptly, inasmuch as it is

received within a period of five workdays of delivery in the case of immediately recognisable defects, or, if defects were not immediately recognisable during an ordinary inspection, within a period of five workdays of discovery at the Supplier's location.

3. In the event of a defect we shall be entitled to all statutory rights even in the case of only negligible deviation from the agreed composition, or in the case of an only negligible adverse effect on the usability. We shall in any case have the right to choose between elimination of defect and re-production (re-performance). Should the Supplier fail to meet its obligation to subsequent fulfilment according to our exercised right to choose within a reasonable period of time, or should the subsequent fulfilment fail, we shall then be entitled to immediate assertion of our rights. The rectification of defect shall be considered as having failed after the first unsuccessful attempt. All necessary expenses for the purpose of rectifying the defect shall be borne by the Supplier. Our claim to fulfilment shall continue to exist until the written or judicial assertion of a claim for damages instead of performance.
4. The warranty shall begin with the acceptance of the delivered objects, should no acceptance ensue, at the time of passage of risk. The period of warranty shall be 24 months, unless otherwise agreed.

X. Prices, invoices, terms of payment

1. The agreed price shall be a fixed price including packaging. The current statutory VAT shall always be posted separately in invoices.
2. Invoices shall be issued in duplicate for each order, at the time of dispatch and/or completion at the latest, and shall be submitted separately to accounting. They must be furnished with our specified order number. Under no circumstances may invoices be included with the consignment of goods.
3. Invoices shall be settled within 45 days net or within the first 5 days of the following month less 3% cash discount. The payment and cash discount period shall begin with the receipt of a correct and auditable invoice and following the complete rendering of the performance.
4. We are entitled to offset all claims by the Supplier and/or his affiliated companies for the purpose of §§ 15 ff. AktG with a legally valid claim or undisputed receivable.
5. Without our prior written consent, which may not be refused without good reason, the Supplier shall not be entitled to assign its claims against us or have them collected by third parties. In the event of extended retention of title, the consent shall be considered as having been given.

XI. Storage of data

We shall store the data vital to processing the business relationship with the Supplier via automatic data processing. The surrender and/or disclosure of these Conditions shall be considered as notification in terms of the Federal Data Protection Act.

XII. General provisions

1. Place of fulfilment shall be the destination point of the performance.

2. Place of jurisdiction, inasmuch as the Supplier is entered as a merchant in the commercial register, shall be the location of the branch office of the person placing the order. The same shall apply, inasmuch as the Supplier has no principle place of business or usual place of residence in the Federal Republic of Germany, should a suit be filed.
3. In principle, the law of the Federal Republic of Germany shall apply. Should this, by way of exception, be unable to apply – for whatsoever reason – the UN Convention on Contracts for the International Sale of Goods (CISG) shall apply exclusively.
4. Any ineffectiveness of one or more of the provisions shall not affect the effectiveness of the remaining provisions in accordance with § 306 of the German Civil Code (BGB).