

General terms and conditions for ComCard GmbH

I. Scope

1. The following general terms and conditions of business (the “terms”) apply to all agreements to provide services of ComCard GmbH to a third party (hereinafter the “customer”). These terms shall also apply to all legal contractions within the business connection, present and future, provided by the contractor to the customer, insofar as they are of a cognate nature.
2. Our terms of contract are fixed except where individual agreements have been made between the parties involved.
3. Unless the contractor explicitly states otherwise in writing, any conflicting or deviating terms on the part of the customer shall not be recognized, even when the contractor fulfils a contract without explicitly rejecting such deviating terms.
4. Our terms apply exclusively to business dealings with companies, legal entities under public law and / or special fund under public law.

II. Offers, orders, prices

1. Unless an offer is, with reasonable certainty, explicitly labelled as binding or contains a deadline for acceptance, all offers are non-binding. Prices in our catalogues and price lists are subject to alternation, unless the following rules indicate otherwise.
2. The contract with the customer is completed when we have sent a written acceptance of a non-binding offer. A contract of a binding offer is complete when the customer provides its written acceptance of the contractor’s binding offer within two weeks from the offer date. After this acceptance period we are no longer bound to this offer.
3. Where prices are not expressly agreed they are subject to our current price list on the day of conclusion of the contract as agreed. The prices listed in a binding offer are only valid for the period of acceptance.
4. Prices reflect the cost at the time of order. If thereafter the cost factors of the goods and services such as transportation and storage costs, labour costs, material and commodity prices and distribution costs increase without our intervention before the performance date is reached, we are entitled to adjust the agreed price to reflect the current or emerging additional costs.
5. Our prices are exclusive of statutory VAT. They apply ex works and exclude therefore costs for packaging, freight, postage and insurance and other shipping.

III. Sale of goods, delivery and transfer of risk

1. Place of performance is always the headquarters of our company, Falkenstein. The customer is responsible for the clearance of the goods and services at the place of performance.
2. A delivery of the goods and services to the customer headquarters or another place designated by the customer shall be so solely at the request of the customer. The choice of delivery and the delivery route remains to us, unless the customer states otherwise at the time of contract agreement. If such a request evolves after the contract agreement the customer has to meet all incremental costs. The customer bears the cost of delivery in all cases. Transport insurance is only taken out at the express request and cost of our customers.
3. We are obliged to provide the benefit ready to be picked up at our performance place at the agreed service date. The agreed service time is fulfilled where the customer has stated that the benefit should be delivered and the transfer to the designated freight forwarder is completed.
4. Call orders without agreed specific performance dates and / or production batch sizes must be determined binding within 3 months of the contract agreement. If the customer does not meet this request within the reasonable period set by us we shall after a further 2 weeks declare the contract as annulled, and if the customer is liable for any damages, make a claim.
5. In order to achieve the agreed performance date the customer is obligated to provide the contractor, on an unsolicited basis and in a timely manner, with all of the documents, in particular the

provision of permits and approvals, provision of materials, provision of a deposit, etc. as agreed upon. The performance time starts when the customer's obligations have been met. Otherwise, the benefit period may be prolonged accordingly. The customer is obliged to compensate us for any damages incurred due to missing or delayed participation according to §642 BGB (German civil code).

6. If during the contract period an amendment is made to the originally agreed performance goods a performance period will be adjusted accordingly. Unless the parties express another rule for this matter.

7. The performance period may be extended in our favour if delays are due to industrial action, war, riot, mobilization and other comparable circumstances beyond our control. Where industrial action occurs in or directly affects our own operation or affiliated company a lawful measured extension of performance may only be granted. Customers will be informed immediately of any such circumstances or terminations.

8. A Customer who has agreed upon a fixed performance date which is then not met may withdraw from the contract and / or claim damages where we are at fault only after a given reasonable grace period is still not met.

9. In special circumstances we may release ourselves from the contract by sending a written resignation when our own suppliers fail to deliver, deliver late, or incompletely/ incorrectly. This is true if we have a contract with these suppliers for the acquisition of materials, tools, etc, which serves the performance of the contract with the customer (congruent hedging transaction) and after careful viewing were expected to fulfil the time period and complete delivery.

10. Where appropriate, the customer may accept part delivery anytime when / if the nature of the benefit allows it.

11. Any accidental destruction, deterioration or loss of the benefit are at the customer's own risk at the time of acceptance of the performance or the transfer of goods to the customer.

12. If the customer requests the performance at a place other than the place of performance in accordance with paragraph 1, then the risk referred to in the paragraph above goes to the shipper, carrier or otherwise certain person sent for the purpose of transport of the performance to the customer at the time of the transfer of goods.

13. Notwithstanding the preceding two paragraphs, the transfer of risk goes to the customer by default in acceptance of the performance in any case.

IV. Acceptance, pick-up, dispatch

1. The customer is obliged to accept and pick-up the benefit at the agreed performance time.

2. Where the customer has requested a dispatch service all performances have to be accepted and picked up as soon as the shipper, carrier, or otherwise specific person offers to do so.

3. The customer is denied rejection of acceptance due to minor defects. The customer is liable for any damages or defects occurred due to unlawful or non-entitled denied acceptance.

4. If the customer is in default of acceptance, we are entitled, after unsuccessful expiry of a reasonable grace period to claim the contract as annulled and / or claim damages if the customer is at fault. In particular, in such circumstances we can claim lump-sum damages to the amount of 0.5% of the total contract value for each week and up to a maximum of 5% of the total contract value of the customer. If only part of the contractually agreed delivery is effected by default in acceptance then the lump-sum damages are measured according to that relevant part of the remuneration. We reserve the right to enforce damages which actually exceed this total contract value.

5. In addition, we are free to dispose of or resell benefits after giving notice if the customer defaults and after fruitless periods of grace fails to fulfil the acceptance period.

6. If the customer terminates the contract for whatever reason when we are not at fault, we shall be entitled to a lump-sum payment or liquidated damages in the amount of 10% of the agreed total compensation unless in exceptional cases the customer or ourselves can bear proof of other evidence.

V. Payment

1. Payment is due immediately upon customer's receipt of the invoice.
2. The customer is not entitled to a deduction of the invoice amount. The invoice is issued on or after the day of agreed provision of the goods or where the customer has requested, on the day the freight forwarder, carrier or otherwise specific person accepts the benefit.
3. In the exceptional cases where a discount is agreed, it does not refer to freight, postage, insurance or other shipping costs.
4. Billing and payments are carried out exclusively in euros.
5. Payments shall be applied to these items in the following order: costs, interest, principal.
6. Checks, bills and other payment methods are only accepted on special agreement. All collection charges and between interest charges are to be paid by the customer immediately upon receipt of the corresponding note of burden. We are only liable for the timely submission, notification, protest and return of bills in case of non-redemption or where intent or gross negligence on our part or by our legal representatives and vicarious agents is evident.
7. In the case of authorised partial deliveries and especially in view of supplied performance fulfilment materials a part payment made in compliance with §632a BGB can be demanded.
8. If after the contractual agreement it becomes known that the customer is not able to fulfil the payment due to reasons such as lack of capacity, or deterioration of assets we are entitled to refuse service unless the customer either produces satisfactory insurance or gratification. If payment is not made or insurance not given within one of our set, given reasonable periods of time we are entitled to cancel the contract.
9. The customer is in default of payment when the invoice is not met within 14 days of the invoice date. A further reminder on our part is not required. The timeliness of payment is at entry on our bank account.
10. Should the customer be late in paying, he must pay a charge of 8% late interest above the respective base interest rate, unless we are justified by law to charge a higher rate of interest. Furthermore, we reserve the right to claim further damages above this value.

VI. Supply of documents and documents by the customer

1. The customer is obliged to provide the contractor with all the necessary documents in clearly written form in order to provide the fulfilments.
2. The customer has to provide print digital files free of computer viruses, computer worms and other non-intended computer program operations. The customer is particularly committed to this end, to install and use commercially available protection programs which fulfil the current technological state. On discovering a file with improper computer program processes of the aforementioned we will not use this file and in order to avoid damaging or limiting the computer systems (in particular to prevent the spreading of non-intended computer program processes on our computer system) we will if necessary delete it.
3. We reserve the right to sue the customer for damages incurred due to such, non-intended computer program operations infiltrated by the customer.
4. Similarly, the customer will incur extra costs if the manuscripts are unreadable.

VII. Assignment, set-off, performance refusal and customer retention rights

1. The customer may not transfer its rights from the entire business relationship without our prior written approval.
2. The customer may only express netting, a lien and the right to refuse performance when the customer's counterclaims have been established as undisputed or legally valid. Furthermore, the law requires that the assertion of the lien or the refusal shall be resulted from the same contractual relationship.

VIII. Reservation of proprietary rights / risk

1. All supplied goods from our premises remain our property until full payment together with all

additional demands listed in the contract along with all arising compensation including future ones from the entire, on going business relationship have been made.

2. The customer is obliged to treat the supplied goods with care until the final transfer of ownership to the customer. In the case of high quality goods, the customer is obliged to insure them sufficiently against fire, water, storm and theft at their new value. After placing an order the customer hands over all rights to insurance claims for safety's sake to us and agrees to show this at our request to the insurer. With the onset of the regulations mentioned in section 1 the rights of re assignment are ensued.

3. The customer is not entitled to pawn or to transfer the reserved goods for security. If the reserved goods are seized or otherwise affected by third parties, then the customer is under obligation to notify us immediately and present the necessary documentation. In such cases the customer will support us in every appropriate way to support our respective claims. Before the transfer of ownership as a security on a debt is made for an entire warehouse our reserved goods are to be excluded by express statement to the collateral taker accordingly.

4. The customer is only permitted to make the reservation commodity in our name and when instructed in the ordinary course of business transactions and to further reform and reconstruct it. In this case we will get a share of ownership of the new commodity in proportion to the value of which the reserved goods had at the beginning of the processing, combination or mixing and the new item.

5. The selling price rights resulting from further alienation of the reserved goods in the ordinary course of business transactions must be transferred to us in advance. This applies regardless of whether alienation occurs before or after processing has taken place. Our customer retains the right to withdraw transferred claims. Upon request, the customer must give us all the necessary information concerning the third party debtors.

6. Once the customer is in default of payment we are entitled after prior threat to recover our collateral. Instead of recovering the goods, we may also transfer the security assignment to the third-party debtors by notice of disclosure. We are also entitled to recover our collateral if the customer violates other contractual obligations which threaten the securities, and which he continues to do so even after a reasonable deadline set by us together with the threat of recovery. The liquidation of collateral can be carried out by private sale. The proceeds, after deducting the costs incurred will be set against the customers debt and any credit will be paid out.

7. If we declare a breach of duty by the customer, in particular due to payment default which entitles us to the cancellation of the contract, the customer is liable for any incurred costs of the reserved goods. Further damages and reimbursement claims remain unaffected.

8. Once the collateral exceeds more than 10% of the value of the demands to be secured we will release collateral to the value of this excess if the customer so wishes. We reserve the right to choose which collateral should be released.

IX. Warranty for work performance and general liability

1. All product features, defined by standards or other legislation regulations which comply to the German standards or to standards of the European Union and / or to legislation that have been incorporated into German law are valid for the respective contractual relationship. This legislation also applies to possible tolerances which are accepted on the basis of these laws (e.g. ISO 7810, 7811 ff, 7816 ff, 10536, 14443, 15693, etc.). In this connection it does not apply to assurances in the form of a warranty guarantee.

2. The underlying factor for us is the compliance of the conclusion of the contract to the current "Duden" version. Paragraph 1 clause 3 shall apply mutatis mutandis.

3. Further possible demands by the customer are to be explicitly laid out during the contract agreement. Such demands shall only be part of the contract and thus part of our performance guarantee if they are confirmed by us in writing. Paragraph 1, sentence 3 shall apply mutatis mutandis.

4. Technical improvements and other minor changes or deviations customary in the trade from the

contract in our catalogue, offers and order confirmation specified data and technical information are subject to change.

5. It may happen that due to modifications in one of our customer's performance content or scope additional costs are to be borne by the customer. Additional amendments can also be repetition print samples requested by the customer excluding deviations caused by us.

6. Where a deficiency exists we are entitled to choose whether to eliminate the defect or to deliver a faultless entity (replacement). The customer does not have the right to eliminate or repair the faulty product.

7. The customer is entitled to withdraw from the contract or is entitled to a reduction following a deficiency only when the subsequent replacement performance either fails, is impossible, denied by us, or rejected by us due to disproportionate incurring costs.

8. Warranty claims can only be made when the customer has met his obligations as laid out under § 377 of the commercial code (HGB). In particular, performances due also those preliminary and intermediate products which are to be corrected as well as finished goods must be immediately inspected upon receipt and checked that they comply to the contract agreement. Apparent defects must be reported to us in writing at the latest within one week of receipt. Deficiencies which are not at first apparent but come to view at a later date must also be reported to us in writing at the latest within a week of being discovered.

9. By accepting the preliminary and intermediate products (for example: proofs, printed proofs or blueprints), the customer is liable for the release of print jobs (imprimatur) and excluded from warranty guarantee for faults which were apparent to the customer at the time of release. We are not obliged to provide a corrected proof copy when providing printed manuscripts.

10. In the event of a culpable breach of duty by us, which is not due to an unsatisfactory workmanship, the customer has the right to withdraw from the contract. This ensues only after he has set an adequate time in writing in which to eliminate the breach of duty and which then having elapsed unsuccessfully the customer then within 2 calendar weeks after the expiry of this grace period explains his/her resignation in writing.

11. Our obligation to pay damages is dropped in the event of ordinary negligence on our part or on the part of our legal representatives and / or our agents perpetrated breach of duty unless a breach of a contractual obligation has been committed which is essential for the attainment of the contract. The level of proven damages to be claimed is limited to the typical for the contract foreseeable damages. The disclaimers and restrictions in the proceeding two sentences do not apply if the breach of duty results in death or personal injury, or health. Also excluded are any claims under the product liability act or where we have given a guarantee statement.

12. In addition, warranty claims against us due to a defect can be made only if or as long as we ourselves as a result of these circumstances are entitled to damages against a third party and these claims are transferred to our customer unless our customer drops the claims despite prior judicial claims of the third party in whole or part.

13. We guarantee a 12-month (1 year) faulty-free warranty period in the framework requirements as above for all our due performances from date of pick-up, for example an equivalent of one of the legal requirements of acceptance.

14. The legal burden of proof regulations remain unaffected by the above requirements.

X. Storage, insurance and rights of lien

1. Goods provided by the customer are sent to us free of charge. The transportation of goods in ownership or possession of our customers to us is made at the customer's own risk. Transportation insurance costs are to be carried by the customer.

2. It is the responsibility of the customer to check that the goods supplied are of the agreed amount and of the necessary or agreed quality for further processing. An acknowledgment of the delivery is made without any guarantee for the accuracy of the delivered amount or for correct delivery of the performance. If, after receipt of customer-supplied goods a variance of quantity and / or quality is

detected which affects wholly or partly the proper course of performance fulfilment on our part, we will immediately inform the customer and provide a reasonable period in which he can rectify the circumstance. We are entitled to cancel / terminate the contract if after this period of grace the customer fails to rectify again 2 weeks after having been notified of our resignation and / or termination. Customers are liable for any additional costs incurred for the checking and storage of larger volumes of items.

3. Templates, raw materials, print-makers and the like, as well as semi-finished and finished products are to be picked up at the agreed pickup / dispatch date from our premises. See section III for the rules and risks which apply. Our commitment to custody after this date is only upon prior written agreement with the customer and at an extra cost. In this case, liability on our part for objects taken in custody are only undertaken as outlined in Paragraph IX. If rejected goods are to be insured, then the customer must take on these costs of insurance.

4. We have a lien pursuant to § 369 (HGB) on all customer's property which is in our possession until full compliance with all the due demands from the business relationship are met. This also applies even when the customer is not a merchant.

XI. Long-term contracts

A notice of 3 months before the end of the calendar month must be given when cancelling a contract for recurring sales of goods for which no separate notice of cancellation and no specific termination date has been agreed.

XII. Property, third party rights and copyright

1. We reserve ownership, rights of use and copyright of all goods produced or acquired in connection with the execution of our customers orders (in particular software licenses, writings, use licenses, files of any kind, movies, stereotypes, lithographs, plates, sketches and drafts). Third parties may not use these goods without receiving our prior written permission.

2. Our customer guarantees that the execution of his order does not violate any copyright and prior uses rights or other rights of third parties. Should this nevertheless happen, our customer frees us from any claims by third parties and compensates us for any associated expenses incurred, unless the violation is in exceptional cases due to our own fault, in particular when the rights of a third party were previously known to us.

XIII. Return of transport, packaging and packaging material

1. Packaging (transport, packaging and packing material) can only be returned to us if and insofar as the legal packaging regulations obliges us to do so.

2. Returned packaging must be clean and free from foreign matter otherwise we have the right to refuse or to demand compensation for the resulting ensuing costs.

3. Packaging material may only be returned after prior consultation with us and according to our specifications either by dispatch to our factory or to one of our chosen delivery points. The customer must pay the transport costs.

XIV. Final provisions

1. The place of jurisdiction for all disputes arising out of the contractual relationship is our company headquarters.

2. The law of the Federal Republic of Germany shall apply exclusively.

3. If several provisions of the contract should be or become void, wholly or in part, this shall not affect the validity of the remaining provisions and the contract.

4. Doubt's in the interpretation of the English version of the terms the German version of the terms will be deciding.