

General Terms and Conditions of Sale and Delivery

1. General

The following General Terms and Conditions of Sale and Delivery shall on principle apply to all sales and shall through placement of order be deemed as acknowledged in all parts by the buyer. Terms of the buyer that diverge from these Terms and Conditions shall not apply, even if we do not explicitly object to them.

2. Orders and offers

Our offers are not binding. Contracts of sale do not take effect until confirmed in writing or accepted by the seller. If delivery is made at short notice, the invoice may take the place of order confirmation. Agreements concluded orally, by telephone or by telegram shall only be binding if confirmed in writing or by facsimile transmission.

3. Execution of orders

In the case of initial orders, we manufacture according to the provided unpressed samples that the buyer has confirmed as being suitable for use as printing copy. If samples produced on the laboratory printing press are used as printing copy, the differing printing conditions applying to the production printing press can result in unavoidable differences between the printing copy and the resulting decor paper. In cases where pearlescent inks are used, we require greater leeway concerning the tolerances concerning colour deviations between the master sample and the decor paper printed in subsequent jobs. Master samples are taken from the initial order and are deemed as the binding printing copy on all subsequent orders. Requests for alterations in the master sample must be made in writing. In no event is the buyer exempted from checking our products in terms of their suitability for intended processing. Should changes in the buyer's processing methods result in deviations in the look or technical behaviour of the printed decor paper, the seller shall not be held liable. The seller also has no influence on other technical properties of the printed decor paper, such as width expansion as usually occurring as a result of the impregnation process, and can therefore not assume liability for such occurrence. The seller reserves the right to deliver up to ten percent more or up to ten percent less of the ordered product. Claims for damages may not be derived from the overstepping of delivery deadlines. In particular the seller shall be released from its duty to deliver if circumstances arise which impede or prevent delivery either permanently or temporarily, e.g. route blockages, strikes, lock-outs, natural disasters, fires, wars, absence of essential raw materials and supplies, breakdown of machinery, production facilities or power supplies, and force majeure. If the seller has already produced partial quantities, the buyer shall be obligated to take delivery of the finished products at the terms agreed on for the order as a whole.

4. Subcontracted printing

If the buyer provides us with base paper, it must be delivered free of charge and be checked in advance by the buyer in terms of quality and its suitability for subsequent processing. Additional processing costs accruing to us as a result of quality fluctuations in the material shall be borne by the buyer. We endeavour to keep

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spoilage as low as possible as appropriate to the condition of the delivered material. Our printing of the delivered material shall result in our co-ownership in the final product that we produce, as do our working, processing and combining the final product with other materials, until all claims ensuing from our business transactions with the buyer are settled in full to the value of our invoiced services.

5. Delivery and payment

Our prices shall apply ex works plus packaging. All consignments shall be sent at the expense and the risk of the recipient and shall not be insured by the seller. Our invoices shall be payable within 30 days of the delivery and invoicing date. If payment is made within ten days of the invoicing date, we shall grant three percent discount. Means of payment other than cash payment and credit transfer, particularly in the form of cheques, shall only be accepted subject to reservation. Payment by bill of exchange shall only be permissible subject to prior agreement and shall be free of expense for the seller, nor shall it be subject to deduction of discount. The date of payment is deemed as the date on which the sum comes into the possession of the seller. If the payment term is exceeded, the seller shall be entitled to charge default interest at a rate that is two percent higher than the prevailing central bank discount rate.

6. Reservation of title

The goods shall remain the property of the seller until complete payment of all accounts receivable inclusive of collateral claims, damages and payments of cheques and bills. The buyer shall be permitted to further process and sell the goods under consideration of the following provisions.

a) The authority of the buyer to process the reserved goods in regular business transactions shall terminate with cessation of payment by the buyer or with the filing of bankruptcy or composition procedures without prejudice to permissible revocation by the seller at any time.

b) By processing reserved goods, a buyer who processes the goods for the seller shall not, pursuant to Section 950 of the German Civil Code (BGB), obtain ownership of the new product.

If the reserved goods are processed or mixed or if they become part of a system, the seller shall obtain co-ownership in the new product relative to the value of its reserved goods in the overall product value.

c) The buyer herewith assigns all claims inclusive of all ancillary rights in the resale of the reserved goods to the seller to the extent at which the goods have been processed or mixed and to the extent at which the seller has obtained co-ownership relative to the amount of the invoice value accruing to the seller. This assignment of claim shall entitle the seller to an appropriate fractional part of the respective purchase-money claim according to the invoice value of the seller's reserved goods relative to the invoice value of the article. If the buyer has sold this receivable in the course of non-recourse factoring, it shall assign the claim replacing the receivable from the factor to the seller.

The seller accepts this assignment.

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d) The seller shall not collect the assigned claims as long as the buyer performs its payment obligations or its financial conditions do not deteriorate considerably. The collection authorisation shall cease with a delay in payment and significant deterioration of the financial situation of the buyer. In this case the seller shall be authorised by the buyer to inform the buyer's clients of the assignment and to collect the claims itself. Upon request, the buyer shall be obligated to render to the seller a detailed list of the claims due to the seller indicating the names and addresses of the clients, the amount of the individual claims, the invoice date, et cetera; to give the seller all information required to assert the assigned claims, and to permit verification of the information.

Amounts received by the buyer from assigned claims shall be kept separate for remittance. The buyer shall be permitted to collect the claims itself for as long as the seller does not give different instructions.

e) Reservation of title shall be retained if individual claims of the seller are added to a current invoice and the balance is taken and recognised. The reservation of title shall be due to the seller not only for the recognised and abstract final balance, but also for the causal balance. The buyer shall assign to the seller the claims to the balance in compliance with Section 355 of the German Commercial Code (HGB) to the amount of the claims due to the seller.

f) Upon the instructions of the buyer, the seller shall now release completely paid deliveries if the lien produced by the reservation of title exceeds the claim to be safeguarded by ten per cent.

g) Pledging or chattel mortgage of the reserved goods or of the assigned claims shall not be permissible. The seller shall be informed immediately of any seizure, whereby the details of the execution creditor shall be provided in the process.

h) If the seller takes back the delivered goods based upon its reservation of title, rescission of the contract shall only apply if the seller declares this explicitly. The seller shall be permitted to sell any reserved goods taken back.

i) The buyer shall warehouse the reserved goods for the seller free of charge. It is to insure the said against the usual hazards, such as fire, theft and water to the usual extent. Herewith the buyer assigns its claims for damages due to it from damage of the kind mentioned above from insurance companies or others liable for damages to the seller to the amount of the latter's claims.

k) The rights derived from the reservation of title and all special provisions defined in these terms and conditions shall be effective until complete release from any contingent liabilities which the seller has entered into in the interest of the buyer.

7. Indemnification of the seller

a) Should deterioration in the financial circumstances of the buyer become known, or should the buyer default on a payment, the seller shall have the right to demand immediate payment of all unsettled accounts, also those not yet due, and to request cash payment of all outstanding deliveries before delivery of the goods.

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b) The seller shall not be obligated to make further deliveries from any current contract until the due invoice amounts, including default interest, have been paid in full. Over and above this, the seller shall have the rights that are due to it pursuant to Section 326, German Civil Code

c) The offsetting of disputed counterdemands against due invoice amounts and deductions of any kind shall be inadmissible. In particular, in the event of complaints about the goods the buyer shall not be entitled to withhold payment of due invoice amounts or to reduce the invoice amounts of its own accord until the matter has been clarified.

8. Copyright

When samples and printing copy belonging to the buyer are used, the buyer shall be responsible for ensuring that no rights of third parties are infringed. The seller's samples and printing copy may not be used without its consent and shall remain its property, even if it invoices the buyer for these items.

9. Notice of defects

Defects that can be ascertained externally (damage in transit, et cetera) must be reported to the forwarder who delivered the goods as soon as they are received. Other defects must be reported to us within 14 days, accompanied by appropriate samples. If goods are acknowledged by the seller to be faulty, the buyer can to the exclusion of all further claims only demand reduction of purchase price or the delivery of faultless goods in exchange for the return of the delivered goods. Once the delivered goods have been used or processed, all liability shall be excluded.

10. Place of fulfilment

Place of fulfilment for the performance to be rendered by the seller and the buyer shall be Rosenheim.

11. Place of jurisdiction

Rosenheim