

General Terms and Conditions

1. Conclusion of Contract and Prices

- The General Terms and Conditions are subject to all contracts and offers of MÜLLER & BAUER GMBH & Co. KG. Deviating conditions of the customer not expressly accepted in writing by MÜLLER & BAUER GMBH & Co. KG are not binding even if not expressly contradicted.
- Our offers are subject to written confirmation. Contracts and offerings will become valid upon our confirmation in writing.
- Our General Terms and Conditions will be subject also to future agreements and offers even if not expressly included.
- If the production costs have increased (due to increase of costs of salary, material, energy, public charges or similar) in the time between concluding the contract and delivery, and if the term of delivery is 6 weeks or longer past the date of the concluding of the contract, we may increase our prices accordingly to the increase of our costs. This does not apply if the price is not agreed as a fixed price expressly in writing.

2. Payment Terms

- Subject to credit and approval, payments are due within 30 days past the invoice date and are strictly net. If payment is made the latest 14 days past invoice date a 1.5% cash discount is granted for those positions of the invoice that conclude of delivery of goods. Cash discount is not applicable for positions consisting of printing costs and services.
- Checks and acceptance bills will only be accepted upon prior written consent by us. The customer is to pay incurring costs and interest.
- If the payment term is exceeded the customer is obliged to cover the loss of interest amounting to the interest rate charged to us by our own creditor, at least 8 percentage points above the base lending rate of Deutsche Bundesbank. Furthermore the above mentioned due dates no longer apply and any outstanding payment is due immediately free of discount, if any.
- We are entitled to refuse delivery if the payment by the customer is delayed. We are also entitled to refuse delivery if instances become known to us that the customer may not meet the payment term, especially the due date. Furthermore we are entitled to fulfill delivery if the customer pays the invoice immediately upon delivery, or grants adequate deposit. If the customer does not meet the request for adequate deposit we can withdraw from the contract.
- Retention of payments or set-off of contradictory claims is only permitted if the contradictory claim or retention is legally final or undisputed.

3. Retention of Title

- We retain title of the delivery until full payment of all invoices deriving from our business connection with the customer, including checks and acceptance bills. In case of so called check / acceptance-bill legal actions, we retain title until the possibility of regress has expired. If the customer fulfills his obligations deriving from the business relation he is entitled within the principal course of business to dispose of the delivered goods. The customer is obliged to ensure our retention of title if any in the principal course of business also in relation to third parties.
- If the delivered goods are subject to further manufacturing we are to be considered as manufacturer and we gain title of newly manufactured items. If the delivered goods are manufactured and also combined with other goods, we partly gain title amounting to our invoice in comparison to the invoice of the other manufactured goods. If the goods have not been invoiced the current market price of the manufactured goods shall be applicable. In any case the customer stores the manufactured goods for us free of charge.
- If the customer's payment is delayed or in case of cancellation we are entitled to withdraw from the contract within adequate term. In this case the customer hereby irrevocably entitles us to retrieve our goods or the goods manufactured by us. The customer will allow us to enter his business rooms to ensure our rights. After retrieving our goods we are entitled to freely sell the goods. We are entitled to adequate handling fee. The achieved price for the goods is to be deducted from the customers open balance. Claims for damages are treated separately.

- The customer assigns all rights and claims from the sale of goods to us if we retained title for the sold goods. The assignment is hereby accepted.
- The customer will immediately inform us on any judicial execution relating to our retained title or assigned claims by third parties. The customer will hand over any documentation enabling us to defend our rights and indemnify us for our occurring costs.
- The customer is entitled to collect the assigned claims for us. The customer is also entitled in a regular course of business to dispose of delivered goods and / or manufacture the goods. We may revoke this entitlement at any time if the customer does not fulfill the payment obligations, is illiquid, over-indebted, or a motion for insolvency has been filed. In this case, the customer has to display the assignment of our claim to the purchaser. Furthermore the customer will immediately upon request inform us of the purchaser's full name and address and amount of the assigned claim.
- We are obliged upon request of the customer fully or partially to reassign the assigned claim to the customer or fully or partially to waive our retained title if the achievable value of the goods is 20% or higher than the customers open items.

4. Delivery, Term of Delivery, Acceptance

- For technical reasons a tolerance of up to 10% of the ordered volume to the delivered volume is to be accepted by the customer. This tolerance is also applicable if freight can be handled more economical. Deliveries will only be made in full pallets. A divergence within the tolerance is no insufficiency according to § 434 Sec. 2 BGB.
- The term of delivery starts with mailing of the acceptance of the order, the earliest however on the day the customer supplies full documentation and advanced payment, if any. We comply with the term of delivery if the delivery is being handed to a freight carrier in time. If a delivery to the customer is obnoxious, the term of delivery is complied with if the delivery is in our storage and prepared to be delivered to the customer. If customer's payments are delayed, we can restrain from delivery until payment has been made.
- If we are inhibited to meet our obligations by unanticipated and unavoidable circumstances, e.g., business disruption, delay in the delivery of basic raw material, the term of delivery is extended adequately. This also applies if our delivery is delayed, if the delay is not based on deliberate act or gross negligence. If our delivery becomes obnoxious, we are no longer obliged to deliver. The customer hereby waives any claims arising from this, however other claims or rights for withdrawal of the customer remain. If the customer meets the foregoing circumstances the same legal consequences apply for the customers obligation for acceptance of the delivery.
- Any party can only qualify for the foregoing rights if any consideration in return is being reimbursed immediately.
- The customer is obliged to accept delivery of printed and / or customer-specific goods at the latest 6 months after our acknowledgement of the order. If the customer does not meet his obligations the customer has to bear the incurred costs for storage and delivery. In addition, the customer has to pay the purchase price. If our delivery is delayed the customer has to grant an adequate extension for the term of delivery. If also the extended term of delivery expires the customer can claim compensation for failure of performance. The claim is limited to the costs of an alternative purchase or the amount of the invoice value of the delayed delivery, whichever is less. This limitation is not applicable if the delay is caused deliberately or by gross negligence.

5. Shipment, Passing of the Risk, Packaging

- The delivery is sold to the customer in our premises unless the contract states differently. The passing of the risk is determined as follows:
 - If the delivery is to be made in our premises the risk passes on to the customer when the goods are being handed to a freight carrier. In case of FOB or CIF the risk passes on to the customer when the delivery in the port of shipment passes the ships railing. INCOTERMS in its latest version are applicable.

- If the delivery is made to the customer's premises on our expenses the risk passes on to the customer when the delivery passes the customer's premises.
- If the delivery is made to a country other than Germany the risk passes to the customer when the clearing formalities of the border control of the exporting country have been passed. The customer will be informed adequately and in time that the delivery is being sent or when the delivery is to be accepted by the customer.
- The risk and the costs of delivery of raw materials or semi-finished products for further manufacturing on behalf of us as well as the return delivery of the finished goods is to be borne by the customer. No compensation has to be paid for damage or loss of stored goods in our premises unless caused deliberately or by gross negligence. Rights deriving from § 959 BGB remain.
- Pallets are not to be returned to the freight carrier upon delivery, but will remain with the customer.

6. Warranty

- The customer immediately upon acceptance of delivery has to analyze the delivery for defects of the delivered goods. Any visible defects have to be advised to us in writing within 10 days after acceptance of the delivery. Non-visible defects have to be advised to us in writing immediately upon perception. Otherwise the delivery is approved free of defect.
- If a delivery is advised as defective or partially defective, goods are approved as free of defect if manufactured.
- We are to be involved in the examinations of the goods if a customer claims our delivered goods to be defect or partially defect. If it is essential for us to find cause of a defect we are entitled to also examine the goods in the customer's premises. The customer has to have the rejected goods at our disposal until we agree in writing to retract the goods or agree in writing to the destruction of the goods.
- In case of defects we are entitled to choose whether we remedy the defects on our expenses or substitute the defected goods on our expenses. Defective goods are concurrently to be returned to us for substitute goods. The customer may withdraw from the contract or request reduction of the purchase price if remedy or substitution of the defective goods is obnoxious or cannot be fulfilled by us in an adequate term due to reasons not within our responsibility. This does not apply if the defect of the goods only insignificantly reduces the value or effectiveness.
- We abide by the industry standard abilities and industry standard dimension of goods. The customer has to tolerate industry customary divergences. We will use our best efforts to accomplish the customer's color-specifications of the goods, for technical reasons an exact accomplishment cannot be guaranteed.
- The customer is obliged before delivery to verify the abilities of the goods by using allocated samples; we will deliver the sample upon written request.
- We are not liable for damages caused by natural deterioration, improper and / or unqualified usage and / or treatment, excessive exposure or improper adjustment and / or remedy by the customer or third parties.
- Further claims of the customer are excluded. This especially includes claims based on compensation for loss suffered instead of delivery, direct or indirect consequential damage, and breach of duty before contract or tortuous act. This does not apply if we issued guarantees expressly or if our legal representative, an auxiliary person or we caused damage deliberately or by gross negligence. Furthermore, this does not apply if our liability is based on the Product Liability Act (Produkthaftungsgesetz) as of December 15 1989 in its current status. In case of negligence our liability for damages is limited to the amount of foreseeable damage. The legal rules of burden of proof remain.
- Our warranty is not extended to abilities of the delivered goods that diverge from the industry-customary use and purpose of the goods unless expressly stated in writing in the contract.
- All claims based on our granted warranty are subject to a limitation period of one year starting with the day of the passing of the risk. This does not apply if a longer limitation period is obligatory by law.

7. Property Rights, Copy Rights, Drafts, Tools

- The customer is obliged to consider any and all third party property rights, copyrights, labeling prerequisites, etc., if any. This also applies to drafts compiled by us based on submissions by the customer. The customer will indemnify us from any and all claims by third parties based on the violation of such rights.
- Drafts, lithographic prints and printing plates will be invoiced partially according to the contract in case of purchase order and will retain title also after payment has been made. They may only be used for third parties with our express written consent. If no purchase order is placed, the customer will pay all costs incurred for drafts and drawings.
- Tools will be invoiced partially according to the contract in case of purchase order. The invoice for tools will be separate to the invoice for the delivery. The first half of the invoice is to be paid with the order, the other half is to be paid upon delivery of the sample. Furthermore the customer has to bear the incurred costs for adjustments of our production tools caused by his order, if any. We retain title of the tools in any case. We are not obliged to deliver the tools to the customer. We carefully store the tools for further usage in case of repeat order, maintain the tools and take out a policy for fire damages. Our obligation of storage expires if the customer does not place a repeat order within 2 years of time and we notified the customer adequately.

8. Governing Law, Jurisdiction, Miscellaneous

- For any and all claims between the parties exclusively the law of the country of our principal place of business is applicable. CISG is not applicable.
- For any and all claims based on any contract between the parties exclusively the local court of our principal place of business has full jurisdiction. This also applies to claims based on check or acceptance bill.
- If individual clauses are or become invalid the rest of the agreement remains in full force.

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