



# PRINOVIS

## TERMS AND CONDITIONS OF DELIVERY AND PAYMENT

### DEFINITIONS

- » Printer means the party carrying out the Order
- » Customer means the party placing an Order
- » Goods means the Goods, which the Printer produces for the Customer according to the relevant Order
- » Order means the Order placed by the Customer for the production of Goods

### 1. SCOPE OF APPLICATION

- 1.1** All orders are carried out subject to the following delivery and payment conditions ("Conditions"). Any variations or alterations require written agreement. Terms and conditions of the Customer's that differ in content shall not be recognised, even if they are presented by the Customer or enclosed with the Order.
- 1.2** Supplementary agreements, provisions, changes or additions to these Conditions require written confirmation from the Printer in order to be valid. The written form requirement can also only be waived in writing by the printer.
- 1.3** These Conditions apply for business with the following companies:
- » Prinovis GmbH & Co. KG
  - » Prinovis Ahrensburg Weiterverarbeitung und Logistik GmbH
  - » Prinovis Service GmbH
  - » Prinovis Klebebindung GmbH
  - » Prinovis UK Ltd.

### 2. OFFERS AND PRICES

- 2.1** The Printer's offers are non-binding unless they are expressly marked as binding or contain a specific acceptance period. The Printer shall confirm orders with an order confirmation. The order confirmation is required for the contract to go into effect. The details in the order confirmation are binding for the Order in question. The Customer must report any errors in the order confirmation without delay.
- 2.2** Orders must always be finalised in writing. Oral offers from the Printer become binding only after confirmation in writing by the Printer. Changes to the Offer by the Customer are considered to be a new offer and may be accepted or rejected by the Printer.
- 2.3** For Orders with delivery to third parties the party placing the Order is considered to be the Customer, unless a provision to the contrary has been expressly agreed.
- 2.4** Subject to clause 2.6 below, the prices quoted in the Printer's offer are valid for up to two months from the date of the offer, subject to the provision that the Order specifications on which the offer is based remain unchanged. Offers including price lists are strictly confidential and must not be passed on or divulged to third parties. Offers are only valid for the order mentioned in the offer for the date and the Customer or end

customer (in the case of an agency) mentioned in the offer.

- 2.5** Prices quoted by the Printer are exclusive of VAT or other taxes; these are calculated separately. The Printer's prices are quoted ex works. Packaging, freight, postage, customs duties, insurance and other shipping costs are invoiced to the Customer in addition.
- 2.6** Where following the giving of any quote by the Printer or the acceptance of any Order by the Customer, due to matters beyond the reasonable control of the Printer the costs borne by the Printer in fulfilling the Order are increased by any matter including but not limited to the imposition of trade tariffs, adverse changes to the relevant customs environment, additional or increased taxes or other duties, levies or costs, then subject to clause 4.5 below, the Printer shall be entitled to pass such additional costs on to the Customer.
- 2.7** Unless agreed otherwise, all prices are quoted in the currency of the country in which the Printer is based. Payments must also be made in this currency. In cases where the Printer agrees to be paid in other currencies, the Printer shall be entitled to increase the price to be paid in that currency in order to take exchange rate fluctuations between the date of the offer and the date of fulfilment of the Order into account.
- 2.8** The prices quoted in the offer are based on material, personnel and raw materials prices at the time the bid is prepared. For regular and ongoing Orders, the Printer is entitled to adjust prices from time to time in line with reasonably demonstrated fluctuations in materials, personnel and raw materials prices following prior notification to the Customer. This also applies if order placement and order fulfilment take place more than six months apart.
- 2.9** The Printer shall carefully prepare all offers. However, in the event of obvious errors (typographical errors, obvious miscalculations, etc.), the Printer shall be entitled to correct these errors without further liability.
- 2.10** Subsequent changes to the order that the Customer desires are possible with the Printer's approval and within the scope of the Printer's available technology and capacities. Additional costs due to subsequent changes by the Customer's request or additionally ordered services (including associated machine stoppage, costs for obtaining additional paper and costs for shift changes) are invoiced to the Customer additionally. Repeat print proofs requested by the Customer because of negligible deviations to the template also count as subsequent changes, as do scheduling changes desired by the Customer after the order is placed.
- 2.11** Sketches, drafts, typeset proof, print proofs, galley proofs, changes to data delivered or transmitted and similar preliminary work asked for by the Customer are invoiced additionally. The same applies to data transmissions (e.g. via ISDN or DSL).
- 2.12** In case of cancellations, the Customer must pay the Printer for all costs incurred by the Printer up to the point of cancellation or due to the cancellation incl. any stoppage time. Any materials already procured or goods already manufactured must be

assumed and paid for on short notice by the Customer. In addition, for short-notice cancellations (4 weeks before agreed data delivery) an extra processing fee of 10 % of the Order value shall be charged in any case, with the minimum amount being GBP 2,500 (EUR 3,000). The Printer reserves the right to assert claims for further damages.

### 3. PAYMENT

- 3.1** The invoice is issued according to the date of delivery, partial delivery or readiness for delivery. Payments must, as a rule, be received by the Printer without deductions within 10 days from the date of the invoice. Any cash discount agreements do not apply to freight, postage, insurance or other shipping costs. Bills of exchange are only accepted for payment following special agreement and without cash discount. Interest and expenses are to be paid by the Customer. They must be paid by the Customer immediately. The Printer is not liable for the timely presentation, protestation, information and return of the bill of exchange in case of non-redemption, unless the Printer or its agents are guilty of acting with intent or gross negligence. The deadline for any Customer objections to an invoice is 10 days from the date of the invoice.
- 3.2** Appropriate advance payment may be requested for extraordinary preparatory work. Extraordinary preparatory work includes, in particular: Print proof, any editorial and/or reproduction work before the start of printing. For larger orders, the Printer is also entitled to issue interim invoices. If unusually large volumes of paper are used, the Printer is entitled to request immediate payment and/or advance payment.
- 3.3** The Customer must provide details of its creditworthiness on request. If there are indicators (even post-contract) that settlement of the invoice may be at risk due to the Customer's inability to pay, the Printer may demand advance payment as well as hold back Goods not yet delivered and stop further work until an advance payment or another security has been provided. Such an indicator is, for example, a negative credit report by a credit insurer. The Printer also reserves these rights if the Customer defaults on payments for any deliveries that are based on the same legal relationship.
- 3.4** Should a Customer's business situation deteriorate in such a way that further business dealings are not to be expected, at the latest, however, when an application for initiating (preliminary) insolvency proceedings on the Customer's assets, the Printer is entitled to terminate the contract for good cause without notice. This applies also if the Customer defaults on the payment of an invoice more than once.
- 3.5** Default on payment incurs default interest of 8% above the current base rate. The Printer expressly reserves the right to claim further damages due to default. If the Customer does not pay the invoice including additional charges in accordance with clause 2.5 within 10 days of receipt of the invoice and delivery of the Goods, it shall be in default even without a warning.
- 3.6** The Printer is entitled to set off against any amounts owed by the Customer or any member of the Customer's group. The Customer may only balance or exercise a right of retention with undisputed or legally binding claims or claims arising from the same legal relationship.

### 4. PROVISION AND DELIVERY OF SERVICES

- 4.1** Place of order fulfilment is the particular location of the Printer. Delivery occurs EXW executing site of the Printer (Incoterms 2010); if delivery of the Goods is subject to customs clearance and if the Customer cannot perform the required export customs clearance himself, delivery shall occur FCA executing site of the Printer (Incoterms 2010). For the avoidance of doubt the Customer shall be responsible for costs of shipping including any export or import duties and the Printer shall not be responsible for any delays arising as a result of shipment. If the Customer requests shipping of the Goods, the risk is transferred to the Customer as soon as the shipment is handed over to the person carrying out the transport or as soon as the Goods are prepared for shipment in a timely fashion. The Customer is responsible for unloading the Goods at the place of destination.
- 4.2** Delivery dates are target guidelines only and are valid only if expressly confirmed in writing by the Printer. Delivery dates are not fixed dates unless expressly stated as such by the Printer in writing.
- 4.3** If the Printer delays performance of a service, the Customer must give the Printer an appropriate extension date for fulfilment. If the Order is not fulfilled by the extension date, the Customer is entitled to withdraw from the delayed Order provided that the Printer is responsible for the delay. This clause does not change the burden of proof.
- 4.4** If the Customer requests changes to the Order that influence the duration of production, the delivery deadline shall be extended accordingly. The Printer shall inform the Customer about the effects of the changes on the delivery time.
- 4.5** In case of production issues at the Printer operations or those of a subcontractor, e.g. due to strike, lock-out, or any other acts of force majeure (cf. clause 8.3) the agreed delivery time shall be extended by the length of the disruption. If the Customer cannot be expected to accept any further delay, it may cancel each Order which due to one of the aforementioned events cannot be fulfilled by the Printer, or place the Order elsewhere. The Printer cannot be held liable in such cases. If due to matters referred to in clause 2.6 the increased costs passed to the Customer are considered by the parties (acting reasonably) to be material, then the Customer may cancel any Orders which are subject to the increased costs and have not yet been performed in whole or in part by the Printer. The Printer cannot be held liable in such cases.
- 4.6** The Printer is entitled to freely choose the printing site within the Prinovia Group, even if a concrete printing site is stated in the Order. The Printer is also entitled to assign the execution (rights and obligations) of this order to third parties, especially affiliated companies within the Bertelsmann group. The Printer is liable for the agents it hires as for its own culpable conduct.
- 4.7** The Printer has the right to retain print and stamp originals, manuscripts, raw materials and any other items delivered by the Customer until all receivables due from the business connection have been paid in full.
- 4.8** In accordance with its duties as per the applicable packaging law, the Printer shall take back packaging during normal business hours and with sufficient prior notification at its site or immediately after the delivery of Goods (this section does not apply to Prinovia UK Ltd.). The Printer is also entitled to designate another collection point. The costs of transporting the used packaging are borne by the Customer. The packaging accepted

for return must be clean, free of foreign matter and sorted by types of packaging. Otherwise, the Printer is entitled to claim the additional disposal costs from the Customer or to refuse the packaging.

- 4.9** The Printer supports the „Cologne pallet exchange“ (this does not apply to Prinovis UK Ltd). If delivery from the Printer to the Customer is carried out on Euro pallets, the loaded Euro pallets shall become the property of the Customer. The Customer undertakes to return empty Euro pallets of the same kind and quality to the carrier (shipping contractor, freight company) in exchange for the loaded Euro pallets received. The exchange capability is regulated by UIC Standard 435-4. If the carrier does not receive an equivalent return from the Customer, the Customer is obligated to compensate the Printer for the resulting damages.

## 5. SUPPLIES FROM THE CUSTOMER

- 5.1** It is the Customer's responsibility to provide any materials (data, paper, inserts, etc.) on time, free from defects and in sufficient quantities. All materials provided by the Customer shall be provided at its sole responsibility and costs to the executing site of the Printer. The Printer is not liable for any delays or defects that arise due to late, defective or incomplete supplies from the Customer. The Printer has no duty to examine any supplies from the Customer or third parties commissioned by the Customer. This does not apply for material that obviously cannot be processed or data that is illegible. It is expressly stated that printed data will not be checked for accuracy of content or freedom from typographical or typesetting errors. The Customer must ensure that any samples of Goods supplied may be legally distributed in the particular country of destination and must provide the Printer with any required customs information. The Customer will reimburse the Printer for all costs arising from insufficient or late supplies from the Customer (including machine stoppage, shift changes, etc.).
- 5.2** Data: The Customer must install up-to-date virus software prior to the transmission of any data. The data protection is solely the Customer's responsibility. The Printer is entitled to make a copy. Data supplied by the Customer must comply with the guidelines made known by the Printer and be provided in a timely fashion before the start of printing. If data is not provided according to the guidelines or by the agreed dates, then adherence to the delivery dates and quality cannot be guaranteed. The Printer is not liable for any data loss or destruction during transmission. Under no circumstances shall the Printer be liable for the cost of restoring data. If the Customer transmits personal data to the Printer, such data shall be secured and encrypted using up-to-date technology and transmitted via sftp.
- 5.3** Materials: For materials supplied by the Customer (especially paper), the quantity, specifications and associated dates shall be agreed in advance with the Printer. If the dates and/or quantities are not adhered to or if the Customer supplies defective materials, the Printer shall accept no liability for resulting delays or quality defects. The Printer shall confirm receipt of the materials but this shall not provide any guarantee of quality and amount. The Printer can refuse to accept materials/paper that are clearly not suitable or in respect of which the delays in delivery have an adverse effect on future print runs. If the Customer supplies the paper, it cannot be delivered to the Printer earlier

than two weeks before the start of production, unless agreed otherwise; otherwise the Printer is entitled to charge storage costs. Where for any reason any materials supplied directly or indirectly by the Customer are subject to a delay resulting in the incurring of additional costs by the Printer, the Customer shall be liable for such increased costs, including, but not limited, to a reasonable charge for standing time for print machinery.

- 5.4** Paper: After production the Printer will communicate with the Customer about the use of any surplus paper that could be re-used in another production run (storage for further Orders to the Printer, collection, etc.). The Printer is entitled to charge appropriate storage fees for such storage. If no agreement about the use of surplus paper is reached within six months of the end of production, surplus paper may be disposed of by the Printer, and the Printer may keep any proceeds from the recycling of the paper. Paper waste that cannot be avoided as well as surplus paper that cannot be used for other production runs becomes the Printer's property and may be disposed of by the Printer.
- 5.5** Storage: Storage of any materials shall be at the Customer's risk. The Printer is not obligated to insure the materials separately and does not accept liability for damage to or destruction of any materials, unless due to intent or gross negligence by the Printer.

## 6. RETENTION OF TITLE

- 6.1** The delivered Goods shall remain the Printer's property until all the Printer's outstanding invoices to the Customer have been settled. The Customer shall only be entitled to resale within the ordinary course of business. The Customer hereby assigns its claims to resale to the Printer. The Printer hereby accepts the assignment. In the event of default at the latest, the Customer shall be obligated to name the debtor of the assigned claim. Should the value of the Printer's existing securities exceed its claim by a total of more than 10 %, at the Customer's request or that of a third party adversely affected by the Printer's over-collateralisation, the Printer shall to that extent be obligated to release the securities (at the Printer's discretion).
- 6.2** If Goods delivered and owned by the Printer are processed or transformed, the Printer is to be regarded as the producer and retains ownership of the products at all stages of the processing. If third parties are involved in the processing or transformation, the Printer's ownership is limited to a share equivalent to the invoiced value of the Goods subject to retention of title. Property thus obtained counts as property subject to retention of title.

## 7. COMPLAINTS, WARRANTY

- 7.1** The Customer will examine preliminary and semi-finished products sent for correction/approval without delay. Any risk arising from defects is transferred to the Customer upon the statement of approval, unless these are defects that developed or became noticeable only in the post-approval production process. This also applies if the Customer does not react to the sent preliminary or semi-finished products within a reasonable period of time.
- 7.2** Immediately upon receipt, the Customer will verify that the Goods meet the contract specifications, taking into account



the agreed processing, process-related industry standard tolerances and quality of paper used. Defects are to be reported immediately in writing and no later than one week after receipt of the Goods, and hidden defects no later than one week after discovery thereof, otherwise the warranty claim becomes void.

- 7.3** In deviation from clause 7.2, externally visible defects resulting from transport must be reported to the freight carrier and the Printer immediately following delivery (within 12 hours maximum), otherwise the Goods are considered free from transport damage. In case of an agreed delivery mode according to clause 4.1, any claims shall, however, be processed between the Customer and the freight carrier.
- 7.4** If complaints are justified and the Printer is responsible for the defect, the Printer at its own discretion is obligated and entitled to rectify the defect and/or deliver a replacement. If the Printer does not fulfil this obligation within an appropriate period of time, if rectification is in the Printer's opinion possible only at unreasonable expense, or if repeated rectification attempts do not work, then the Customer may demand an appropriate reduction of the compensation (discount). If the defect is so serious that the Customer cannot use the Goods, then the Customer also has the right to withdraw from the defective Order. Further warranty or liability for damages, especially for consequential damages from defects, is excluded unless the Printer or its agents has acted intentionally or with gross negligence or qualities were expressly guaranteed.
- 7.5** Defects in part of the delivered Goods do not entitle the Customer to a claim against the complete delivery, unless partial delivery does not satisfy the needs of the Customer.
- 7.6** In the case of coloured reproductions in any production processes, no objections may be raised due to negligible deviations from the original. The same shall apply to the comparison between other masters (e.g. digital proofs, press proofs) and the end product. Moreover, liability for defects that do not adversely affect the value or the usability, or affect it only minimally, shall be excluded.
- 7.7** No claims may be made based on deliveries involving excess or shortfall of up to 5% of the ordered amount. The amount delivered shall be invoiced.

## 8. LIABILITY

- 8.1** Customer claims for reimbursement of damages and expenses are excluded, regardless of the legal grounds.
- 8.2** This exclusion of liability does not apply:
- » to damages through intent or gross negligence;
  - » to negligent breaches of integral contractual duties, including breaches by statutory representatives or agents of the Printer: In this regard, the Printer is only liable for the direct average losses foreseeable for the type of product and typical for the kind of contract, with a maximum value equivalent to the net individual Order value of the relevant Order (including all losses of all claimants). Liability for any consequential damages (in particular loss of profit of the Customer or any contractual-related third parties) is excluded, even if such loss would have been reasonably foreseeable or if the Printer had been advised of the possibility that such consequential damage could occur. Essential contractual obligations are those obligations that make possible proper fulfilment of the agreement and on which the party to the agreement relied and was

entitled to rely.

- » in case of culpable harm to life, body or health of the Customer;
  - » in case of fraudulently concealed defects with a guarantee given for the quality of the Goods;
  - » This does not affect liability according to product liability law.
  - » The Printer's liability for damages during transport is limited to the compensation to be provided from the assigned shipping company.
- 8.3** The Printer is not liable for impossibility, late provision, non-delivery, quality defects or other damages occurring due to force majeure or other events not foreseeable at the time the agreement was made and for which the Printer is not responsible. In particular, cases of force majeure include disruptions of operations through war, natural disasters, strike and lock-out, official orders, fire, power cuts and machinery breakdown at the Printer or at its suppliers as well as transport delays through route closures, unforeseeable traffic jams, adverse weather, unexpected waiting times at customs or the consequence of a change in the customs environment applicable to the Printer or the performance of its services.

## 9. LIMITATION PERIOD

The limitation period for the Customer's claims for warranty (clause 7) is one year from the date of receipt of the Goods. This period does not apply if the Printer acted maliciously or with intent. Further claims for damages (clause 8) lapse one year after the claim has arisen or one year after the Customer became aware or should have become aware of its claim. This does not apply if the Printer acted with intent.

## 10. COMMERCIAL PRACTICE

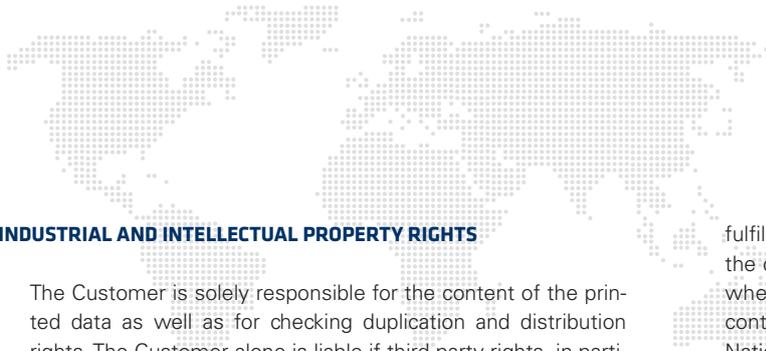
In commerce, the business practices of the printing industry apply (e.g. no obligation to hand over intermediate products such as data, lithos or proofs created to produce the ordered end product) unless an order to the contrary was placed.

## 11. ARCHIVING

Products owned by the Customer, in particular data and media, are only archived by the Printer beyond the date of transfer of the end product to the Customer or its agents if expressly agreed and in exchange for specific compensation. If the aforementioned items are to be insured, this must be arranged by the Customer itself unless otherwise agreed. Deletion of the data by the Printer shall occur, if not agreed otherwise, within 3 months of the end of the order. The Customer is responsible for storing its own data and keeping it available for itself.

## 12. REGULAR WORK

Contracts for regularly recurring work may, if no fixed term was agreed, be terminated in writing with a notice period of at least 6 months and effective on the last day of the month. If a different period has been agreed in an individual contract, then this notice period overrides the aforementioned period.



### 13. INDUSTRIAL AND INTELLECTUAL PROPERTY RIGHTS

- 13.1** The Customer is solely responsible for the content of the printed data as well as for checking duplication and distribution rights. The Customer alone is liable if third party rights, in particular copyrights or personal rights, are violated through the execution of its Order. The Customer must indemnify the Printer from any third party claims relating to such a violation, including legal and defense expenses, as soon as prompted.
- 13.2** The Printer is entitled to reject an Order if in its opinion the order or the content to be printed violates legal provisions. The Customer cannot derive any rights against the Printer from this.
- 13.3** The Printer is entitled to name the Customer as a reference customer (name and company logo, if applicable) for company advertising purposes (e.g. on the website or in advertising brochures) during the time of their co-operation. The Customer may refuse to be named in the Printer's reference list at any time by submitting the refusal in writing.

### 14. COMPLIANCE

- 14.1** The Printer shall ensure that it and its business partners comply with the relevant provisions of law.
- 14.2** The Customer confirms that it is not on any list of names of EC Regulations no. 881/2002 and no. 2580/2011. The Customer will inform the Printer immediately if it is placed on such a list.
- 14.3** Furthermore, the Customer confirms that it has not been legally convicted of bribery within the last five years and that it will also abide by all applicable legal provisions in the future.
- 14.4** The Customer guarantees that it will comply with the applicable anti-corruption laws and will not commit any unlawful acts. It provides assurance that it will not promise, offer or grant any illegal advantages and will not obtain promises for or demand any illegal advantages that could influence actions and decisions in a prohibited way.
- 14.5** The Customer provides assurance that it has taken appropriate measures to prevent any violations of the applicable anti-corruption provisions. At the Printer's request the Customer will notify the Printer of the measures taken and confirm in writing that it is not aware of any circumstances that would constitute a violation of the anti-corruption provisions.
- 14.6** If the Customer violates anti-corruption provisions in connection with the Order, the Printer is entitled to immediate termination. In this case, the Customer is obligated to reimburse the Printer for all damages and losses arising from the termination and/or the violation.
- 14.7** The Printer expects all its business partners to adhere to the human rights rules and principles set forth in the context of the United Nations' Global Compact Initiative, working relationships, environment and corruption. These principles are reflected in the Bertelsmann Group's Code of Conduct (available at [www.prinovis.com/en/information/technicalguidelines/](http://www.prinovis.com/en/information/technicalguidelines/)), with which all business partners are expected to comply.

### 15. PLACE OF FULFILMENT, PLACE OF JURISDICTION, VALIDITY

- 15.1** If the Customer is an entrepreneur, legal entity under public law or special fund under public law or has no general domestic place of jurisdiction, then the Printer's main offices shall be the place of

fulfilment and place of jurisdiction for all disputes arising from the contractual relationship. The applicable laws of the country where the Printer is headquartered apply exclusively to the contractual relationship. Conflict of laws as well as the United Nations Convention on Contracts for the International Sale of Goods are excluded.

- 15.2** The Printer is not taking part in a dispute resolution procedure within the meaning of the German Consumer Resolution Act (Verbraucherstreitbeilegungsgesetz).
- 15.3** Any invalid terms do not affect the validity of the other terms and conditions. The invalid term shall be replaced by a legally valid provision that represents the original intent of the Parties as closely as possible.

### 16. ADDITIONS FOR MBS NÜRNBERG GMBH

For performance of work by MBS Nürnberg GmbH the general terms and conditions of MBS Nürnberg GmbH are applicable, which can be viewed any time at <http://www.mbs-team.de/>.