General Terms and Conditions of Delivery of Siegwerk Backnang GmbH

1. Scope of Validity

1.1 Unless otherwise agreed in writing, these General Terms and Conditions of Delivery ("Delivery Terms") shall exclusively apply for all deliveries and performances made by Siegwerk Druckfarben AG ("Siegwerk"). Any general terms and conditions of the recipient of the goods/services ("Purchaser") deviating from these Delivery Terms are non-binding for Siegwerk, even if Siegwerk has not expressly contradicted them or if the Purchaser insists to purchase only under his terms. This shall apply notwithstanding that Siegwerk has delivered the goods, rendered services or accepted payments without reservation. As a precaution, Siegwerk hereby dissents with conflicting terms of the Purchaser.

1.2 These Delivery Terms amend any framework agreements entered into by the Parties. In case deviating terms are individually agreed on, the Delivery Terms shall be applicable subordinated and supplemental.

2. Conclusion of Contract

The offers made by Siegwerk are subject to confirmation. A contract is only concluded upon Siegwerk's written order confirmation or by Siegwerk's execution of the order.

3. Prices

3.1 Siegwerk's prices are quoted ex works. The value added tax (VAT) in the statutory amount valid on the day of invoicing shall be payable additionally.

3.2 In the event that the customary costs of a product rise by more than 10%, Siegwerk is entitled to unilaterally raise its prices according to § 315 of the German Civil Code (BGB), considering equity and the respective change in costs. This right does not exist, if the delivery date lies within 3 months of the conclusion of the respective contract.

3.3 If Siegwerk raises the price according to 3.2, the Purchaser has the right to cancel the contract, at which the Parties each have to bear their own costs of the cancellation. The Purchaser is obliged to declare the cancellation of the contract to Siegwerk in writing within 2 weeks after receipt of the information about the price increase. Otherwise, the price increase shall be deemed approved.

4. Deliveries, Delivery Dates, Delay in Delivery

4.1 Partial deliveries and performances are permitted in a reasonable scope.

4.2 In the event that Siegwerk exceeds an agreed date of delivery or performance or in the event that Siegwerk does not meet another contractual obligation in time, the Purchaser is obligated to set an appropriate period of grace.

4.3 Should the delivery or performance not be made within the period of grace and should the Purchaser for this reason wish to make use of his right to cancel the contract or claim damages instead of delivery/performance, he is obliged to inform Siegwerk of this beforehand, granting another reasonable period of grace and demanding delivery or performance.

5. Place of Performance/Delivery, Transfer of Risk

The place of performance/delivery as well as the transfer of risk of the goods shall be deemed defined in accordance with the Incoterms of the International Chamber of Commerce (Incoterms 2010). If no individual agreement has been reached, the term "ex works" shall apply.

6. Retention of Title

6.1 Title to the delivered goods remains with Siegwerk until all claims deriving from the business relationship with the Purchaser have been fully paid (retained goods).

6.2 Where the goods are converted, connected and/or amalgamated with other goods, Siegwerk is entitled to co-ownership of these new products proportional to the invoiced value of the contractual goods delivered by Siegwerk at the time of the conversion, connection and/or amalgamation (processed goods).

6.3 The Purchaser may only resell the retained or processed goods in the ordinary course of business. The Purchaser shall assign herewith to Siegwerk claims against the purchasing third party in the amount of the invoice (incl. VAT). The Purchaser is entitled to collect the assigned claims until Siegwerk's revocation. The goods may only be pledged or used for chattel mortgage upon prior written consent of Siegwerk.

6.4 In the event that the value of the retained goods exceeds the secured receivable claims by more than 20%, Siegwerk is obliged to release securities at its sole discretion. This will be based on the net invoice value of Siegwerk's invoices to the Purchaser.

6.5 In the event of default of payment, impending cessation of payment, dissatisfactory disclosure of insolvency or the financial situation of the Purchaser or in the event of any foreclosure or note protest as well as in the event of opening of insolvency proceedings over the Purchaser's assets, Siegwerk is entitled to take back the retained goods without further notice.

6.6 The assertion of the retention of title as well as the levy of execution of the retained goods through Siegwerk shall not be qualified as cancelation of the contract, unless Siegwerk expressly declares the cancelation of the contract in writing. Siegwerk is entitled to other ways of exploitation of the retained goods only after cancellation of the contract.

6.7 The Purchaser is obliged to diligently store, maintain and repair the retained goods on its own expense for Siegwerk and insure the goods against damage, loss and destruction according to the standards of a diligent tradesman. The Purchaser already assigns any potential insurance claims or other compensatory claims deriving out of damage, loss or destruction to Siegwerk who accept the cession.

7. Force Majeure

In the event of Force Majeure or other exceptional and unforeseeable events for which Siegwerk is not responsible (both "Force Majeure"), which make delivery/performance impossible or substantially more difficult, Siegwerk may suspend the delivery/performance until the Force Majeure event has ceased. Cases of Force Majeure are in particular: shortage of energy or raw materials, strikes in the Party's own or third party site(s), lock-outs, official directives, non-effectuation of deliveries from third parties, operational disturbances and other circumstances that do not lie within the responsibility of one of the Parties. The other Party has to be notified immediately of the Force Majeure event and its expected duration.

8. Invoicing and Payment

8.1 Invoices are payable with a 2% discount within 14 days or net within 30 days after receipt of the invoice.

8.2 Offsetting of counter-claims of all kinds is excluded, save where such counter-claim is not disputed or is finally awarded by a court of justice.

8.3 If the Purchaser is in arrears with a payment, all accounts payable by the Purchaser to Siegwerk become due immediately, irrespective of the maturity.

9. Claims for Defects and Liability

9.1 The Purchaser is obliged to inspect the delivered goods promptly after receipt, if applicable by means of quick-tests; and to notify Siegwerk about obvious defects immediately after receipt of the goods or latent defects immediately after their discovery. Any complaints, particularly notices of defects, have to be notified to Siegwerk in writing. Where the Purchaser does not submit his claim and notices of defects in time or not in a proper written form, the delivery and performance made by Siegwerk shall be deemed defect-free. If the Purchaser accepts the goods or performance in cognizance of a defect, then he is only entitled to its warranty rights if he has expressly reserved these rights in writing.

9.2 As far as the delivered goods or performance have a defect, Siegwerk is entitled, at its sole discretion, to replace or repair the goods. The Purchaser has to give Siegwerk the opportunity to do so within a reasonable period of time. If the replacement or repair fails, the Purchaser is entitled to cancel the contract or reduce the purchase price. If the value or the usability of the goods or performance is only insubstantially reduced, the Purchaser has only the right for reduction of the purchase price.

9.3 Furthermore, the Purchaser is entitled to claim damages and reimbursement of expenses necessary for the purpose of repair and/or replacement pursuant to statutory requirements. In addition, the provisions in clause s 9.6 and 9.7 apply to claims for damages and reimbursement of expenses.

9.4 The Purchaser is entitled to statutory rights of recourse against Siegwerk as stipulated above. If the Purchaser has made any agreements exceeding the statutory warranty claims with his customers, the Purchaser's right of recourse against Siegwerk does not expand to such extension. This applies to claims for reimbursement of expenses accordingly.

9.5 Siegwerk shall be liable for an intended use or a specific suitability only where explicitly agreed between the Parties. The risk of use and application lies with the Purchaser.

9.6 Any claims for damages or reimbursement of expenses that the Purchaser might have against Siegwerk, its legal representatives, employees and agents (together "agents"), irrespective of their legal basis, are only valid in so far as Siegwerk or its agents have acted wilfully or with gross negligence or if the infringed obligation is essential for meeting the purpose of the contract. Siegwerk's liability for negligent breaches of essential contractual obligations is limited to the foreseeable damages typical for a contract of this nature and amounts to a maximum of €1 million.

9.7 The exclusion or limitation of liability does not apply in the event Siegwerk is liable for bodily injury or for damages to privately used property according to the German product liability code (Produkthaftungsgesetz) or according to other mandatory regulations.

9.8 The Purchaser's rights to claim rectification of a defect, damages or reimbursement for expenses are statute barred according to the statutory provisions.

10. Extraordinary Termination

Notwithstanding any statutory or contractually agreed termination rights, Siegwerk is entitled to terminate and withdraw from the contract with immediate effect, if insolvency proceedings are initiated in respect of the Purchaser's assets, or if the Purchaser is in material breach of the contract, or if the financial situation of the Purchaser deteriorates considerably, or if unforeseeable incidents not caused by Siegwerk change the basis of the contract considerably.

11. Confidentiality and Advertising

11.1 The Purchaser undertakes to treat as confidential any information, knowledge and materials, e. g. technical and other data, measured values, techniques, business experience, business secrets, know-how, compositions and other documentation ("Information") received from Siegwerk or disclosed in any other way by Siegwerk or another company of Siegwerk Group, and shall not disclose such Information to third parties, but use it for the sole purpose of executing the respective contract. The Purchaser undertakes to return all Information delivered to him in a tangible form such as documents, samples, specimens, or the like without undue delay upon Siegwerk's request without retaining any copies or notes. Siegwerk has ownership of and all intellectual property rights to the Information mentioned in clause 11.1.

11.2 The Purchaser may refer to the business relationship existing with Siegwerk in his informational and advertising materials with Siegwerk's express prior written consent only.

12. Miscellaneous

12.1 The Purchaser may only transfer rights or obligations under the contract to third parties upon Siegwerk's prior written consent.

12.2 The Purchaser is responsible for the compliance with statutory and administrative provisions regarding the import, transport, storage and use of the goods.

12.3 Should any of these provisions be partly or totally invalid, this shall have no effect on the validity of the remaining terms.

12.4 Modifications, amendments and/or cancellation of the contract or these Delivery Terms shall be made in writing.

13. Place of Jurisdiction and Applicable Law

13.1 All legal relationships between the Parties shall be governed by the laws of the Federal Republic of Germany without being affected by private international law and excluding the United Nations Convention on Contracts for the International Sale of Goods (CISG).

13.2 Exclusive place of jurisdiction shall be the location of the registered office of Siegwerk.

IMPORTANT: These Delivery Terms have been translated from the German version of these conditions. This translation is a convenience translation and provided for the information and benefit of contractors only. In case of unclear interpretation of these Delivery Terms the German version shall prevail in all respects.