



PAPIER UNION GROUP GENERAL TERMS AND CONDITIONS

Papier Union Group General Terms and Conditions

No. 11 - December 2014

Section 1 General terms

1. Our General Terms and Conditions are applicable to commercial and industrial customers and apply to all current and future supplies and services provided by the Papier Union Group, comprised currently of

Papier Union GmbH, Hamburg

Inapa Packaging GmbH, Hamburg

ComPlott Papier Union GmbH, Mettmann, including any freight forwarding and consulting services we provide to undertakings, public law legal entities and public law special funds as well as to the use of our Internet portal. They also apply to any repeat business with the customer even if no express reference is made to these General Terms and Conditions again in each individual case.

2. We do not accept any conditions of the customer, which conflict with or differ from our General Terms and Conditions. Our General Terms and Conditions shall also apply if we are aware of such conflicting or differing conditions and deliver the goods or services to the customer without reservation.

3. Future amendments to our General Terms and Conditions shall be notified to the customer in writing enclosing the amended version. The amended version shall apply to all repeat business, if the customer has not objected to the applicability of the former within six weeks after receipt of the amendments. Repeat business shall include any authorised access to the user account of our Internet portal.

4. The customer may assign any claims put forward against us to a third party only with our prior express consent.

5. The customer must take note that its data is collected, processed and used by us within the framework of applicable laws if and to the extent required for the formation, execution or termination of the contract. In addition, such data facilitates customer service. Purchaser data is only collected, processed or used for additional purposes to the extent permitted by regulation or consented to by the customer.

The purchaser may object to any use of its personal data for advertising purposes at any time by means of notification to the seller independent of form without giving rise to costs other than basis transmission costs. The seller will no longer use the relevant data for advertising purposes following receipt of the objection.

The relevant contact for all questions related to data protection as well as the exercise of the

rights described above is Papier Union, Osterbekstraße 90a, 22083 Hamburg.

6. Should individual provisions of our General Terms and Conditions be ineffective, this shall not affect the effectiveness of the remaining provisions. The invalid provision is replaced by a provision, which is customary in this area of business. If there is no permissible provision, which is customary in this area of business, the appropriate statutory provision shall apply.

Section 2 Offers and conclusion of a contract

1. The prices stated in our catalogues, on the Internet and in sales documentation are subject to change without notice, i.e. they are to be regarded only as an invitation to offer. The conclusion of the contract shall take place at the time of acknowledgement of the order or delivery, insofar as nothing else has been agreed.

2. If we expressly agree to cancel a binding order, the customer shall pay to us

a) 15% of the order value in the event of printing machines and

b) 10% of the order value in all other cases,

even if we do not expressly repeat this when the order is cancelled, unless the customer had the right to withdraw from the contract without our consent or is able to prove that our loss caused by the cancellation was in fact lower.

4. In order to facilitate correspondence and to avoid misunderstandings, the references indicated by us are to be used in all correspondence. The customer is obliged in particular to indicate the number of our order confirmation on all documentation. The customer is responsible for any consequences as a result of non-compliance with these obligations (delays, misallocations or returns, etc.).

5. Our (field) staff are not authorised to make agreements or give promises, which differ from our General Terms and Conditions. Insofar as such agreements between the customer and our company differ from our General Terms and Conditions they must always be made in writing. This written form requirement itself may be amended or removed only in writing.

6. If the granting of an order is not clear, we shall have the right to choose which obligation to fulfil in the sense of an alternative obligation under Section 262 BGB (Wahlschuld). In this case, we have the right to deliver those goods, which fulfil the requirements that can clearly be derived by way of interpretation from the granting of the order. If for example the order does not contain any information about the paper grain desired, we are free to choose the paper grain of the material to be supplied.

7. We retain our rights of ownership and copyright regarding illustrations, drawings, calculations and other documentation. They may not be made accessible to a third party, unless we have given our prior express consent to transmission to a third party.

Section 3 Use of the Internet portal

1. To the extent that we operate an Internet portal for the ordering of goods, the customer may apply for a user account. The contract regarding the set-up and administration of such a user account will however only come into existence if the customer has registered correctly through the Internet portal and we have released the user account.

2. We manage the user access of the customer in the web shop. Insofar as nothing else has been expressly agreed in individual cases, every customer will open only one user account regardless of how many people on the side of the customer receive authorised access to the user account. Insofar as a customer has opened several user accounts with us without the appropriate multiple account agreement, we have the right to combine the user accounts or to close those user accounts, which have been opened after the opening of the first user account. We shall immediately inform the customer about any closure or combination of user accounts.

3. The customer shall be responsible for ensuring that only those people receive access data to its user account, who are authorised to order goods or services. Insofar as the customer becomes aware that an unauthorised person has obtained knowledge of the access data, the customer shall immediately change the password to the user account.

Section 4 Prices and payment

1. Provided that nothing to the contrary has been agreed in an individual agreement, our prices are set according to the price list valid at the time the order was accepted, which can be made available on request. In the event of isolated freight services, the normal remuneration in the sector shall be owed in cases of doubt.

2. a) Prices are applicable ex works plus VAT.

b) Notwithstanding Section 4 2. a) we charge a weight-dependent logistics flat rate for every delivery. The amount is based on our current service price list which may be accessed and downloaded from the same location as our GTC's on our homepage (www.papierunion.de) or may be requested at our offices.

c) In the case of orders with an order value below €200, we additionally charge a fixed service fee the amount of which may be found in our current service price list, which may be accessed, downloaded or requested as provided in Section 4 2. b).



3. If it is subsequently discovered that there is an obvious mistake in our invoices or that incorrect prices or additional charges were applied by mistake, which are not based on a calculation error, we may claim the outstanding amounts. If such an error results in a residual balance in favour of the customer, the latter also has the right to demand repayment of the balance.

4. If a period of more than four months has elapsed between the conclusion of the contract and the delivery date envisaged for the entire consignment or parts of the latter and if increases/reductions in costs occur for the items to be delivered, in particular as a result of price changes of our suppliers, of more than 5%, we have the right, and in the case of reductions the obligation, to increase or reduce promptly the price for the parts of the total delivery, which are envisaged for delivery after a period of four months, by a reasonable amount (i.e. to the extent of the increase or reduction in our purchase costs). If the price increase claimed by us amounts to more than 5% of the price of the total delivery, the customer has the right to withdraw from the contract within two weeks of receipt of our notification about the price alteration.

5. Payment is due and payable upon delivery (on a pro rata basis for partial deliveries) insofar as nothing to the contrary has been agreed. After payment is due and the invoice has been received, we have the right to levy interest on arrears in the amount of 9% p.a. on the total price of the delivery in accordance with Section 353 of the German Commercial Code (HGB).

6. Payment shall be made within 10 days after the due date and receipt of the invoice without any deductions, in particular without any deduction of discounts for early payment or payment transaction costs. Cheques and bills of exchange are accepted as payment. However they only fulfil the payment obligation if they are drawn once payment is due. Furthermore the acceptance of bills of exchange requires a special agreement. Discount charges, stamp fees and other charges for bills of exchange shall be borne by the customer and shall be paid immediately after they have been charged.

7. The customer shall have the right to offset and the right of retention only if its counterclaims have been established in legally binding manner, are undisputed or have been recognised by us.

Section 5 Delivery deadline

1. Delivery dates, which have been confirmed by us, are not binding, unless they have expressly been indicated as binding.

2. Our delivery obligation is under the proviso of complete, correct and prompt delivery by our suppliers, insofar as we obtain the goods in full

or as components from a supplier. This shall not apply if the non-delivery or delay was caused by us.

3. Compliance with the delivery deadlines requires fulfilment of contractual obligations by the customer in due time. The delivery deadline shall commence after clarification of all the details on the execution of the order and receipt of all the documentation necessary for its execution and other information to be provided by the customer as well as, insofar as this has been agreed, after receipt of an appropriate advance payment. The delivery deadline shall also be considered as complied with if the goods leave our factory or the shipment location indicated at the agreed time or the customer has been notified that the goods are ready for shipment, but that the goods cannot be dispatched promptly without this being our fault.

4. The delivery deadline shall be extended appropriately in the event of labour disputes that were not obvious at the time of order acceptance as well as the occurrence of unexpected obstacles, which lie outside our control, insofar as such obstacles have a major influence on the production or supply of the goods. This shall also apply if these circumstances occur at our suppliers. If the delivery is delayed for more than two months as a result of such circumstances, both contractual parties are entitled to withdraw from the contract. However, the customer may withdraw only if we have not made a statement regarding his request within a period of a week as to whether we wish to withdraw from the contract or supply the goods within a period of two weeks. The same right of withdrawal shall arise irrespective of the above-mentioned period if the execution of the contract has become unreasonable for one of the parties as a result of the delay.

5. Even if a fixed date has been determined for a service or it is possible to calculate a time according to the calendar after the above-mentioned event, a delay shall occur only after receipt of a written reminder by us. If we experience a delay in making the delivery, we shall be granted an appropriate period of grace by the customer. This shall amount to at least two weeks.

Section 6 Delivery

1. Insofar as nothing to the contrary results from the acknowledgement of the order, delivery is agreed as ex works. When the goods are handed over to the forwarding agent, carrier or another party, including the customer's own courier, the risk of destruction or deterioration shall pass to the customer. This shall also apply to free house deliveries as well as deliveries as part of our forwarding service. If there is a delay in dispatch as a result of circumstances not attributable to us, the risk shall already pass to the customer with notification of readiness for shipment.

2. We are entitled to deliver as soon as the delivery period has expired. To the extent not otherwise agreed, call orders must be accepted within three months. In the event of a creditor default, the customer must pay 1% of the net invoice amount of the goods stored in the case of goods stored on our premises or at those of a third party per full month, unless the customer is able to prove that our loss caused by the non-acceptance was in fact lower. We reserve the right to assert and document further or lower storage costs.

3. A shipment will only be insured by us against theft, breakage, transportation, fire and water damage or other insurable risks at the express wish of the customer and at its cost and expense.

4. The customer is obliged to also accept partial deliveries to a reasonable extent. He shall also be in default of acceptance, if we offer delivery only in writing but other conditions for delay in acceptance exist.

With regard to call orders, orders delivered to the customer by us as manufacturer and drop ship orders, acceptance by the customer is an obligation within the meaning of Sections 276, 280 et seqq. of the German Civil Code (BGB). With regard to such orders, we are therefore entitled to withdraw from the contract if the call forward period is exceeded and a period of grace of 14 days has expired without success and/or to demand compensation owing to non-performance. At the same time we can demand that the total orders, which have not yet been called forward, are immediately accepted in total.

5. We may refuse delivery, if after the conclusion of the contract it emerges that our claim for consideration is endangered owing to doubts about the creditworthiness of the customer. Reasons for doubts about the creditworthiness of the customer are in particular based on the following circumstances: application for the institution or the institution of insolvency proceedings, debt composition or general judicial enforcement proceedings, individual judicial enforcement, bill or cheque protests, presentation of uncovered cheques, false information given by the customer regarding its creditworthiness or unfavourable information by licensed credit agencies. Our right to refuse performance shall lapse if the counter-performance is brought about or security for the latter is provided. We may determine an appropriate period of time during which the customer may at its discretion fulfil its payment obligations or provide security against delivery of the goods. After fruitless expiry of this period, we may withdraw from the contract.

6. Packaging shall be taken back only insofar as we are legally obliged to do so. We may use a third party in order to comply with statutory obligations to take packaging back.



Section 7 Quality of the goods

1. Information regarding our goods merely relates to quality descriptions, unless they are expressly described as guarantees.

2. Deviations, which are declared permissible in the technical part of the "Allgemeine Verkaufsbedingungen für graphische Papiere und graphische Kartons zur drucktechnischen Anwendung" (General Conditions of Sale for graphic papers and graphic cartons for typographic applications) recommended by the Verband Deutscher Papierfabriken e.V. (published in the German Federal Gazette on 15th May 1983 on page 4534 and on 26th January 1984 on page 785 – enclosed as Annex A), do not represent a defect. Insofar as the provisions of the above-mentioned regulation deviate from the provisions of these General Terms and Conditions, the regulations of these General Terms and Conditions shall take precedence. The affected provisions of the technical part of the "General Conditions of Sale for graphic papers and graphic cartons for typographic applications" recommended by the Verband Deutscher Papierfabriken e.V. shall not apply to that extent.

3. The same applies to minor deviations in quantity, weight and measurement as well as to minor deviations in material, purity, colour and surface, which lie within the limits of what is usual in this sector for goods. **Similarly, deviations based on provisions of law, technical improvements and the replacement of components with equivalent parts do not comprise defects if they do not impair the intended use as provided in the contract.** With regard to custom-made products in envelopes and wallets, we retain the right to excess or short deliveries of up to 10%.

4. As a result of the continuous alterations and new developments in the manufacture of paper, we are not obliged to make future deliveries with the same qualities as previous deliveries.

5. For products made of corrugated cardboard and solid fibre board, the following additional conditions apply: the seller accepts no liability for deviations which are usual in the industry with regard to paste application, smoothness as well as the purity of the paper, gluing, tacking, colours and printing. Measuring tolerances of +/- 1%, but at least +/- 3mm are deemed to be accepted. If not stipulated in the contract or these General Terms and Conditions in more detail, the assessment of deviations, which are usual in the sector or technically unavoidable for products made of corrugated cardboard, shall be based on the test catalogues published by the Verband der Wellpappen-Industrie e.V., Hilpertstrasse 22, 64295 Darmstadt, Germany for packaging made of corrugated cardboard and, insofar as the contract, these General Terms and Conditions and the above-mentioned test catalogue do not contain any relevant

provision, the DIN standard for corrugated cardboard packaging, all in the version valid at the time the contract was concluded.

For packaging made of solid fibre board, insofar as the contract or these General Terms and Conditions do not determine more precisely, the "Bestimmungen der Abmessungen und zulässigen Maßabweichungen bei Verpackungen aus Vollpappe" (Conditions of dimensions and permitted measurement deviations for packaging made of solid fibre board) issued by the Verband Vollpappe-Kartonagen e.V., Hilpertstrasse 22, 64295 Darmstadt shall apply in the version valid at the time the contract was concluded.

The seller reserves the right to excess or short deliveries for products made of corrugated cardboard or solid fibre board in the quantities usual in the sector. The normal deviations in the sector are:

- up to 500 items or under 1,000 kg: 20%
- up to 3,000 items or from 1,000 – 2,000 kg: 15%
- over 3,000 items or over 2,000 kg: 10%

Only the quantity actually delivered shall be charged.

6. For products made of plastic sheets, the following additional conditions shall apply:

- a) for products made of high pressure polyethylene:
- up to 2,500 mm sheet width and sheet thickness
 - up to 15my: 25% sheet thickness tolerance
 - up to 2,500 mm sheet width and sheet thickness
 - from 15 - 25my: 15% sheet thickness tolerance
 - up to 2,500 mm sheet width and sheet thickness
 - from more than 25my: 13% sheet thickness tolerance
 - for 2,500 – 5,000 mm sheet width and sheet thickness
 - up to 50my: 20% sheet thickness tolerance
 - for 2,500 – 5,000 mm sheet width and sheet thickness
 - from more than 50my: 15% sheet thickness tolerance
 - up to 2,500 mm sheet width and sheet thickness
 - from more than 25my: 13% sheet thickness tolerance
- b) for products made of low pressure polyethylene:
- sheet thickness tolerance of 20%

- c) Applicable in the case of LLDPE stretch sheets
- up to 15my sheet thickness: 15% sheet thickness tolerance
 - more than 15my sheet thickness: 10% sheet thickness tolerance

For all plastic sheets, a measurement tolerance for widths and lengths of +/- 5%, however at least 20 mm shall apply. For automatically produced parts up to 3% rejects

shall be allowed without giving rise to a reduction in price.

In addition, for plastic sheets, insofar as not determined more precisely in the contract or in these General Terms and Conditions, the "Prüf- und Bewertungsklauseln für Polyethylen-Folien und Erzeugnisse" (Testing and assessment clauses for polyethylene sheets and products) published by the Gesamtverband Kunststoffverarbeitende Industrie e.V., Am Hauptbahnhof 12, 60329 Frankfurt, Germany shall apply in the version valid at the time the contract was concluded.

The standards referred to in Section 7 (5) and (6) may be viewed on our homepage www.papierunion.de or can be made available to the purchaser.

7. Quality impairment, which is based on ordinary wear and tear, incorrect or negligent handling, excessive operational demands or the use of unsuitable, antiquated or dirty processing equipment, does not represent a defect.

8. Information and details about the suitability, use and processing of our goods does not release the customer from undertaking his own tests and trials.

9. The customer bears sole responsibility for complying with statutory and official requirements and those relating to trade cooperatives regarding the use of our goods.

Section 8 Liability for defects

1. Claims regarding defects require that the customer has duly fulfilled its investigation and notification obligations in accordance with Section 377 HGB. The notice of defects must be made in writing and enclose the tally sheet, which comes with the goods, which have been delivered. Sample material for the notice of defects should be kept and made accessible on request. The notification of identifiable defects must be made no later than within five working days after receipt of the goods. Hidden defects are notified in due time only if the notice of defects is put forward within five working days of the discovery.

2. In the event of a justified notice of defects made in due time, processing of the goods may take place only with our consent.

3. Insofar as a defect in the goods occurs, we shall be entitled to select subsequent performance by rectifying the defect or by making a replacement delivery. In the event of subsequent performance, the customer shall bear the additional costs, caused by the fact that the goods supplied were brought to another location than the current one after the defect was discovered.

In the case of the purchase of a machine, there is, in particular, no defect if following the transfer of possession:

- a) **Parts are damaged through the application of force by the customer or a third party;**
- b) **The customer or a third party makes improper repairs or accesses the equipment without our consent;**
- c) **Original parts are not used during repairs or expansions by the customer or third parties;**
- d) **Additional equipment or consumables such as ink, paper, toner, developer or media not recommended by us are used;**
- e) **The operating manual or instructions were not followed;**
- f) **Acts of God, water damage or fire damage occurred or the equipment was connected to the incorrect voltage;**
- g) **Necessary maintenance and service work was not performed;**
- h) **Defects relate to wearing parts with a limited life span**
- i) **and the purchaser does not submit proof that a claimed defect was not due to one of the grounds listed above.**

4. If the subsequent performance selected by us fails, if it is unreasonable for the customer, if it is rejected by us or if it is delayed beyond an appropriate period for reasons, for which we are responsible, the customer may withdraw from the contract or reduce the purchase price – irrespective of any claims for compensation. However, defects regarding partial deliveries give the customer the right to withdraw from the entire contract only if the latter can provide evidence that the remaining partial deliveries are of no interest to him.

5. Claims for defects, which are not directed towards obtaining compensation, are precluded in the case of the sale of used equipment to the extent we are not subject to mandatory liability or we have agreed otherwise.

6. Claims for defects, which are not directed towards obtaining compensation, shall become invalid one year after submission. This shall not apply to an intentional infringement of an obligation, an infringement of guarantees or in cases of Sections 438 (1) no. 2, 634a (1) no. 2 BGB.

7. In cases of statutory liability of entrepreneurs in transactions with entrepreneurs under Sections 478, 479 BGB (Rückgriff des Unternehmers) the provisions of Sections 478, 479 BGB shall take precedence.

8. With regard to claims for defects, which are directed towards obtaining compensation, Section 10 below also applies.

Section 9 Intellectual property rights

1. As set out in this Section 9, we warrant that the product delivered is free of third-party intellectual property rights or copyrights. Each party shall immediately inform the other party in writing in the event a claim is asserted against it for the infringement of such rights.

2. In the event the product delivered infringes a third-party intellectual property right or copyright, we will - at our option and at our cost and expense - modify or exchange the product delivered such that the rights of third parties are not longer infringed, however such that the product delivered will continue to perform the contractually-agreed functions or we will obtain the right of use for the customer by concluding a license agreement. If we are not able to do so within a reasonable period, the customer is entitled to withdraw from the contract or reduce the purchase price appropriately. Any claims for damages on the part of the customer are subject to the restrictions set out in Section 10 of these General Delivery Terms.

3. In the case of infringements related to goods we have supplied produced by other manufacturers, claims may only be asserted against us subject to the provisions of Section 9 if such claims could not be successfully enforced by legal means against the manufacturer or a supplier or is without chance of success, e.g. due to insolvency.

Section 10 Limitation of claims for compensation

1. Claims for compensation against us or our vicarious agents shall be ruled out with regard to slightly negligent infringements of obligations, which are not of major importance to the contract. Liability for slightly negligent infringements of obligations, which are of major importance to the contract, shall be limited to foreseeable damage or loss, which is typical to this type of contract.

2. Claims for compensation against us or our vicarious agents shall become invalid after one year with regard to slightly negligent infringements of obligations. This shall not apply to claims for compensation as a result of a defect in the cases stated in Section 438 (1) no. 2, 634a (1) no. 2 BGB.

3. The above-mentioned exclusions and limitations of liability shall not apply to an infringement of guarantees or a fatal or bodily injury or harm to health.

4. Insofar as we or our vicarious agents are liable under the German Product Liability Act (ProdHG) for material or personal losses caused by a faulty product, the provisions of the Product Liability Act shall take precedence. For an internal settlement in accordance with Section 5 Clause 2 of the Product Liability Act, the above-mentioned provisions remain unaffected.

5. We shall not be liable for losses, which arise from misuse of the customer's user access, insofar as the customer has made the misuse possible through its behaviour. The customer makes misuse possible in particular if it passes the user ID or password to a third party without authorisation or does not take sufficient care to prevent that a third party has

access to user ID or password without authorisation.

Section 11 Reservation of title

1. Until our purchase price claim as well as any other of our claims against the customer have been fully settled, we shall remain the owners of the goods supplied. Reservation of title shall remain in existence even if individual items of our accounts receivable are included in a running account and the account is balanced and recognised. In this case it will serve as collateral for the balance.

2. If the goods under reservation of title supplied by us are processed or treated by the customer this shall be done on our behalf as the manufacturer within the meaning of Section 950 BGB.

3. If our goods under reservation of title are combined or mixed or processed together with the customer's own goods or with goods under someone else's reservation of title, we shall acquire co-ownership of the new item or of the mixed stock in relation to the value of our goods under reservation of title to the other goods at the time they are combined, mixed or processed. We shall not lay claim to the increase in value brought about by the combination, mixing or processing.

4. The goods under our ownership in accordance with Section 11 (2) and those of which we have co-ownership in accordance with Section 11 (3) serves to secure our claims of title, which were originally supplied by us. We have the right to revoke the authority of the customer to combine, mix or process our goods under reservation of title, if the customer falls into arrears with regard to payments owed to us.

5. The customer already now assigns to us his claims with any ancillary rights from the subsequent resale of our goods under reservation of title as well as the goods under our ownership in accordance with Section 11 (2) and those of which we have co-ownership in accordance with Section 11 (3) as security for any claims against the customer, which exist at the time of the resale. However, in the event of the resale of the goods, of which we have co-ownership in accordance with Section 11 (3), only the part of the claim, which corresponds to the value of our co-ownership, shall be considered assigned.

6. The customer has the power to assign the account receivable from the resale as part of factoring, insofar as we are notified in advance of this assignment and the factoring revenue reaches at least the value of our goods under reservation of title or the goods under our ownership in accordance with Section 11 (2) or those of which we have co-ownership in accordance with Section 11 (3), from which the relevant account receivable arises. The

customer shall already now assign to us the accounts receivable and other claims against the factor from the sale of the accounts receivable assigned to us by way of security. They shall be used likewise as security for our claims. We hereby accept the above-mentioned assignments.

7. If the value, which can be achieved, of the accounts receivable assigned to us by way of security exceeds our claims against the customer by more than 10%, we shall be obliged to release the securities existing above this level, at the request of the customer.

8. The customer has the right to collect the assigned accounts receivable on our behalf. This authorisation shall however lapse if the customer falls into arrears with payments owed to us. In this case, we are authorised to inform the customer's purchaser of the assignment in the name of the customer. The customer is obliged to provide us with the necessary information to assert our rights against its purchaser, in particular to name the purchaser and deliver the necessary certificates and documents.

9. The customer has the right to resell our goods under reservation of title as well as the goods under our ownership in accordance with Section 11 (2) and those of which we have co-ownership in accordance with Section 11 (3) only in the course of its usual business and only on condition that the purchase price claim from the resale is passed on to us in accordance with Section 11 (5). **In addition, the customer is obliged to sell the goods described above only subject to reservation of (joint) title.** This authorisation shall however lapse if the customer falls into arrears with payments

owed to us. The customer is not entitled to other dispositions regarding the goods under reservation of title and those under our ownership in accordance with Section 11 (2), in particular regarding pledging or transfer of ownership by way of security.

10. The customer is obliged to insure our goods under reservation of title as well as the goods under our ownership in accordance with Section 11 (2) and those of which we have co-ownership in accordance with Section 11 (3) against loss and damage as a result of fire, theft, water or similar risks to a sufficient level and to provide evidence of this insurance cover to us upon request. The customer hereby assigns to us its claims for compensation, to which he is entitled from insurance companies or others with an obligation to provide compensation – if need be on a pro rata basis.

In connection with the purchase of a machine, the customer is obliged to keep the goods in good working order for as long as title to such goods is reserved and is required to perform necessary maintenance work on a timely basis at its own cost and expense.

We must be notified of any adverse effect on our goods under reservation of title as well as the goods under our ownership in accordance with Section 11 (2) and those of which we have co-ownership in accordance with Section 11 (3). The same applies to access of a third party to the goods. **The customer must refer to our ownership interest in the event third parties attach the goods under reservation of title. The purchaser bears all costs necessary to remove an attachment and to re-obtain the product**

purchased to the extent they may not be recuperated from third parties.

11. If the authority to resell lapses, the customer is obliged at our request to provide us with information on the stock level of our goods under reservation of title as well as the goods under our ownership in accordance with Section 11 (2) and those of which we have co-ownership in accordance with Section 11 (3).

12. Furthermore, we have the right to sell on the open market the goods under reservation of title returned to us to satisfy our claims, as soon as we have withdrawn from the contract.

Section 12 Written form, place of jurisdiction and applicable law

1. Any agreements between us and the customer, in particular subsidiary agreements and amendments to the contract, must be agreed in writing. **The written form requirement likewise applies to all customer instructions.**

2. Insofar as the customer is a businessman (Kaufmann), legal entity under public law or special asset under public law, Hamburg shall be the place of jurisdiction. However, we also have the right to take legal action at the general place of jurisdiction of the customer.

3. All legal relationships with the customer shall be governed by German law only. The application of the UN Convention on Contracts for the International Sale of Goods (CISG) and other international private law shall be excluded.

Supplement to the Terms of Delivery

General Conditions of Sale for graphic Papers and graphic Cardboard for typographic Applications recommended by the German Pulp and Paper Association published in the German Federal Law Gazette on May 15th, 1983 and January 26th, 1984

Technical part:

Section 12 Quantity tolerances

1. Paper and cardboard in format

The determination of the difference between the quantity ordered and delivered shall take place after the order has been delivered or the part of the order, which is the subject of the same delivery period and which refers to a single quality (material composition, colouring, surface, and other features) and to a single format. Depending on the quantities supplied, the following tolerances shall apply:

I.1 Paper and graphic cardboard in formats and usual qualities.

Definition:

Qualities, which are usual for a manufacturer of paper and cardboard, are understood to be those, which are set down with regard to quality (type), grammage and format in the latter's price lists, catalogues and other commercial documentation.

I.1.1 Paper and graphic cardboard in qualities, grammage and formats, which are usual for the manufacturer.

Order quantity	If no Maximum order quantity or minimum quantity has been ordered ¹⁾
more than 20 t	± 2,5% maximum ± 1 t
from 10 to 20 t	± 4%
from 5 to 10 t	± 5%
from 3 to 5 t	± 7%
under 3 t ²⁾	± 8%

When standard packaging units are delivered (these are packaging units determined by the manufacturer and indicated with a theoretical number of sheets in his price lists, catalogues etc.), there are no tolerances between the number of sheets ordered and the number of sheets charged. The accuracy of the figures (tolerance between the number of sheets charged for and the number delivered) is dealt with in Section 13.

I.1.2 Graphic papers and cardboard in qualities and grammages, which are usual for a manufacturer, but in special formats.

Order quantity	If no Maximum order quantity or minimum quantity has been ordered ¹⁾
more than 100 t	negotiable
from 50 to 100 t .	± 4%
from 20 to 50 t	± 6%
from 10 to 20 t	± 8%
from 5 to 10 t .	± 10%
from 3 to 5 t	± 15%
under 3 t	± 20%

Lower tolerances may be agreed by special arrangement if the type of paper ordered and the technical conditions allow for this.

I.1.3 Graphic papers and cardboard manufactured specially (i.e. papers of different characteristics to those referred to under I.1.1 and I.1.2).

For these papers the tolerances to be agreed between the purchaser and the seller should not be smaller than those referred to under I.1.1 and I.1.2.

II. Paper and cardboard in rolls

Quantity tolerances for suppliers of rolls cannot be determined in general owing to the variety of roll measurements. Therefore the seller and the purchaser must determine specific tolerances. However, if agreement cannot be reached, the tolerances, which are provided for under I.1 for graphic papers and cardboard, shall apply.

Section 13 Counting accuracy tolerances

For orders relating to "counted sheets", the following tolerances are to be applied:

I. Number of sheets per delivery for graphic paper
When charging is undertaken by the number of counted sheets, the number of sheets delivered and the number charged for may deviate by
± 3% for deliveries of less than 1 t with less than 5,000 sheets
± 2% for a delivery of 1 t or more than 5,000 sheets.

II. Number of sheets per packaging unit or counted unit
The difference between the theoretical and actual number of sheets per packaging unit or per counted unit must not exceed the following tolerances for 95% of the packaging or counted units supplied:
± 3% however at least ± 5 sheets – for graphic papers and cardboard with a grammages of at least 60 g/m²
± 5% however at least ± 5 sheets – for other graphic papers, for lightface and special papers.

Section 14 Grammage tolerances

(Weight per m²)

I. Spread of individual values within a delivery
The difference between the grammage ordered and delivered (surface-related measurements) must not exceed the following values for 95% of the quantity delivered:

I.1 For uncoated printing and writing paper

Grammage ordered	If no minimum or maximum weight is prescribed
up to 32 g/qm einschl.	± 2,5 g/qm
from 33 g/qm to 39 g/qm	± 8%
from 40 g/qm to 59 g/qm	± 6%
from 60 g/qm to 179 g/qm	± 5%
from 180 g/qm to 224 g/qm	± 6%
from 225 g/qm and more	± 7%

The German Pulp and Paper Association published a supplement to these Conditions of Sale on 17 July 1984, which sets down the following tolerances:

Paper for endless pre-printed forms in rolls

Grammage	(spread of individual values)
40-55 g/qm	± 5%
56-90 g/qm	± 4%

I.2 For coated printing and writing paper

The above-mentioned tolerances increase by one point up to 32 g/m² and by 2 points for higher grammages. For example: ± 2.5 g becomes ± 3.5 g and ± 6% becomes ± 8%.

I.3 For graphic special paper, such as drawing paper, and for other coated or uncoated light papers, if no special agreement has been reached between the seller and the purchaser, tolerances of one point higher than those indicated under I.1 for uncoated paper and under I.2 for coated paper, shall apply.

I.4 Prescribed maximum or minimum grammage

If a maximum or minimum grammage is prescribed, the tolerances mentioned in the three paragraphs above, shall be doubled.

II. Average grammage of the delivery

The differences between the grammage ordered and delivered must not exceed the following values:

II.1 Uncoated printing and writing paper

Grammage ordered	If no minimum or maximum weight is prescribed
up to 32 g/qm	± 2,5 g/qm
from 33 g/qm to 39 g/qm	± 6%
from 40 g/qm to 59 g/qm	± 4%
from 60 g/qm to 179 g/qm	± 3% ³⁾
from 180 g/qm to 224 g/qm	± 4%
225 g/qm and more	± 5%

If a quality is delivered in a quantity of 3 t or less, these tolerances shall increase by one point. Example: 2.5 g/m² becomes 3.5 g/m², ± 6% becomes ± 7%.

II.2 For coated writing and printing papers the tolerances are 2 points above the values indicated under II.1, insofar as nothing else has been expressly agreed.

II.3 For graphic and special papers, such as drawing paper, and for other coated or uncoated light paper, if no tolerances have been agreed between the purchaser and the seller, higher tolerances than under II.1 for uncoated and under II.2 for coated paper shall apply.

Section 15 Thickness tolerance

If a thickness is prescribed for a certain application, the manufacturer and the purchaser shall agree a corresponding thickness tolerance instead of the grammage tolerance.

Section 16 Measurement tolerances for paper and cardboard in rolls

I. Width

For rolls with a width of a maximum of 1.60 m the tolerance for the width of the rolls is ± 0.5%, however a maximum of ± 3 mm and at least ± 2 mm. For special applications, the contractual parties may agree different tolerances separately.

If the purchaser demands the setting of a maximum or minimum width, the tolerance values shall be doubled.

For rolls, which are wider than 1.60 m, tolerances shall be determined by means of special agreements.

The German Pulp and Paper Association published a supplement to these Conditions of Sale on 17 July 1984, which sets down the following tolerances:

Paper for endless pre-printed forms in rolls	
Roll width	± 1,0 mm

II. Diameter

If the roll diameter is prescribed when the order is given and the seller states that he/she is in agreement with this, the following deviations from this shall be permitted:

– for paper

- without an indication of the maximum and minimum diameter: -4 cm and + 2 cm
- with an indication of the minimum diameter: + 4 cm
- with an indication of the maximum diameter: - 8 cm
- special agreements may be made for consumer paper;

– for cardboard

- without an indication of the maximum and minimum diameter: + 6 cm
- with an indication of the minimum diameter: + 12 cm
- with an indication of the maximum diameter: - 12 cm

Rolls left over from uniform production shall be purchased by the purchaser if the diameter of these rolls exceeds half of the ordered roll diameter.

Section 17 Measurement and right-angle tolerances for paper in sheets

I. Paper and cardboard in format

I.1 Measurement tolerances

The following maximum deviations for lengths and widths of the formats are permitted:

Net format:	± 0,2% ± 0,4% ⁴⁾ but at least ± 2 mm ± 4 mm ⁴⁾	or
		or

Gross format:	± 0,4% ± 0,8% ⁴⁾ but at least ± 3 mm ± 6 mm ⁴⁾	or
		or

I.2 Right-angle tolerances

For papers in the net format, the tolerance of the right angle may amount to 0.3%, and at least 2 mm, related to the actual side lengths.

For papers in the gross format the tolerance of the right angle may amount to 0.6%, and at least 4 mm, related to the actual side lengths.

Note: The tolerances referred to under I.1 and I.2 are only applicable to formats, whose short side is at least 40 cm long.

If the type of paper ordered and the technical conditions permit, lower tolerances may be agreed by special arrangement.

The German Pulp and Paper Association published a supplement to these Conditions of Sale on 17 July 1984, which sets down the following tolerances:

Measurement and right-angle tolerances for all graphic papers in sheets		
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Net format		
Format tolerances	± 0,15%	at least, 1,5 mm
Gross format		
Format tolerances	± 0,20%	at least, 2,5 mm

The right-angle tolerance amounts to 0.2% for the net format, however at least 1.0 mm.

Section 18 Other properties

The seller shall not be liable for slight deviations for all other technical properties, whose tolerances have not been indicated above, as long as the goods supplied are suitable for the contractual purpose.

Cockling of paper and cardboard is not considered a hidden defect.

The purchaser of custom-made products shall remain obliged to accept the order quantity if up to 10% of the papers and cardboard deviate slightly from the quality originally agreed but remain suitable for the intended application.

Section 19 Normal distribution of the test values

All the tolerances contained in these Conditions of Sale, shall be considered satisfied if 95% of the measurement values are within the prescribed tolerances.

In addition, 4.5% of the measured individual values may not exceed a maximum deviation of up to 1.5 times the tolerance value.

A maximum of 0.5% of the total number of individual tests undertaken may exceed the tolerance limit by the factor 1.5.

Example: Section 17 provides for a tolerance of ± 0.2% for net formats. For a length of 1 m there is a deviation of ± 2 mm. The tolerances are considered satisfied if:

- at least 95% of the measurement values lie within 1 m ± 2 mm,
- a maximum of 4.5% of the measurement values lie outside 1 m ± 2 mm, but within the range of 1 m ± 3 mm (1.5 times the tolerance),
- a maximum of 0.5% of the measurement value exceeds 1 m ± 3 mm.

Section 20 Test regulations

ISO standards apply to the test regulations to be applied, insofar as all the points are identical to the national standards of the manufacturing country. Otherwise the national standards of the manufacturing country shall apply.

If no standards are available, the appropriate test method shall be agreed.

For ISO standards, they are currently as follows:

I. Sampling:	ISO R 186 (= DIN 53101)
II. Conditioning of paper and board test samples:	ISO R 187 (= DIN 53102)

The condition atmosphere to be applied from one case to another in order to comply with the standard shall be agreed in advance.

III. Determination of counting accuracy

1. The counting methods to be applied must be the sub-

ject of a prior agreement.

2. Insofar as the determination of quantities is concerned ISO R 186, the samples taken must comply at least with standard ISO R 186 (DIN 53101).

IV. Determination of grammage: ISO R 536 (=DIN 53104)

V. Thickness measurement: ISO R 438 (= DIN 53105)

VI. Dimensions and right angles:

The specifications below or other specifications shall be applied.

VI.1 Test equipment

Plane table: robust design of the plane table, which is covered with a metal, plastic or glass sheet.

Measuring angle: Metal side with graduations of 0.5 mm, which is screwed firmly with the sheet of the plane table and is controlled by means of a calibration square.

Auxiliary ruler with graduations of 0.5 mm.

VI.2 Test method

Format verification:

Lay the edge to be inspected a short distance over the horizontal side of the measuring angle and push carefully towards the vertical side. Read the format on the horizontal side.

Measure all four sides owing to any possible angle deviations.

Angle verification:

Lay sheets with the first long edge on the horizontal side of the measuring square. Push carefully towards the vertical side.

Measure deviations for angles above 90° for horizontal and for angles under 90° with the auxiliary ruler against the vertical side.

To verify the remaining three angles, turn the sheet clockwise through the test square (do not turn the sheet over, as otherwise the reference line changes).

Results:

Format deviations:

Indication of the worst value in each case of the long and short edges.

Angle deviation:

Indicate all four deviations. The worst value is used for the assessment.

Footnotes:

1) If deviations are permitted only on one side, the tolerances in this table are doubled.

2) The tolerances of ± 8% for orders up to three tonnes do not apply to consumer types, which are sold in quantities of less than 3 t only via wholesalers.

3) For common grammages between 60 and 129 g/m² the tolerance can be determined in a special agreement for certain paper categories and the above-mentioned percentage reduced to 2.5%.

4) If it is unacceptable to round down a tolerance and this was noted on the order.