



General Terms and Conditions of Business of SCHEPERS GmbH & Co. KG

§ 1 Applicability

These Terms of Sale and Delivery of SCHEPERS Gravure Systems GmbH & Co. KG ("SCHEPERS") shall apply to all deliveries and services by SCHEPERS, even where the contracts are not implemented in full. They shall apply in equal measure to future business relationships, even where they are not expressly agreed again. Differing general terms and conditions of business of the purchaser shall not be recognized, even where they are not expressly opposed.

§ 2 Conclusion of Contracts

(1) SCHEPERS's price quotations shall be subject to change insofar as they are not expressly described as binding in the quotation document. The contract shall only come into effect when SCHEPERS confirms the contract in writing to the purchaser.

(2) Measurements, weights, pictures, drawings and other documents forming part of SCHEPERS's non-binding information shall remain the property of SCHEPERS and shall be only approximate, unless they are expressly specified as binding by SCHEPERS. Technical modifications or technical improvements or design modifications shall be admissible where these are reasonable for the purchaser.

§ 3 Scope of Delivery, Transport and Passing of Risk

(1) Risk shall pass to the purchaser at the latest on shipment of the delivery item from the production facility or the place of shipment. If shipment is delayed as a result of the purchaser's conduct or due to circumstances for which SCHEPERS is not responsible, the risk shall pass to the purchaser at the time of the notification that the goods are ready for shipment.

(2) Unless otherwise agreed, the purchaser shall conclude transportation insurance at his own cost on the basis of the General Transport Insurance Conditions, covering the risk of transport of all goods covered by the order from the place of shipment to the agreed destination.

(3) Where trade terms are agreed, the Incoterms shall apply in their respective valid version. The scope of delivery shall be specified in the order confirmation.

§ 4 Delivery Period and Force Majeure

(1) Delivery periods not expressly designated as binding shall be non-binding. Delivery periods shall commence at the earliest upon receipt of all required written materials relating to the content and conditions of the order, insofar as the purchaser is required to supply these under the terms of the agreement, and after receipt of the advance payment. A delivery period shall be met if the goods are ready for shipment within the specified period and the purchaser has been notified thereof.

(2) Delivery periods shall be extended for the duration of any interruption in operations where circumstances arise for which SCHEPERS is not responsible and which have substantial influence on the production or delivery of the goods - including in particular the case of industrial disputes and other circumstances that affect SCHEPERS or sub-suppliers (blameless interruptions in operations). SCHEPERS shall be released from its delivery obligation if, notwithstanding all reasonable efforts, it is not possible to effect a modification of the contract that has become necessary due to a blameless interruption in operations.

(3) If the delivery period is extended due to the above-mentioned circumstances or if SCHEPERS is released from its delivery obligation, the purchaser shall have no liability claims of any kind against SCHEPERS. SCHEPERS shall also not be liable for blameless interruptions in operations arising during the period of delay. SCHEPERS shall be obliged to notify the purchaser if any of the abovementioned circumstances arise.

(4) SCHEPERS shall to a reasonable extent be permitted to make partial deliveries and issue partial invoices prior to the expiration of the delivery period.

(5) If shipment or delivery of the goods is delayed at the request of the purchaser or due to circumstances which lie in the purchaser's sphere of risk and responsibility, the purchaser shall be required to pay SCHEPERS the costs arising for the storage of the goods and also the accrued interest on the capital required for the goods. Where goods are stored at the premises of SCHEPERS, this claim shall amount to at least 0.5% of the outstanding invoice amount for each outstanding month, commencing one month following notification of the readiness for shipment; the purchaser shall have the right to prove that the amount of damage was lower. After having set a reasonable period that has elapsed without result, SCHEPERS shall, however, be entitled to dispose of the goods elsewhere and to deliver replacement goods to the purchaser within a reasonably extended period.

§ 5 Delivery of Software

If the goods delivered are sold together with an electronic device, SCHEPERS shall grant the purchaser an essentially non-transferable and non-exclusive the relevant software. This shall only entitle the purchaser to use the software, in the way specified, in the electronic device forming part of the goods delivered. In particular, the purchaser shall have no right to disseminate, copy or process the software in any way. By way of exception, a transfer shall be permitted where the purchaser demonstrates a justified interest in transfer to a third party while relinquishing the right of use for himself, e.g. where the goods delivered are resold. In such circumstances, the purchaser shall be obliged to place his purchaser under a contractual obligation to heed the rights to which SCHEPERS is entitled. In addition, the respective valid version of the Allgemeine Bedingungen für die Nutzungsüberlassung von Software der SCHEPERS GmbH & Co. KG (General Conditions for the Transfer of Rights of Use to Software of SCHEPERS GmbH & Co. KG) shall be applicable. The fonts and programs required for the operation of the goods delivered shall as a rule be the

object of copyrights and other intellectual property rights, and shall remain the property of SCHEPERS.

§ 6 Prices

Deliveries shall be effected at the prices published in the respective valid price lists. All prices shall apply ex works/point of shipment; for spare parts and goods intended for consumption (consumable materials) they shall be ex dispatch warehouse. Unless otherwise specified, all prices shall be quoted in Euro, to which costs for transport, insurance, installation and instruction as well as the respective statutory rate of value added tax must be added.

§ 7 Payment and Default

(1) Payments shall be made to SCHEPERS in cash, bank transfer or L/C without any deduction, as specified on the invoice.

(2) In the case of default in payment, default interest shall be charged at the statutory rate, but no less than 9% per annum; the purchaser shall be entitled to prove that the amount of damage was lower, up to the amount of the statutory rate of interest.

(3) In the case of installment payments, SCHEPERS shall be entitled to declare the entire remaining purchase price payable immediately if the purchaser defaults on two or more consecutive installment payments and the outstanding amount is more than 10% of the purchase price.

§ 8 Reservation of Title

(1) SCHEPERS shall retain the rights of ownership and copyright for price quotations, drawings and system designs as well as for all documents supplied. Any reproduction or transfer to third parties shall be prohibited.

(2) SCHEPERS shall retain title to the goods delivered until full payment has been made. Furthermore, the reservation of title shall continue to apply until all claims under the business relationship with the purchaser have been settled and/or until all bills have been honored. At the request of the purchaser SCHEPERS shall release the object of delivery to the extent to which SCHEPERS's collateral interest no longer applies. Such interest shall cease to apply where the realizable value of the goods delivered exceeds the ceiling of 110% in respect of the secured claims on a not merely temporary basis. It shall be assumed that the ceiling is reached if the estimated value, as determined by an expert, of the delivery item at the time release is granted corresponds to 150% of the secured claims. It shall still be possible to provide proof of a different realizable value for the delivery item.

(3) Processing or transformation shall always be carried out on behalf of SCHEPERS in its capacity as manufacturer. If SCHEPERS's (co)ownership lapses, it is agreed here and now that the purchaser's ownership of the whole item shall transfer to SCHEPERS in accordance with the relationship between the value of the entire claim pursuant to § 8 para. 2 and the value of the other items. The purchaser shall safeguard SCHEPERS's ownership without receiving any payment in return.

(4) The following provisions shall apply for the duration of the reservation of title:

a) The purchaser shall be entitled to use the goods delivered, but shall not be entitled to permit others the use of the goods, to sell the goods or to use them as security. Where the purchaser sells the goods delivered to third parties without the consent of SCHEPERS, the purchaser here and now assigns to SCHEPERS the payment claims to which it is entitled as a result of the resale and SCHEPERS accepts such assignment. § 8 para. 2 shall apply analogously.

b) The purchaser must, at his own expense, keep the goods delivered free from any seizure by third parties and must immediately notify in writing any threatened seizure, including any such measures in relation to the purchaser's premises.

c) Any change in the location of the goods delivered shall require the prior written permission of SCHEPERS, and may only be carried out by SCHEPERS employees or persons authorized by SCHEPERS.

d) The purchaser must keep the goods delivered in a flawless condition. Furthermore, he must insure the goods delivered at his own expense against damage arising from transport, installation, machine breakage, fire, burglary, electrical and water pipe damage, with SCHEPERS as beneficiary; upon demand, he must provide SCHEPERS with proof of insurance and payment of the premiums.

e) The purchaser shall permit SCHEPERS or persons authorized by SCHEPERS to inspect the goods delivered, and for this purpose shall permit entry to the premises in which they are located; he undertakes to supply assistance where necessary and to do this without demanding any remuneration.

§ 9 Liability in Respect of Material Defects, Rule of Limitations

(1) The purchaser must inspect the goods received for completeness, transport damage, obvious defects, quality and properties. In the event of obvious defects, the purchaser must submit a written complaint to SCHEPERS immediately after delivery of the subject-matter of the contract.

(2) SCHEPERS shall have no obligation with regard to liability for material defects if the purchaser has not submitted a written complaint in respect of an obvious defect on time. Where SCHEPERS is responsible for a defect in goods and such defect has been notified in writing in good time by the purchaser, then SCHEPERS shall be obliged to provide supplementary performance - to the exclusion of the purchaser's right to withdraw from the contract or reduce the purchase price - unless SCHEPERS is entitled to refuse supplementary performance on the basis of statutory provisions. Liability shall require that all operating resources and consumable materials (data carriers, chemicals, film and paper materials) as well as power connections and technical ambient conditions correspond to SCHEPERS's

prescribed specifications. A further prerequisite is that the maintenance work prescribed in the operating instructions for the machines and equipment has been carried out properly and at the required intervals. For each individual defect the purchaser must grant SCHEPERS an appropriate period in which to provide supplementary performance.

(3) SCHEPERS may choose whether to provide supplementary performance by rectifying the defect through subsequent improvement or by supplying an item that is free of defects. In consultation with SCHEPERS, the purchaser must allow SCHEPERS the necessary time and opportunity to make all subsequent improvements or replacement deliveries that SCHEPERS considers necessary. Otherwise, SCHEPERS shall be exempt from liability for any resulting consequences. If operational reasons mean that the purchaser requests urgent dispatch of an engineer or the performance of work outside normal working hours for which SCHEPERS will incur additional costs, then the purchaser must bear any resultant additional costs (e.g. overtime pay, longer travel distances). Replaced parts shall become the property of SCHEPERS. Subsequent improvement shall be deemed to have failed if the third attempt proves unsuccessful. If subsequent performance has failed or SCHEPERS has entirely refused to provide subsequent performance, the purchaser may at his choosing either demand a reduction of the purchase price or declare that he is withdrawing from the contract. Withdrawal from the contract shall not be permitted if SCHEPERS's breach of duty is only of an insignificant nature.

(4) Claims for defects shall be excluded:

a) For used machines or other used goods, unless liability for defects is expressly agreed.

b) For parts delivered which, due to their character or the type of use, are subject to premature consumption, with the exception of the cases specified in § 9 para. 6.

c) The purchaser shall remain solely responsible for damage resulting from natural wear and tear, incorrect or careless treatment, excessive use, unsuitable operating resources, unsuitable installation location - including in particular the base on which the goods are installed, lack of stability, unsuitable protection of the power supply, chemical, electrochemical or electrical influences, weather and other natural influences.

(5) SCHEPERS shall only be responsible for the cost of remedial measures necessary at the point of delivery - including in particular transport, travel, labor and material costs - unless the goods delivered have been moved to another operational location of the purchaser in accordance with § 8 para. 4c. Additional costs resulting from the removal of the goods to a location other than the delivery location without the agreement of SCHEPERS shall be borne by the purchaser.

(6) For defects in consumables, the following shall apply: Upon discovery of a defect, the consumables must be separated out in the condition they were in at the time of discovery and held ready for inspection by SCHEPERS. Should the purchaser fail to comply with this stipulation, they shall be deemed as accepted by the purchaser in the condition they were in at the time of delivery without any further liability on the part of SCHEPERS. In addition, § 9 para. 1 shall apply analogously.

(7) When goods delivered by SCHEPERS are used in the purchaser's operations in functional conjunction with existing hardware or software components or ones that were purchased from a third party, SCHEPERS shall not accept any liability for operational breakdowns and malfunctions caused by defects in components that have not been delivered by SCHEPERS or by the incompatibility of such components. If SCHEPERS has expressly guaranteed compatibility with third-party products, this shall only apply to the product versions current at the time the guarantee was issued, not to older or future versions of the same product.

(8) The period of limitations for defects shall be one year, unless the law compellingly prescribes a period of five years.

§ 10 Liability in Respect of Compensation for Damages

(1) In the event of death or injury to body or health which is due to a negligent breach of duty on the part of SCHEPERS or to a willful or negligent breach of duty on the part of one of its legal representatives or vicarious agents, SCHEPERS shall be liable in accordance with the statutory provisions.

(2) For other damage, the following shall apply:

a) For damage that results from a grossly negligent breach of duty on the part of SCHEPERS or from a willful or grossly negligent breach of duty on the part of one of its legal representatives or vicarious agents, SCHEPERS shall be liable in accordance with the statutory provisions.

b) For damage which results from the breach of substantial contractual duties as a result of ordinary negligence on the part of SCHEPERS, SCHEPERS's legal representatives or vicarious agents, SCHEPERS's liability shall be limited to the foreseeable damage typical for the type of contract, subject to a maximum sum in the amount of the value of the goods delivered.

c) Claims for compensation for other damage arising from breach of ancillary duties or non-substantial duties in the case of ordinary negligence shall be excluded.

d) Claims for compensation arising from default as a result of ordinary negligence shall be excluded; the purchaser's statutory rights following the expiration of a reasonable extension of time shall apply mutatis mutandis.

(3) The exclusions or limitations of liability shall not apply insofar as SCHEPERS has fraudulently failed to admit to a defect or has given a guarantee as to the properties of the goods.

(4) The purchaser's claim to reimbursement of wasted expenditure instead of a claim for compensation shall apply mutatis mutandis.

(5) In the event of a breach of duty that does not consist of a defect in the goods purchased or the work, the purchaser's right to withdraw from the contract shall apply mutatis mutandis. Claims pursuant to the Product Liability Act [Produkthaftungsgesetz] shall also apply mutatis mutandis.

§ 11 Liability for Indirect Damage

Except in cases of willful intent or gross negligence, SCHEPERS shall not be liable for indirect damage resulting from a defective delivery, e.g. production stoppage, loss of profits and extra consumption of materials.

§ 12 Rescission of the Purchase Contract

(1) If the purchase contract is rescinded (e.g. due to withdrawal by either of the parties to the contract), then without prejudice to the steps to be carried out in accordance with the following paragraphs, the purchaser shall be obliged in advance to return the goods delivered to SCHEPERS. SCHEPERS shall be entitled to have the goods delivered collected from the purchaser's premises; § 8 para. 4 e shall apply analogously.

(2) SCHEPERS may furthermore claim reasonable remuneration from the purchaser for deterioration or loss of the goods delivered, or where the said goods cannot be handed over due to other reasons that lie within the purchaser's sphere of risk and responsibility.

(3) In addition, SCHEPERS may demand remuneration for the use of the goods delivered if the value of the goods delivered has decreased between completion of their installation and their full and direct repossession by SCHEPERS. This reduction in value shall be ascertained by calculating the difference between the total purchase price in accordance with the order and the current value as ascertained through the proceeds of resale or, if no resale is possible, by means of an estimate made by a duly sworn expert.

§ 13 Assignment, Prohibition in Respect of Setoff and Retention

(1) The assignment of rights and/or transfer of the purchaser's obligations under the contract shall not be permitted without SCHEPERS's express written consent.

(2) The purchaser shall only be entitled to setoff and/or to assert rights of retention if the counterclaim is undisputed or has been established by a court of law.

§ 14 Export Control Regulations

Both the goods delivered and software may be subject to the Export Control Regulations of the Federal Republic of Germany, the European Union, the United States of America or other nations. When the goods delivered are subsequently exported to a foreign country, the purchaser shall be responsible for compliance with the appropriate statutory regulations.

§ 15 Place of Performance, Jurisdiction, Applicable Law

(1) For deliveries and services, the place of delivery or place where the service is to be provided shall be the place of performance. For all other obligations under the contract, the place of performance shall be the dispatch location.

(2) Vreden is agreed as the sole place of jurisdiction for contracts with merchants and with public legal bodies and special funds under public law.

(3) Insofar as the above conditions contain no definitive provision, German law shall be applicable, to the exclusion of the UN Convention relating to the International Sale of Goods.

§ 16 Subsidiary Agreements, Partial Invalidity

(1) All agreements made between SCHEPERS and the purchaser for the purpose of performance of this contract have been set out in writing in the present contract. No verbal subsidiary agreements exist.

(2) Should any of these provisions be or become invalid, either in whole or in part, the remainder of the contract shall continue to be valid.

§ 17 Notice in Respect of Data

SCHEPERS shall be entitled to store and agree personal data within the framework of the business relationship.

SCHEPERS GmbH & Co. KG

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