

General Terms and Conditions of Business

of KANDINSKY DEUTSCHLAND GMBH, Königsberger Str. 100, 40231 Düsseldorf
in conjunction with the supply of goods and the provision of services to other companies

Status as at: 1 November 2008

1. General scope of applicability

- 1.1 The present General Terms and Conditions of Business (hereinafter referred to "GTC") shall be effective only in dealings with independent contractors, juristic persons under public law and special funds under public law in the sense of § 310 German Civil Code (BGB).
- 1.2 The GTC shall be deemed effective for the entire business relationship prevailing between the Client and KANDINSKY DEUTSCHLAND GMBH (hereinafter referred to as: KANDINSKY).
- 1.3 The GTC shall also be deemed effective and agreed for all later business, even where KANDINSKY does not expressly make reference to same again. This shall apply, in particular, in the case of newly placed orders as part of existing business, requests advised in respect of adjustment or amendment or in the case of the extension of existing contractual arrangements.
- 1.4 Any such terms and conditions of business of the Client as shall be found to be of contradictory or differing content shall be acknowledged only where such acknowledgement has been explicitly confirmed in writing by KANDINSKY. Otherwise, such terms and conditions of business of the Client as shall be found to be of contradictory content shall be deemed not to have been acknowledged by KANDINSKY. This shall likewise hold where KANDINSKY unconditionally renders performance in favour of the Client irrespective of its being aware of the existence of terms and conditions of business of the Client that are of contradictory and/or differing content.
- 1.5 Any such individual agreements as shall have been established with the Client to accommodate individual cases (including collateral agreements, additions and amendments) shall, at all times, be deemed to take precedence over the present GTC. Written agreement or our written confirmation shall dictate the content of agreement thus established.
- 1.6 All such declarations and items of notification as are of relevance under law and as shall be required to be effected by the Client for the attention of KANDINSKY following conclusion of contract (e.g. setting of deadline, notification of defect, declaration of withdrawal or diminution) shall require to have been effected in writing to be deemed effective in so far as nothing to the contrary is stipulated under the present GTC.

2. Quotations, conclusion of contract

- 2.1 All quotations originating from KANDINSKY and contained in brochures, advertisements, Internet publications, etc., shall be subject to confirmation and, as such, non-binding. Individually prepared, written quotations originating from KANDINSKY shall - in so far as nothing to the contrary has been specified in such quotation - be deemed valid for a period of duration 14 days as of receipt of the quotation. The right to effect prior sale remains reserved. Cooperation on the part of the Client in performance of contract on the part of KANDINSKY shall be deemed to constitute acceptance of the quotation from KANDINSKY by the Client.
- 2.2 Orders may only be placed in written or in text form. The order shall constitute a binding offer. Acceptance of same by KANDINSKY shall not be deemed to have been effected until a Confirmation of Order has issued within a period of two weeks, said period being deemed to have commenced as of the date of receipt of such order; alternatively, dispatch of the goods ordered to the Client within the same period shall be deemed to imply acceptance of order. Otherwise, the order shall be held to have been rejected. Confirmation of receipt shall not be held to imply confirmation of order.
- 2.3 All rights are reserved in respect of correct and punctual performance towards KANDINSKY by its own suppliers.
- 2.4 Amendment of order following conclusion of contract shall only be held to be effective in so far as such amendment has been agreed in writing between KANDINSKY and the Client and has been confirmed in written form by KANDINSKY.
- 2.5 KANDINSKY shall be at liberty to refuse performance of service where, following conclusion of contract, there are substantiated grounds for concern that its entitlement to counter-performance is in jeopardy for reasons of deficient ability to perform on the part of the Client, and, more specifically, for reasons of a deterioration in the Client's pecuniary circumstances. Where the Client is found to be unwilling, following expiration of a reasonable deadline, to render counter-performance concurrently and reciprocally in return for the services provided by KANDINSKY, or, alternatively, to furnish security, KANDINSKY shall be at liberty to withdraw from the contract.
- 2.6 Only those qualities and characteristics in respect of the goods to be delivered as specified in the Confirmation of Order issued by KANDINSKY or within the framework of detail provided by KANDINSKY in the form of a separate letter of confirmation shall be deemed to be legally owing. Product descriptions, details pertaining to weight and/or quantities, in particular, such as appear in catalogues, brochures, on the Internet, in price-lists and in advertisements originating from KANDINSKY are reference or approximate values only. They may not be viewed as being of binding character from the perspective of qualities to be delivered unless quality-specific detail has been explicitly confirmed in writing by KANDINSKY.

3. Prices

- 3.1 In so far as the Confirmation of Order does not specify anything to the contrary, KANDINSKY prices are to be understood "ex-works" (Düsseldorf) and strictly exclusive of Value Added Tax and packaging costs. The Value Added Tax shall be chargeable at the statutory rate applicable per date of invoice and shall be shown separately in the invoice.
- 3.2 All such quotations and detail pertaining to price as shall appear outside of the Confirmation of Order, in particular those found in catalogues, brochures, on the Internet, in price-lists and in advertisements originating from KANDINSKY, are of non-binding character and may be adjusted by KANDINSKY at any time.
- 3.3 KANDINSKY shall be at liberty, where contracts are of agreed term in excess of four months, to realign its prices to increases that have occurred on the basis of agreements with suppliers, agreements on tariffs, exchange-rate adjustments or increases in the cost of materials. Where such increase is found to be in excess of 5 % of the agreed purchase price, the Client shall be at liberty to withdraw from the contract subject to the proviso of § 313 Sub-section 3 German Civil Code (BGB). Claims of the Client for compensation in respect of such occurrence shall not be entertained.

4. Scope and implementation of order, printing motifs and printing technique

- 4.1 All of the artwork (graphics, logos, texts) required in conjunction with the printing motifs requested by the Client must be sent in digital form by email to the address "daten@kandinsky.de". The formats that are accepted by KANDINSKY are posted on the KANDINSKY Internet website (www.kandinsky.de). Incoming data shall be checked by KANDINSKY for its suitability for printing purposes. Where printing motifs are found to be unsuitable for reasons for which KANDINSKY cannot be held accountable, KANDINSKY shall be relieved of all obligation to render performance until such time as suitable printing motifs are forthcoming.
- 4.2 Any data forwarded shall not be deemed to have been received until receipt has been explicitly confirmed by KANDINSKY in writing or in text form. This shall not apply where KANDINSKY may be held accountable for non-receipt or confirmation of receipt has been withheld unjustifiably.
- 4.3 KANDINSKY reserves the right to supply amounts less than or in excess of those ordered in so far as such shortfall or excess as is directly attributable to the production process may be deemed reasonable from the perspective of the Client. An amount of difference of up to 10% shall be held to be reasonable. Where there is a mixture of articles and sizes, an amount of difference of up to 1.5% per individual article and/or size shall be held to be reasonable, no more, however, than 10% of the entire quantity ordered. The Client shall retain the right to furnish evidence to the effect that, in given individual cases, a lesser amount of difference is to be regarded as reasonable. In the event of excess delivery, payment shall be due and owing for the amount actually delivered and for no more than the amount that is held to be reasonable. In the event of delivery of an amount less than that ordered, payment shall be due and owing by the Client only for the amount actually delivered.
- 4.4 Depending on the given requirements, KANDINSKY shall avail itself of any of a variety of printing techniques (for example, screen-printing, transfer printing or sublimation printing). Outline drawings (with uniformly coloured areas) shall be produced applying screen-printing (standard method of printing). In the case of areas featuring a variety of shades of colour (half tones), use shall be made of alternative processes. This may cause screens to become visible (when using the transfer-printing method) or slight blurring may result (when using the sublimation-printing method).
- 4.5.1 Long-term and intensive use of an item to which print has been applied may cause the print to fade or to come off.
- 4.6 For the purpose of defining colours, KANDINSKY avails itself exclusively of the "coated" range from the Pantone Colour Matching System. The Client shall undertake to express its requests in respect of colour in terms consistent with the Pantone Colour Matching System. The material to which the print is to be applied may cause marginal deviation (+/- 1 shade) to arise. Such instances of deviation shall not be construed as such defect as would trigger warranty.
- 4.7 The dyeing of materials may likewise cause marginal deviation (+/- 2 shades) to arise. Such instances of deviation shall likewise not be construed as such defect as would trigger warranty.
- 4.8 Where textiles are required to be produced, slight divergence (+/- 1-2 cm) from those measurements specified per pattern or production sample may result. Such instances of divergence shall likewise not be construed as such defect as would trigger warranty.

5. Delivery and performance deadlines

- 5.1 For delivery deadlines and periods to be deemed binding, they must have been established in explicit terms and have been agreed as binding. Where delivery deadlines have been established in non-binding or approximate terms ("about", "approximately", "if possible", "probably", etc.), KANDINSKY shall undertake to make every effort to adhere to same.

- 5.2 Where KANDINSKY is not supplied with goods or services by its own suppliers, or the supply of such goods or services is incorrect or not within the agreed time schedule, for reasons for which KANDINSKY may not be held accountable, or should Acts of God occur, KANDINSKY shall undertake to inform the Client without delay of such development. KANDINSKY shall be at liberty to defer delivery by the duration of such non-availability, or alternatively, to withdraw entirely from the contract because of the portion unperformed in so far as KANDINSKY has fulfilled its obligation to inform as addressed heretofore. In the event of withdrawal from contract, KANDINSKY shall undertake to compensate the Client without delay for all counter-performance rendered.
- 5.3 In so far as nothing to the contrary has been expressly agreed, despatch shall be on the basis 'uninsured, for risk and account of the Client'. KANDINSKY shall reserve the right to select the mode of despatch, route of transportation and means of transportation. Should the Client so request expressly, transport insurance can be arranged for the delivery process, whereby all costs thereby incurred shall be for the account of and borne by the Client. The quantities, measurements and weights as established by KANDINSKY in respect of the goods ordered shall prevail.
- 5.4 Adherence to the obligation to deliver on the part of KANDINSKY shall be strictly subject to proper and punctual performance of its obligations on the part of the Client. All rights in respect of the plea of non-performance shall remain reserved.
- 5.5 KANDINSKY shall be at liberty to make available to the Client by electronic means a sample in the sense of a digital "fine drawing" of the goods ordered. Where separate agreement to such effect has been established, KANDINSKY shall undertake at additional charge (coupled with an extension of the delivery period) to also make available a physical sample of production. In any case, KANDINSKY recommends emphatically that a physical sample of production be requested in conjunction with goods being manufactured for the first time. The samples mentioned heretofore shall be prepared on the basis of the data and printing motifs made available by the Client. Production shall not commence until such time as the sample has been examined and approved by the Client, which procedure should be conducted immediately subsequent to receipt, and ideally within a period of 24 hours. Approved physical production samples shall be taken to be equivalent to the quality agreed. Where same is found to differ from that specified in the Confirmation of Order, said Confirmation of Order shall be deemed to have been amended.
- 5.6 Delivery periods and deadlines shall be deemed effective as of the point-in-time of approval by the Client as provided for under No. 5.5; where such approval is held not to be necessary, effectiveness shall accrue no earlier than as of point-in-time of receipt in perfect condition of the data and printing motifs and consistent with the mode of procedure stipulated by KANDINSKY. Onus attaches to the Client, therefore, to cooperate, in that the data required shall be made available in a condition and manner consistent with that prescribed by KANDINSKY. The specific guidelines attaching hereto may be taken from the KANDINSKY homepage on the Internet and may be requested in advance from KANDINSKY. The data made available shall not be deemed to be perfect until such time as same has been subjected to examination by KANDINSKY within a reasonable period, thereby giving due consideration to potential product-specific restrictions and peculiarities, and confirmation of suitability has been forthcoming in written form or in an alternative text form. This shall not hold where KANDINSKY may be held accountable for the unsuitability of the data or confirmation of suitability is withheld unjustifiably.
- 5.7 It shall be deemed a requirement that all forms of orders or instructions issuing from the Client be unambiguous in terms of their content. Orders that have been articulated in an unclear manner may lead to queries, which, in turn, may result in delays.
- 5.8 Where the Client fails to accept delivery of goods or is found to be otherwise in breach of its obligation to cooperate, KANDINSKY shall be entitled to compensation for any loss thereby incurred and to refund of any additional expenditure accruing (e.g. storage costs). All rights shall remain reserved in respect of further claims or entitlements.
- 5.9 The risk of loss or deterioration by accident in respect of the goods ordered shall pass to the Client as of the point-in-time at which default in respect of acceptance or culpable delay by obligor is found to have become effective on the part of the Client.
- 5.10 Part-deliveries and part-performance are deemed to be admissible in economically reasonable measure.

6. Payment, contractual exclusion of set-off, rights of retention, assignment

- 6.1 Payments shall be deemed due and owing immediately and shall be effected by bank transfer or direct debit without deduction within 10 days as of delivery.
- 6.2 KANDINSKY shall reserve the right to demand payment on a cash-on-delivery basis or payment-in-advance basis in amount equivalent either to the entire purchase price or a portion thereof. The invoice issued by KANDINSKY may be enclosed with the Confirmation of Order.
- 6.3 Payment shall not be deemed to have been effected until the date upon which the funds attaching to the amount of invoice are readily available to KANDINSKY.
- 6.4 Where the Client is found to be in default of payment, KANDINSKY shall be entitled to demand interest on arrears at a rate equivalent to 8% p.a. above the base rate of interest prevailing at any given time. Where KANDINSKY can furnish evidence of loss of greater extent that is attributable to said default, it shall be at liberty to assert claim in respect of same.
- 6.5 Where the Client is found to be in default for a period in excess of 14 days, KANDINSKY shall be at liberty to withhold all such performance as requires to be rendered in favour of the Client and not to resume same until all overdue amounts

inclusive of interest owing thereon have been paid to KANDINSKY. This shall not hold where instalment payment of the amount of invoice has been agreed.

- 6.6 The Client shall only be entitled to offset its counterclaims against claims of KANDINSKY or to refuse to render performance or withhold same where such counterclaims have been acknowledged by KANDINSKY and are undisputed and non-appealable under law.
- 6.7 The Client shall only be at liberty to assign claims in its favour against KANDINSKY to third parties where KANDINSKY has approved such assignment in advance and in writing.
- 6.8 Costs accruing to KANDINSKY in conjunction with payments made from abroad shall be chargeable to the Client.

7. Warranty

- 7.1 It shall be deemed a requirement, in the event of the assertion of claims on the part of the Client on grounds of defect, that the Client has, in appropriate measure, satisfied all obligations in respect of examination and notification of defect as provided for under § 377 Uniform Commercial Code (HGB). Notification of defect shall be effected without any delay and no later than within 5 days as of receipt of the goods or, alternatively, in so far as the defect could not be detected despite proper and correct examination procedure, within a period of 5 days as of detection at KANDINSKY. Discrepancies in respect of quantity and obvious defects shall be required to be advised without any delay, no later, however, than within 48 hours of receipt of the goods. The point-in-time of receipt of the pertinent declaration at KANDINSKY shall determine whether this deadline has been observed. The special statutory provisions attaching to the sale of goods to the ultimate consumer (supplier recourse as provided for under §§ 478, 479 German Civil Code (BGB)) shall, in any case, remain thereby unaffected.
- 7.2 The foregoing obligation shall likewise hold for instances of over and under-supply. Where notification of complaint is not effected on time, over or under-supply shall be deemed to have been approved by the Client.
- 7.3 No complaints in respect of visible defects shall be entertained once cutting-to-size or any other form of processing of the goods supplied has commenced.
- 7.4 No complaints shall be entertained in respect of minor differences in quality, colour, width, weight, finish or design or such as may be attributable to technical aspects of processing. This shall likewise hold for such differences as are held to be normal in the trade unless KANDINSKY has furnished a written guarantee of delivery true-to-sample. Reference is herewith made, more specifically, to Nos. 4.4 - 4.7. The same shall hold for comparisons between other artwork (e.g. digital proofs, final proofs) and the ultimate product.
- 7.5 No liability shall be assumed for such defects as do not, or only in insignificant measure, detract from the value or suitability for use of the product(s).
- 7.6 KANDINSKY shall be deemed liable only in measure equivalent to the monetary value of a given order for differences in quality of the material used.
- 7.7 Where the product purchased is found to be defective, the Client shall, at its own discretion, be entitled to supplementary performance in the form of correction of defect or delivery of a new and non-defective article. KANDINSKY shall be at liberty to reject the form of supplementary performance selected by the Client in so far as such selection may only be accommodated at disproportionately high expense. Any entitlement of the Client shall, in such instance, then be restricted to the other form of supplementary performance remaining.
- 7.8 KANDINSKY shall be entitled to demand that any supplementary performance established as being justified be made dependent upon payment by the Client of any monies due and owing. The Client shall, however, be at liberty to withhold a portion of the purchase price which is held to be commensurate with the level of defect prevailing.
- 7.9 Where attempts, however, at correction of fault or replacement delivery fail, the Client shall be deemed entitled to a reduction in the amount payable or to withdraw from the contract in so far as the defect may be held to be significant. Claims in respect of compensation and refund of expenses incurred shall remain thereby unaffected.
- 7.10 Where notice of defect on the part of the Client is found to be unwarranted, said Party shall be obligated to compensate KANDINSKY for all verifiable expenditure incurred in conjunction with the supposed need for correction of defect.
- 7.11 Should the Client, following an abortive attempt to effect supplementary performance, opt to withdraw from the contract on grounds of defective supply, there shall be no entitlement to compensation on grounds of said defectiveness.
- 7.12 No claims for defects shall be entertained in respect of second-hand goods.
- 7.13 Instances of liability for defects shall be dealt with directly with KANDINSKY. Negotiation with such independent representatives as are not directly employed with KANDINSKY shall not be deemed to constitute negotiation within the meaning of § 203 I German Civil Code (BGB).

8. Other liability

- 8.1 In so far as nothing to the contrary has been stipulated under the present GTC including the provisions contained hereinafter, KANDINSKY shall be liable for any breach of contractual or non-contractual obligation as provided for under the pertinent statutory regulations.
- 8.2 KANDINSKY shall be liable - irrespective of legal consideration - for payment of compensation where wilful intent and gross negligence are found to have prevailed. In the event of occurrence of simple negligence, KANDINSKY shall be liable only - for loss deriving from impairment of life, body or health - for loss deriving from breach of a contractual obligation of significant content (such obligation whose fulfilment would be deemed requisite in the first place to facilitate proper and correct implementation of the contract and on observance of which the Contractual Partner will and may depend at any time); in this case, however, the liability attaching to KANDINSKY shall

be confined to furnishing compensation for such loss as may be held to be foreseeable and its accrual typical.

- 8.3 The limitation of liability per No. 8.2 shall not apply in so far as KANDINSKY is found to have maliciously concealed a defect or to have assumed a guarantee in respect of the structural quality of the product. The same shall apply in respect of claims and entitlements in favour of the Client as provided under the Product Liability Act (Produkthaftungsgesetz).
- 8.4 The Client shall only be at liberty to withdraw from contract or serve notice of termination of same on grounds of breach of obligation that does not consist in defective supply where KANDINSKY may be held accountable for said breach of obligation. The Client shall not, under any circumstances, (in particular such as are provided for under §§ 651, 649 German Civil Code (BGB)), enjoy free right of termination of contract. For the rest, statutory requirements and legal consequences shall be held to prevail.
- 8.5 In the event of an occurrence/occurrences of delay in delivery for which KANDINSKY may be held accountable (in respect of delivery, cf. No. 5), KANDINSKY shall be liable as provided for under statutory regulations prevailing, whereby compensation for delay shall only be payable where KANDINSKY, its legal representative or vicarious agent may be verifiably held accountable for wilful intent or gross negligence. Compensation for delay shall be confined to such loss as may be held to be foreseeable and its accrual typical.

9. Statute of limitation

- 9.1 The mutual claims and entitlements attaching to the Contractual Parties shall be deemed statute-barred as provided for under statutory regulations prevailing in so far as nothing to the contrary has been determined hereinafter.
- 9.2 Notwithstanding § 438 Sub-section 1 No. 3 German Civil Code (BGB), the period of limitation for entitlements pertaining to material and legal defect shall be generally taken to be one year as of delivery. In so far as acceptance has been agreed, the period of limitation shall be deemed to have commenced upon execution of acceptance.
- 9.3 Special statutory provisions prevailing in respect of the material claims for conversion in favour of third parties (§ 438 Sub-section 1 No. 1 German Civil Code (BGB)), claims in conjunction with supplier recourse (§ 479 German Civil Code (BGB)) and the claims for compensation as specified under Nos. 8.2 and 8.3 shall remain thereby unaffected. These cases shall be governed strictly by those statutory regulations prevailing in respect of periods of limitation.
- 9.4 In so far as KANDINSKY is liable to the Client for compensation on grounds or as a consequence of defective supply as provided for under No. 8, the statutory periods of limitation deriving from the law of purchase (§ 438 German Civil Code (BGB)) shall also hold for concurrent, non-contractual claims for compensation where application of the regular statutory period of limitation (§§ 195, 199 German Civil Code (BGB)) does not result in a period of limitation of shorter duration in individual cases. The periods of limitation as provided under the Product Liability Act (Produkthaftungsgesetz) shall, in any case, remain thereby unaffected.

10. Retention of title

- 10.1 KANDINSKY shall retain title to all of the goods it has supplied until such time as all amounts receivable on the basis of the business relationship have been paid. This shall also apply where the purchase price has been paid for certain deliveries of goods to which specific reference has been made by the Client. Where business is conducted on a current account basis, the reservation of title in respect of those goods subject to said reservation, i.e. the reserved goods, shall be held to serve as security for the balance of sums outstanding in favour of KANDINSKY.
- 10.2 Pledging of the object of purchase or transfer of its ownership by way of security prior to settlement in full of the purchase price attaching thereto shall be deemed inadmissible.
- 10.3 In the event of conduct on the part of the Client which may be construed as constituting breach of contract, in particular, in the event of non-payment of the purchase price due and owing, KANDINSKY shall be at liberty to withdraw from the contract in accordance with regulations prevailing under law or/and to demand surrender of the goods on the basis of retention of title thereto. Such demand for surrender shall not be held to imply a declaration of withdrawal from contract. On the contrary, KANDINSKY shall be entitled to only demand surrender of the goods and to reserve its right to said withdrawal. Where the Client fails to effect payment of the purchase price due and owing, KANDINSKY may only avail itself of these entitlements where it has previously agreed a deadline with the Client which the latter has failed to adhere to or determination of deadline is found to be legally superfluous.
- 10.4 Where the reserved goods are combined with other such goods as do not belong to KANDINSKY, KANDINSKY shall be entitled to co-ownership of the new product in a measure equivalent to the ratio prevailing between the value of the item of purchase and the other product thereby combined at the point in time of combination. Where the object of the Client may be held to constitute the primary element, or where the Client acquires sole title to the new product, the Contractual Parties herewith establish consensus to the effect that the Client shall assign co-ownership of the new product in a measure commensurate with the value of invoice attaching to the reserved goods, providing safekeeping for same on a free-of-charge basis.
- 10.5 Disposal by way of sale of the reserved goods shall be deemed admissible only through the channel of normal business activity. The Client, however, herewith assigns to KANDINSKY all such amounts receivable from its customers or third parties as shall accrue on the basis of such disposal. The Client shall remain authorised to collect such amount receivable following the foregoing assignment. Entitlement on the part of KANDINSKY to itself collect

such amount receivable shall remain thereby unaffected. KANDINSKY shall, however, undertake to refrain from engaging in collection of the amount receivable for as long as the Client is seen to honour its payment obligations from the proceeds collected through disposal, not to fall into arrears of payment and, above all, no application for the initiation of insolvency proceedings has been filed or payment of amounts owing has been discontinued. Should the Client fail to satisfy the foregoing requirements, KANDINSKY shall be at liberty to demand that the Client furnish KANDINSKY with the details of the amounts receivable as assigned heretofore, the debtors attaching thereto, all of the information required for the collection procedure, and further, that the Client surrender the appurtenant documentation and advise the debtor(s) (third part/parties) as to execution of the assignment. Where the reserved goods are disposed of by way of sale together with other goods, namely irrespective of without or following combination, the assignment-in-advance as agreed heretofore shall be taken to hold only in measure equivalent to the value of invoice of those reserved goods disposed of together with the other goods.

- 10.6 The Client shall undertake to notify KANDINSKY without delay of seizure through third parties of the goods supplied or of such amounts receivable from disposal as have been assigned to KANDINSKY, whereby details of all such circumstances as shall be held to be of significance for the protection of the rights of KANDINSKY shall likewise be advised. All cost incurred through intervention with a view to protecting the rights of KANDINSKY shall be assumed by the Client. The Client shall undertake, at its own expense and acting strictly in line with instructions received, to provide KANDINSKY with the requisite support in the intervention procedure.
- 10.7 KANDINSKY shall be at liberty to demand information from the Client as to the whereabouts of the goods supplied.
- 10.8 KANDINSKY shall undertake, at the request of the Client, to release items of security furnished in so far as the total realisable value of said securities is found to exceed the amounts receivable by KANDINSKY and requiring to be secured by more than 10 %; selection of those items of security to be released shall be at the discretion of KANDINSKY.
- 10.9 The Client shall undertake to provide safekeeping of the reserved goods for KANDINSKY on a free-of-charge basis. It shall undertake to ensure insurance of standard measure against the normal risks such as, for example, fire, theft and water. The Client herewith assigns to KANDINSKY, in a measure equivalent to the invoice value of the goods, all such entitlement to compensation as may accrue in its favour from loss of the nature specified heretofore and be payable by insurance companies or other parties obligated to furnish compensation. KANDINSKY herewith accepts said assignment.

11. Protective rights, indemnity

- 11.1 The Client shall undertake, immediately upon placement of order, to grant KANDINSKY all entitlements in respect of use of any copyright, trade or identification marks and any other such rights as may attach to the printing motifs for the purpose of performing the contract.
- 11.2 The Client shall undertake, prior to placement of contract, to clarify in which country the items constituting the subject matter of the assignment are to be produced and which countries are to be affected by delivery of said items, the purpose being to ensure that the requisite rights are available for the manufacture and supply of such items in these countries.
- 11.3 The Client herewith guarantees that it is in possession of all of the requisite rights, and more specifically, of copyright, trade and identification marks and any other such rights as may be affected in conjunction with the manufacture of the requested printing motifs and/or the supply and/or the import of the printed goods and their use by the Client itself or by third parties. The Client herewith agrees upon placement of contract to indemnify KANDINSKY at the latter's first request against all such claims as may be asserted by third parties on grounds of breach of protective rights. This obligation to indemnify shall encompass all such expenditure as may, of necessity, accrue to KANDINSKY from or in conjunction with assertion of claim on the part of a third party. (e.g. fees of own solicitor(s) and that/those of the opposing party and any other costs incurred through the engagement of legal counsel as well as amounts of compensation). KANDINSKY shall not be entitled to establish agreement of whichever content with such third party without the approval of the Client, and more specifically to reach a settlement. The Client shall undertake, in so far as KANDINSKY encounters assertion of claim on the part of third parties, to make available in correct and complete form all of the information that shall be required in order to examine the claims and prepare a defence. The Client shall undertake to defend KANDINSKY against all assertion of claim, said defence to be provided at the latter's first request, in line with the latter's instructions and at the expense of the Client, and further, to assist KANDINSKY in the assertion of such defence.
- 11.4 The obligation to indemnify shall not be deemed subject to the requirement that the claims being asserted by the third party are undisputed or non-appealable on the basis of a judicial ruling, but shall, on the contrary, hold as of the point-in-time at which the third party approaches KANDINSKY with its own/ or allegedly its own claims having substantiated same on the basis of prima facie evidence. Should such third party put forward its entitlement under law in a plausible and substantiated manner, KANDINSKY shall be entitled to make available to said party the customer data of the Client to enable the third party to pursue its rights through direct dealings with the Client. KANDINSKY shall undertake to notify the Client of the impending disclosure of customer detail before effectively doing so.
- 11.5 The period of limitation shall be taken to be ten years, calculated as of conclusion of contract.

- 11.6 Should concern as to the fact that the printing motifs requested may constitute a breach of third-party rights be warranted, KANDINSKY shall be at liberty to withdraw from the contract.

12. Documentation

KANDINSKY shall retain right of ownership, copyright and other rights prevailing in respect of all such illustrations, drawings, advertising and other items of print, calculations and other documentation as KANDINSKY shall have made available to the Client. The Client shall only be at liberty to avail itself of same within the framework of the contract in question. The items specified under Sentence 1 may only be passed on to third parties where KANDINSKY has expressly approved same in writing and in advance. The aforementioned documentation shall be committed to careful safekeeping and shall - at the discretion of KANDINSKY - be surrendered or destroyed at first request. The Client shall have no entitlement to exercise of a right of retention.

13. Packaging

A return of sales packaging which does not become the responsibility of the ultimate consumer within the meaning of the packaging ordinance may only take place at the business domicile of KANDINSKY, and such return shall be for the account of the Client.

14. Approval in respect of advertisement incorporating reference projects/product samples

The Contractual Parties herewith mutually approve the incorporation of a given concrete contract into advertising strategy and the naming of such contract as a reference-project. The Parties also herewith mutually approve the use hereby of their respective names, identification or trademarks on a free-of-charge basis for advertising purposes, namely in conjunction with the naming of one or other party for reference purposes and/or in conjunction with reference-projects and/or reference-products (in particular, in printed form, on the Internet, in catalogues, in advertisements, at trade fairs). KANDINSKY shall be at liberty to avail itself of and present in illustrated form, products manufactured for the Client for the purpose of advertising its services in its dealings with other customers.

The Parties shall, in individual cases and by way of written notification, be at liberty to restrict future availment of the aforementioned rights and entitlements, whereby it shall be deemed a requirement that a transition period of 8 weeks be granted.

15. Place of performance, provisions in respect of language, jurisdictional venue, applicable law

- 15.1 The place of performance for both parties shall be taken to be Düsseldorf.
- 15.2 The contractual language is German. In the event of conflict or dispute, the German version of the present GTC shall take precedence over versions of the present GTC drafted in other languages.
- 15.3 The sole jurisdictional venue - also from an international perspective - for all legal disputes arising, either directly or indirectly, from the contractual relationship or pertaining to the coming into being and effectiveness of same shall be taken to be the legal domicile of KANDINSKY in Düsseldorf; at the discretion of KANDINSKY, it may also be taken to be the legal domicile of the Client.
- 15.4 The contractual relationship shall be governed exclusively by the law of the Federal Republic of Germany. Under no circumstances shall the United Nations Convention on Contracts for the International Sale of Goods (CISG) be deemed applicable. Requirements and implications attaching to the right of retention under No. 10 shall be subject to the law prevailing at the respective place of storage of the goods in question in so far as the choice of German law as constituting the law applicable is found to be inadmissible or ineffective.

16. Data protection

KANDINSKY herewith draws attention to the fact that - in so far as it is held to be necessary from the perspective of the transaction of business and admissible under the Data Protection Act of the Federal Republic of Germany (Bundesdatenschutzgesetz) - the data pertaining to the Client shall be committed to EDP-storage and processing.

17. Escape clause

In so far as one or more of the foregoing clauses are found to be ineffective, or should any such clause(s) become ineffective over time, the effectiveness of the remaining clauses shall not be thereby affected. The pertinent statutory provisions shall serve to take the place of loopholes or ineffective clauses.