

KOENIG & BAUER

General Terms & Conditions of Delivery of Koenig & Bauer Flexotecnica S.p.A.

(hereinafter referred to as the Supplier)

These General Terms & Conditions of Delivery are to be used with regard to:

1. a person practicing a commercial or independent professional activity at the conclusion of the contract (entrepreneur);
2. corporate bodies under public law or a special fund under public law.

Should there be any individual contractual agreements between the Supplier and the Customer beyond the content regulated within these Terms & Conditions of Delivery then these shall have priority. In such a case the General Terms & Conditions of Delivery of the Supplier shall only apply additionally.

I. General

1. These Terms & Conditions as well as any separate contractual agreements are the basis for all deliveries and services. The specifications and characteristics listed therein are not guarantees (*Garantien*) within the meaning of the BGB (German Civil Code) unless they are expressly indicated as such. Any differing terms & conditions of purchase specified by the Customer shall not become part of the contract, even if an order is accepted.

In the absence of any special agreement, a contract shall come into effect when the Supplier confirms the order in writing or a purchase/work delivery contract is signed by both parties.

2. The Supplier shall provide the Customer with the information and instructions necessary for the execution of the contract. However, this does not establish any consultancy or agency contract, which shall require an express written agreement to come into effect.

3. Dimensions, weights, deliverability, operating behavior, space and energy requirements are calculated in the drawings, pictures, and descriptions that accompany or are referred to in the offer or the Supplier's confirmation letter and can only immaterially deviate from the actual execution and/or in the case of the commencement of production, however, without affecting the typical contractual obligations of the Supplier.

4. Subsection 3 also applies accordingly for the text and images contained in promotions and sales documents that exclusively serve to elucidate and promote the Supplier's works without thereby establishing a performance obligation on the part of the Supplier to comply with promotion or images and/or without thereby establishing the agreement of guarantees (*Garantieversprechen*).

5. Any spare-parts package that may belong to the scope of delivery shall be compiled to the best of Supplier's knowledge and experience.

6. The offered scope of delivery corresponds to the European safety regulations applicable at the time of the conclusion of the contract (EC Machinery Directive,

including but not limited to the EN1010, in its respective version relevant at the time of the conclusion of the contract).

7. The Customer shall notify the Supplier of changes to this safety standard that are due to the installation site of the delivery item by the placement of the order at the latest so that the parties can reach a separate agreement regarding these changes.

8. Insofar as this is reasonably acceptable for the Customer, changes and/or additions to the accessories and equipment of the delivery item – but not to the type of machinery together with its basic configuration – shall be undertaken by the Supplier.

9. The Supplier shall reserve the proprietary rights and intellectual property rights to samples, cost proposals, drawings, systems, images, designs, descriptions, and similar information in tangible and intangible form (including in electronic form). Section X of these Terms & Conditions of Delivery applies in this respect.

If a contract is not concluded between the Supplier and the Customer then the documents transferred to the Customer for the preparation of this contract are to be automatically surrendered in their entirety to the Supplier and in doing so the Customer shall guarantee that it has not produced any photocopies, duplicates, videos or re-recordings thereof on any data carriers and is not in direct or indirect possession of them.

The Supplier pledges to not permit third parties to access information and documents designated by the Customer in writing as confidential without the consent of the Customer.

10. All offers of the Supplier are non-binding.

11. There are no verbal side agreements and rights from such cannot be asserted.

Changes and/or amendments to the content and scope of the contract requested by the Customer therefore require the written confirmation of the Supplier in order to be valid. This also applies to a change of this written form requirement. This written form requirement can only be changed with a written confirmation of the Customer and the Supplier.

12. Assignments of claims and other transfers of rights of the Customer to third parties require the prior written consent of the Supplier.

13. If individual provisions of these Terms & Conditions should be or become invalid, void, incomplete, voidable, unenforceable or impracticable then this shall not affect the validity of the other provisions. The parties to the contract pledge to replace any invalid, voidable, unenforceable, impracticable or void provisions with other provisions that best fulfill the economic intent of the original provisions or fill gaps occurring in this sense.

KOENIG & BAUER

II. Price and payment

1. Unless agreed otherwise the prices shall apply ex works including loading at Supplier's facilities but excluding shipping, packing and unloading. The prices are net and do not include VAT in its respective statutory amount as well as any other taxes, levies, and customs duties (e.g. withholding tax) which shall be added to the prices.

Costs for shipping, transfer, charging, loading, packing, and conversion of transport vehicles etc. requested by the Customer as well as for government levies shall not be included. These shall be charged to the Customer separately by the Supplier.

2. Regardless of the Incoterms agreed, the Customer has a duty to support the Supplier in all matters concerning customs clearance. This, for the avoidance of doubt, shall include but not be limited to customs clearance costs and formalities concerning the Press and the tools necessary for assembly and commissioning as well as a possible re-transport, if any.

In the event that the Supplier is nonetheless imbued with customs, tariffs etc. (either because of a contractual agreement or a governmental order) the Parties hereby agree that the customs and tariffs at the time of signing of this Contract shall be applied. The payment of any customs or tariffs shall be construed as a process simplification between the Parties only.

Any changes in tariffs and customs coming into effect after the Parties entered into this Contract shall entitle the Supplier to pass on any costs or charges arising in this context to the Customer.

Should the customs duties charged be lower than at the time the Parties entered into this Contract, any such reduction will also be passed on to the Customer accordingly.

Any costs arising due to delays for which the Supplier is not responsible (including down times for trucks, containers, etc.) are to be borne by the Customer.

3. The Supplier has the right to charge the incurred sales tax/VAT to the Customer if it should turn out that the Customer is obligated to pay this after the invoice has been issued and/or paid.

4. Unless otherwise agreed the payment is to be made without any deduction to the Supplier's account as follows:

- 35% down payment by one week after receipt of order confirmation or signing of the purchase contract/contract for work and materials at the latest;
- 65% as soon as the Customer is informed that the primary components/aggregates are ready for shipment.

5. The Customer is entitled to the right to fully or partly offset with counterclaims from this or other legal relationships, however insofar as these are undisputed or finally determined without further legal recourse or have a synallagmatic connection (claims for damages, remedy (*Nacherfüllung*), contract completion, warranty claims (*Mängelansprüche*) etc.).

6. The payment to the Supplier is to be carried out free of charge through bank transfer from a business account of the Customer at the Customer's registered office or a subsidiary in the same country or through an irrevocable letter of credit issued by the Customer in due time before readiness for shipment from a major international bank acceptable to the Supplier

The place of consideration (payment) of the Customer (place of fulfillment; *Erfüllungsort*) is always the location of the business premises for the Supplier.

7. If the Customer finances the payment of the delivery item by taking out a loan or through lease agreements then the Customer hereby assigns to the accepting Supplier all pecuniary claims and all other rights to which the financing bank or leasing company is entitled. Like the acceptance of exchanges or checks by the Supplier, the assignment shall only be carried out for processing purposes (*erfüllungshalber*). The Customer shall bear the costs resulting in this case. The Supplier has the right to notify the banking institution/leasing company of the assignment at any time. The Customer is obligated to notify the financing institution of the reservation of title and to provide proof to the Supplier that this has been done upon request.

If a leasing company enters into the contract between the Supplier and the Customer then the contract between the Supplier and the Customer shall be considered to be suspended. If the contract between the leasing company and the Customer (as well as, if applicable, the Supplier) is cancelled or terminated, due to a willful or negligent misconduct of the Customer, then the contract between the Supplier and the Customer shall be reinstated, insofar as the Supplier has declared its approval to this in writing.

8. If the Customer fails to meet an agreed payment deadline (default) then the Customer is to pay an additional nine percentage points of interest beyond the respective applicable base interest rate on the owed amount of money starting from the following day, but at least the verifiably typical interest rate to be paid at banks for current debts; the Supplier has the right to provide proof of higher damages caused by delay and to demand compensation for them.

9. If the Customer is more than insignificantly in default of its payment obligations (material breach of contract) then the entire remaining amount still owed by the Customer - as well as all pecuniary claims of the Supplier due to ongoing business dealings in the case of a current account - shall be due immediately and interest is to be paid on it as specified above in Section II Subsection 8 starting from the day it was due. The same shall apply in the case that an exchange or check of the Customer that is accepted by the Supplier is not honored due to circumstances for which the Customer is responsible, in which case extension agreements (*Stundungsvereinbarungen*) entered into with the acceptance of exchanges shall become invalid.

10. a. If the Customer defaults on payment obligations from one or more legal transactions, does not issue a letter of credit despite the obligation to do so, or does not issue one properly as described in this Section II then the Supplier has the right

- to refuse the surrender of the delivery item to the Customer and to store the delivery item at the Customer's expense or to otherwise dispose of it;
- to refuse the fulfilment of another agreed legal transaction or warranty performance obligation until the Customer has caught up on the services or acts of co-operation in arrears and has compensated any resulting damages, if any; in addition the Supplier shall be entitled to a right of retention (*Zurückbehaltungsrecht*) with regard to the Supplier's own services in the case of the failure of the Customer to meet the agreed payment deadline;

KOENIG & BAUER

- to restrict or reduce individual functions of the delivery item for as long as the Customer does not prove that the functional limitation is disproportionate to the unfulfilled payment obligations.

b. In addition, the Supplier also has the right to withdraw (zurücktreten) from the contract in the cases specified under a. above.

In the cases specified under a. above (but not limited thereto) the Customer is not entitled to invoke a right of retention as per Section 273, 320 of the BGB (German Civil Code) or Section 369 of the HGB (German Commercial Code) due to the payments owed by the Customer.

11. The Customer's rights of retention in accordance with Section 273, 320 of the BGB (German Civil Code) and Section 369 of the HGB (German Commercial Code) may be asserted exclusively in cases of a material breach of the contract by the Supplier, defectiveness of the delivery item that is undisputed or finally determined without further legal recourse, or claims that are undisputed or determined without further legal recourse.

12. The prices stated in the Contract have been determined based on the Seller's calculation to date. The Seller shall, no later than four weeks prior to the start of assembly, furthermore adjust the prices to be paid on the basis of the Customer's order to the development of the costs that are decisive for the price calculation, with due consideration of the interests of both parties (i.e. "reasonable discretion"). A price increase shall be considered and a price reduction shall be made if, for example, the costs for raw materials, products, product groups or wages increase or decrease or other factors lead to a changed cost situation (e.g. rising inflation rate). Increases in one type of cost, e.g. the cost of raw materials, may only be used to increase prices to the extent that they are not offset by any decreases in other cost factors.

13. The Supplier has the right to offset with and against due, non-due, and future claims against the Customer to which the Supplier is entitled or to which a company in which the Supplier directly or indirectly holds at least a 80% stake is entitled or to which the Customer is entitled vis-à-vis one of the designated companies. The Customer shall be informed of the status of the stake held upon request.

III. Time of delivery, delay in delivery; delay of the Customer; goods deliveries into EU countries abroad

1. The time of delivery is derived from the agreements of the parties to the contract. It begins at the earliest on the day on which the Customer has fulfilled the Customer's cooperation duties that are contractually agreed or incumbent upon the Customer on the basis of side agreements – such as the procurement of authorizations, other documents, and/or declarations of approval – and/or has provided the equipment and/or accessories of the delivery item for the purpose of the installation or assembly to be supplied for contract fulfilment; furthermore, if the Customer has made the contractually agreed down payments and if the Supplier has received a written confirmation of financing of a credit institution of the Customer that is accepted by the Supplier with the signing of the contract by or written order confirmation of the Supplier, or two weeks after this at the latest.

Compliance with the delivery date by the Supplier also

requires that all commercial and technical issues between the parties to the contract have been resolved.

If these criteria specified above are not fulfilled by the Customer then the time of delivery shall be extended by an appropriate period of time. This shall not apply if the Supplier is responsible for the delay.

2. Compliance with the delivery date is subject to the correct and on-schedule delivery to the Supplier by its own suppliers.

The Seller shall be entitled to extend the delivery and performance times accordingly. In case the delay exceeds a period of 12 weeks the Seller shall be entitled to withdraw from the contract insofar as the Seller, despite the prior conclusion of a corresponding purchase contract or another corresponding covering transaction on his part, observing commercial diligence, does not at all receive the delivery item or parts or components necessary for its manufacture through no fault of his own, or does not receive them in time. The Seller shall inform the Customer without undue delay of the non-timely availability and, if the Seller wishes to withdraw for this reason, shall exercise the right of withdrawal without undue delay. The Customer shall also have a right of withdrawal as a result of the Seller's information. In the event of withdrawal - regardless of which of the parties has declared this - the seller will immediately refund the consideration to the Customer.

3. The delivery deadline shall be considered to have been met if the delivery item has left the supplier's works or readiness for shipment has been reported by the expiration of the deadline.

4. Unless explicitly agreed between the parties, the Seller does not assume any procurement risk and no procurement guarantee. Provisions in the underlying contract shall, in case of doubt, be interpreted as meaning that no such guarantee or risk is assumed by the Seller.

5. The dates agreed upon between the parties shall be postponed appropriately in the case of force majeure impacting the Supplier or one of the Supplier's sub-suppliers. All unforeseeable events that lie outside of the realm of influence of the Supplier or cannot be overcome with reasonable effort, including but not limited to natural events, highly contagious diseases, governmental acts, any kind of travel warnings, curfews, travel bans, war, civil war, terrorist acts, riots, fire, labor disputes, damages in transit, radioactive contamination to the delivery item, to the place of delivery, or to its respective surroundings shall be considered force majeure.

The Supplier shall not be responsible for the circumstances described above even if they arise during an already existing delay.

6. The Supplier is obligated to immediately notify the Customer of the occurrence of force majeure. Liability and flat-rate damage compensation in accordance with Section III Subsection 7 is excluded in the case of force majeure.

7. If the Supplier falls culpably in default and damages arise for the Customer due to this then the Customer has the right to demand a flat-rate amount of compensation for delay. It shall amount to 0.5% for each two full calendar weeks of the delay but is limited to a maximum total amount of 5% of the value of the respective part of the entire delivery that cannot be

KOENIG & BAUER

used on schedule or in accordance the contract as a result of the delay. The Supplier shall be provided with a waiting period of four full calendar weeks before the Supplier falls into default of delivery. Subject to the exceptions as set out in Section VII. ("Liability") No. 2, lit. a– f, the Customer is not entitled to claim any other damages for delay. The Supplier shall be entitled to proof to the Customer that a lower damages has actually occurred.

The Supplier shall be entitled to proof that either no or lower damages have occurred.

8. If the Customer sets a reasonable deadline for the Supplier for performance after the deadline - taking into consideration the statutory exceptions - and the deadline is not met, then the Customer has the right to withdraw (*zurücktreten*) from the contract in accordance with Section XI. Upon the request of the Supplier the Customer pledges to state in writing within an appropriate amount of time whether the Customer will exercise its right of withdrawal.

If the Customer does not exercise this right at all, not in due form, or not in due time or if the Supplier is ready to deliver before receiving the Customer's withdrawal then the Customer shall lose the right to withdraw from the contract (forfeiture).

Furthermore, the provisions in Section XI of these Terms & Conditions of Delivery shall apply.

9. Further claims due to delay in delivery on the part of the Supplier are determined exclusively in accordance with Section VII Subsection 2 of these Terms & Conditions.

10. If the shipment or the acceptance of the delivery item is delayed for reasons for which the Customer is responsible, then the Supplier shall - charge the Customer for the actual costs arising due to the delay beginning one month after notification of readiness for shipment but at least 0.75 percent of the invoice value for each commenced month (unless the Customer proves to the Supplier that there are no damages or that there is a lower amount of damages) and potentially store the delivery item or parts of it at the Customer's expense and/or set a reasonable deadline for the acceptance of the delivery item or parts of it and, after aforesaid deadline has unsuccessfully lapsed, to make other use of the delivery item or parts of it, whereby the right of the Supplier to demand fulfilment of the contract from the Customer shall not be affected and the delivery deadline of the Supplier shall be postponed accordingly with-out the Supplier falling into default of delivery (*Schuldnerverzug*).

The Customer shall be responsible for delays resulting from the destination country.

11. If the Customer is responsible for goods deliveries into other EU countries then the Customer shall - without delay - provide the Supplier with the completely and properly filled out verifications (e.g. confirmation of arrival, white carrier's receipt, or CMR waybills) that are required in accordance with the relevant German legislation. If the Customer does not fulfill this obligation on time then the Supplier reserves the right to subsequently bill the Customer with German sales tax in the amount of the respective tax rate to be applied to the invoiced amount. The

same applies correspondingly for tax-free intra-Community deliveries for which German law does not apply, insofar as the local legislation requires corresponding verifications, as well as for deliveries into third countries to the extent the Customer is responsible for the export declaration.

IV. Passing of risk; acceptance; insurance

1. Risk shall pass to the Customer once the Supplier has specified the delivery item for shipping purposes and has notified to the Customer that the delivery item is ready for shipment (Section 269 BGB (German Civil Code)), even if partial deliveries are being made or the Supplier has accepted responsibility for other services, e.g. the shipping costs or delivery and assembly.

The risk of accidental destruction of the delivery item as such shall pass to the Customer as soon as the Supplier specifies the delivery item for shipping purposes and notifies the Customer that the delivery item is ready for shipment.

2. Partial deliveries are permitted as long as these are not unreasonable for the Customer.

3. At the start of the assembly work the Customer shall provide a dust-free and heated building as well as sufficient unloading space, a sufficiently large transport opening, electrical connections, water and air connections, and exhaust systems as well as a large closeable space for the installers for the storage of valuables and tools, lockers and sanitary facilities as well as a telephone, and high-speed Internet which the Supplier's employees may use free of charge for the purpose of performing services during the installation and commissioning phase. The same applies correspondingly for repair/warranty work.

4. The acceptance must be carried out immediately on the acceptance date or, alternatively, after the supplier provides notification of readiness for acceptance.

5. At Supplier's request the Customer is obligated to cooperate in setting a date for executing the acceptance, to cooperate in generating minutes of acceptance reflecting the outcome thereof, and to sign the protocol. All outstanding items are to be recorded therein, otherwise the Supplier's services shall be considered approved and accepted without defect.

6. The Customer shall not be entitled to refuse acceptance due to immaterial defects that do not at all or not significantly impair the usability or value of the delivery item. If the parties do not agree on the cause, nature, type and/or significance and/or effects of the defect then each party has the right to initiate independent proceedings for the taking of evidence or legal proceedings. If the independent proceedings for the taking of evidence are not initiated within four weeks starting from the designated acceptance date then the Supplier's services shall be considered unconditionally approved and accepted by the Customer. The same also applies if the Customer has commenced use of the Supplier's service or parts of it despite not coming to an agreement.

7. If products capable of being sold are produced for a period of more than four (4) weeks then the delivery item shall be considered to be accepted with the conclusion of the fourth (4th) week.

KOENIG & BAUER

8. The noting of open issues in the acceptance protocol regarding insignificant defects or objections shall not prevent the acceptance.

9. If the Customer does not accept the delivery item or parts of it, although there are no or only insignificant defects, or if the handover of the delivery item or parts of it is deferred and the warranty period for defects of the delivery item has not already begun then it shall begin starting from the originally agreed time of acceptance.

Moreover, in this case the Supplier - at its sole option

- has the right

- to postpone the acceptance date and to demand from the Customer the costs resulting from such postponement;

- to demand immediate payment of the full remaining payment installments;

- after setting a deadline of four calendar weeks to withdraw (*zurücktreten*) from the contract in writing and to demand an amount of 20 % (twenty per cent.) of the contract price, whereby the Supplier reserves the right to provide proof higher damage.

If the Customer proves that the damages were less than 20 % (twenty per cent.) or that no damages were actually incurred at all, then the Supplier's claim is to be reduced accordingly.

The Customer shall bear the Supplier's costs for dismantling and regaining the delivery item. In this context, the Customer shall assist the Supplier to the best of its abilities. The Customer hereby irrevocably grants the Supplier the required access to the delivery item.

10. Furthermore, the Supplier has the right under the conditions specified in Sub-section 9 to set functional limitations to the machinery or not to put certain functions into operation as in Section II Subsection 10 (at the end).

11. a. If the Supplier ships the delivery item and the Customer does not prove that a corresponding goods in transit and erection all risks insurance policy has been taken out in the Customer's name and at the Customer's expense at the time of the passing of risk then the Supplier has the right and the Customer hereby irrevocably grants the Supplier the authorization to take out the specified insurance policies in the Customer's name and at the Customer's expense.

b. The Customer is obligated, starting from bringing-in of the delivery item into the Customer's site, to take out a fire insurance policy, a natural hazard insurance policy, a property insurance policy, a theft insurance policy and an insurance policy against other damages as well as against the deterioration and accidental destruction of the delivery item and a machinery breakdown insurance policy after the completion of the assembly of the delivery item benefitting the Supplier for the total value of the delivery item or of the purchase price that is still outstanding at least until the full payment, insofar as the Supplier is still the owner of the delivery item at that time. The Supplier is to be specified as additionally insured and is to be issued the confirmation of insurance coverage.

12. In case the Supplier reserved ownership resp. title to the delivery item, the Customer hereby irrevocably authorizes the Supplier to take out an insurance policy for the delivery item at the Customer's expense against theft, breakdown, fire, water, and other damages as well as against deterioration and accidental destruction if the Customer fails to provide proof of

performance of the obligation owed by the Customer to the Supplier despite the Supplier setting a deadline. The Customer hereby cedes to the receiving Supplier all rights and claims arising from such an insurance policy, including the rights to cancellation, to the changing of contents, and, in the case of damage, to the payment of the insurance value. The Supplier has the right to disclose this ceding to the insurance provider at any time.

V. Reservation of title

1. The Supplier reserves ownership resp. title to the delivery item until the receipt of all payments under the delivery contract - including for any additional ancillary services that may be owed.

2. During the period of the reservation of ownership resp. title the Customer has, subject to priority consideration of Section IV. 10. above, the right to possess and make use of the delivery item as long as the Customer fulfills the Customer's obligations resulting from the reservation of ownership resp. title in accordance with the following provisions of this section and does not fall culpably into default of payment or arrears with payment.

3. The Customer is to provide the Supplier with unrestricted access to the delivery item upon first request and upon submission of reasonable grounds (in particular for the purposes of control of the maintenance status, compliance with the operating and instruction manual, use of the released equipment etc.) until all of the payments under Subsection 1 have been received by the Supplier.

If the Customer should unreasonably refuse this then the warranty applying to the delivery item shall be cancelled.

4. The Customer is not permitted to sell, pledge, or transfer the delivery item to third parties nor to pledge it as a security. The Customer shall immediately notify the Supplier in the case of any distraints as well as the seizure or other dispositions of third parties and to protect the Supplier to the best of the Customer's abilities.

5. If the Supplier provides written permission for the transfer, lending, or further sale to third parties of the delivery item under the reservation of ownership resp. title with or without payment in return then the Customer shall always act as a disclosed or undisclosed agent of the Supplier. The Customer is therefore obligated to notify to third parties the property rights of the Supplier and to refer to the existing reservation of ownership resp. title. The Customer hereby assigns and transfers to the accepting Supplier the rights and claims arising for the Customer in the specified cases, including the rights to joint possession, to joint ownership, to exploitation and to surrender as well as property and/or monetary claims resulting from the transfer, regardless of the Customer's continuing obligations from the contractual relationship agreed upon with the Supplier. The same applies in the case that the Customer transfers the delivery item under reservation of title to a third party through third-party financing against the will of the Supplier and without disclosing the rights and claims of the Supplier and the Supplier's property thereby perishes.

6. In the case of actions contrary to contract on the part of the Customer, particularly not insignificant default of payment, in observance of Section V Subsection 7 the Supplier has the right to take back the delivery item and the Customer is obligated to surrender it.

KOENIG & BAUER

In such a case the Supplier has the right to take direct possession of the delivery item under reservation of title, to remove it and to sell it on the open market, and to use the proceeds to offset the Supplier's pecuniary claims against the Customer, including interest and costs incurred or to be incurred for necessary repairs, appraisals, transport, packing, disposal, court and attorney fees, etc. in any order at Supplier's sole option. The Customer is obligated to provide cooperative support in the taking of possession or recovery/removal of the delivery item by the Supplier to the best of the Customer's abilities.

7. The Customer shall be liable for the costs incurred or to be incurred by the Supplier for the elimination of third-party rights.

8. Subsection 7 applies in particular even if these costs cannot be demanded or exacted from the third party.

9. The Supplier can only demand the return of the delivery item on the grounds of the reservation of title if the Supplier has withdrawn from the contract.

10. An application to open insolvency proceedings gives the Supplier the right to withdraw from the contract and to demand the immediate return of the delivery item.

11. In particular, even in the case of delivery outside of the area of application of the statutory provisions of the Federal Republic of Germany the Customer is obligated to take all measures (e.g. registration of the reservation of title) and to make all declarations to authorities and other institutions and establishments that are required to ensure the reservation of title or comparable rights; regardless of this obligation on the part of the Customer, the Customer hereby irrevocably authorizes the Supplier to personally submit all of the described declarations to ensure the rights of the Supplier on behalf of and at the expense of the Customer.

VI. Claims for defects (Product Warranty)

The Supplier shall be liable for defects in the material (Sachmängel) and defects of title (*Rechtsmängel*) of new delivery items to the exclusion of further claims - subject to Section VII - as follows:

Defects in material (*Sachmängel*)

1. Basis of the supplier's product warranty for defects (*Gewährleistung*) is above all the agreement reached on the quality and the assumed use of the goods (including accessories and instructions). All product descriptions and Supplier's specifications which are the subject of the individual contract or which were made public at the time of conclusion of the contract (in particular in catalogs or on our Internet homepage) shall be deemed to be a quality agreement in this sense. Insofar as the quality has not been agreed, it shall be assessed in accordance with the statutory regulations whether a defect exists or not

2. In the case of goods with digital elements or other digital content, the Supplier shall only be obliged to provide and, if necessary, update the digital content insofar as this is expressly stated in a quality agreement in accordance with clause 1. above

3. Supplier warrants that all parts that turn out to be defective before the passing of risk are – at the sole

discretion of the Supplier - to be repaired or replaced with spare parts free of defects. Customer shall immediately report to the Supplier any and all defects it becomes aware of. Replaced parts shall become the property of the Supplier.

Warranty work shall be performed strictly by the Supplier at no charge on German bank working days in Würzburg at regular rate working hours. If the production of the Customer should require special services to be initiated then the surcharged incurred for these are to be remunerated by the Customer.

4. a. For the repairs and spare part deliveries reasonably considered to be necessary by the Supplier the Customer shall enable unhindered, unrestricted, and, if requested by the Supplier, contiguous access to the delivery item even outside of the usual business hours and shall provide a person entrusted with the operation of the delivery item to the Supplier for information and assistance at no charge. This applies for the period that the Supplier reasonably requires for the repair services and/or replacement of parts; otherwise the Supplier shall not be liable for any costs and other consequences resulting thereof.

b. The Customer shall have the right to personally correct the defect or to have it corrected by a third party and to demand compensation from the Supplier for the required and reasonable expenses only in urgent cases bearing a risk to operational safety of the delivery item or for the prevention of disproportionately extensive damages (whereby the Supplier is to be immediately informed) or in cases in which the Supplier defaults on its warranty obligations.

c. If the Customer or a third party improperly performs repairs then there shall be no liability on the part of the Supplier for the resulting consequences. The same applies for changes to the delivery item that were carried out without the consent of the Supplier.

5. The Supplier shall not be liable for defects which the Customer is aware of or is grossly negligent in not being aware of when the contract is concluded. Furthermore, the Customer's claims for defects presuppose that he has fulfilled his statutory inspection and notification obligations.

6. Insofar as a claim of the Customer turns out to be justified, the Supplier shall bear the necessary direct expenditures for curing the defect including shipping, provided such expenditures are not considered unreasonable. Insofar as the expenses increase due to the fact that the Customer has taken the delivery item to a place other than the place of performance after delivery by the supplier, any additional costs incurred as a result shall be borne by the Customer. Within its obligations under applicable law, the Supplier will also bear the Customer's expenditures concerning rights of recourse within the supply chain, provided, however, that the delivery item was new at the time of delivery to the Customer.

7. The Supplier is entitled to make the subsequent performance owed dependent on the Customer paying the purchase price due. However, the Customer is entitled to retain a reasonable part of the purchase price in relation to the defect.

8. a. The Customer has a right to withdraw from the contract if the Supplier - taking into consideration any possible exceptions available to the Supplier under applicable law - fails to meet a reasonable deadline set for the Supplier for the repair or spare part delivery

KOENIG & BAUER

due to a material (*erheblich*) defect at least twice. The provisions of Section XI. of these Terms & Conditions of Delivery remain unaffected.

b. If there is only an insignificant (*unerheblich*) defect then the Customer merely has a right to reduce the contract price. The right to reduce the contract price otherwise remains excluded.

9. Further claims are determined exclusively in accordance with Section VII. Subsection 2 of these Terms & Conditions.

10. No liability or warranty shall be assumed in the following cases in particular:

- Unsuitable or improper use, defective assembly or commissioning by the Customer or a third party, natural wear and tear, defective or negligent handling, improper servicing by the Customer, unsuitable operating supplies, defective construction work at the Customer's site (building), unsuitable building ground, chemical, electrochemical, or electrical influences, insofar as the Supplier is not responsible for these;

- For components to the delivery item demanded, provided, or procured by the Customer, which were not within the scope of the Supplier's contractual obligations, which are not under Supplier's control in terms of quality or condition and which the Supplier did not invoice. This liability exemption is not applicable to installation failures in cases where the Supplier performed the installation and invoiced the assembly and is intentionally or negligently liable for such failure;

- The Supplier gives no warranty and accepts no responsibility for the function, usability and safety of machine parts, assemblies and accessories purchased and/or obtained by the Customer directly. Likewise, the Supplier shall not be liable for any changes or damage to the equipment arising from the use of such components..

The Customer undertakes to mount, integrate or install only machine parts, assemblies and accessories ("Additions") which are currently available in the market and recommended by the Supplier. The Customer furthermore undertakes to inform the Supplier of the type and scope of such Additions before their installation and to install or mount them only after obtaining express written technical release by the Supplier, however excluding all other liability of the Supplier. In this respect the Customer shall be acting at the it's own risk. In the case of the breach of this duty the Customer must indemnify and hold harmless the Supplier against any liability (including – without limitation – damages, compensation, warranty, and product liability) arising from the installation of any Addition and to indemnify and hold the Supplier harmless upon first demand; the Customer shall be liable to the Supplier for all damages resulting in this regard.

11. The Customer is to immediately notify the Supplier in writing of defects and is to give the Supplier the opportunity to conduct an 'on-site' review as to whether the notification of defects is justified. If the Customer breaches this obligation then the Supplier shall have the right to refuse warranty work due to the notified defect.

12. Any kind of used equipment is provided "as is" and is subject to the exclusion of any and all warranty (*Gewährleistung*) to the extent permitted under applicable law.

Defects of title (*Rechtsmängel*)

13. If the use of the delivery item leads to the violation

of industrial property rights or intellectual property rights then the Supplier shall procure the right to further use for the Customer or shall modify the delivery item for the Customer in a way so that there is no longer a violation of aforesaid property rights.

If this is not possible at economically reasonable conditions or within a reasonable period then the Customer shall have the right to withdraw from the contract. The Supplier shall also have the right to withdraw from the contract under the conditions specified above. The provisions of Section XI. of these Terms & Conditions of Delivery shall apply.

In addition, upon written request the Supplier shall indemnify the Customer against damage compensation claims that are undisputed or determined without further recourse for direct damages to the proprietor concerned.

The obligations of the Supplier specified in Section VI. Subsection 13 are conclusive subject to Section VII. 2 for the case of the violation of industrial property rights or intellectual property rights.

Any claim of the Customer in this respect is, however, subject to the following conditions:

- the Customer immediately informs the Supplier of asserted violations of industrial property rights or intellectual property rights,

- the Customer supports the Supplier to a reasonable extent in the defense against asserted claims or enables the Supplier to perform modification measures in accordance with Section VI. Subsection 13,

- the Supplier is granted the right to take all defensive measures including extrajudicial settlements,

- the defect of is not due to an instruction from the Customer and

- the violation of rights was not caused by the Customer changing the delivery item without authority or using it in a way that is not in accordance with the contract.

VII. Liability of the Supplier, liability exclusion

1. If the delivery item cannot be used by the Customer in accordance with the contract as a result of binding suggestions or advice that the Supplier culpably failed to provide or that were falsely provided before or after the conclusion of the contract or due to the culpable violation of other secondary contractual obligations — including but not limited to instructions for the use and servicing of the delivery item — then the provisions of Section VI and Section VII Subsection 2 shall apply to the exclusion of further claims of the Customer. However, liability shall not be excluded for: (a) damage to life, body or health caused by the Supplier or its legal representative or agents (*Erfüllungsgehilfen*); liability for other damage arising from an intentional or grossly negligent breach of duty by the Supplier or a legal representative of the Supplier or an agent, however, Section 278 of the BGB (German Civil Code) shall apply.

2. The Supplier shall be liable for damages that did not occur to the delivery item itself and any loss of profit, loss of production, loss of customers, reputation or jobs, - irrespective of what legal grounds they may be derived from - only

a. in the case of intent,

b. in the case of gross negligence,

c. in the case of culpable injury to life, limb, or health,

d. in the case of defects that the Supplier fraudulently failed to disclose,

e. within the framework of a promise of a guarantee

KOENIG & BAUER

(*Garantieusage*),

f. in the case of defects of the delivery item, insofar as the Supplier is liable for bodily injury or property damage for privately used items according to the Product Liability Act.

If there is a proven culpable violation of material contractual obligations (i.e. obligations characterizing the contract and upon which the Customer can reasonably rely) then the Supplier shall also be liable in the case of of slight negligence (*einfache Fahrlässigkeit*), however, only to an extent limited to damages typically and reasonably foreseeable for this type of contract.

Further claims are excluded.

A liability exclusion or liability limitations to the benefit of the Supplier also apply to the employees, representatives, and agents (*Erfüllungsgehilfen*) of the supplier.

VIII. Limitation period

1. All claims of the Customer - regardless of what legal grounds they derive from - shall expire in 12 months unless these Terms & Conditions of Delivery provide other arrangements; this also applies to rights of recourse within the chain of supply according to Section 445b (I) German Civil Code, as long as the last contract within the supply chain is not a sales contract for consumer goods (*Verbrauchsgüterkauf*). The suspension of expiry of the limitation period under Section 445b (II) German Civil Code shall remain unaffected. The limitation period regarding claims for defects begins on the day of readiness of the delivery item for production (ability to produce the first specimen printed or capable of being sold). If the dispatch and/or assembly and/or readiness for production of the delivery item is delayed at no fault of the Supplier then the claims shall expire after eighteen months starting from the day of the passing of risk at the latest.

2. The warranty period for improvement services or spare parts deliveries performed by the Supplier within the framework of the warranty ends with the expiration of the warranty period that applies to the delivery item.

3. In the case of service work or pure spare part deliveries the warranty period shall amount to twelve (12) months from the conclusion of the service work or from the delivery date of the spare part.

4. The statutory periods shall apply for damage compensation claims in accordance with Section VII. Subsections 2 a-d and f.

5. The same provisions also apply for defects of a structure or for delivery items that were used for a structure according to their usual manner of use and caused the defects of the structure.

IX. Software / Use of data

1. To the extent software is included in the scope of delivery, the Customer shall be granted a non-exclusive right to use the delivered software including its documentation in return for payment in accordance with the contract.
It shall be delivered only for use on the delivery item for which it is intended.

2. Use of the software on more than one system is

not permitted unless the Supplier provides its prior written consent.

The Customer may duplicate, edit, translate, or convert object code into source code only within the legally permitted scope (Sections 69 a ff. of the German Copyright Acts).

3. The Customer pledges not to remove nor change manufacturer's data - particularly copyright marks - without the express prior consent of the Supplier.

4. All other rights to the software and documentation including copies remain with the Supplier or the software provider. The issuing of sub-licenses is not permitted.

5. The Customer shall issue the Supplier the unrestricted permission to create an electronic connection to the delivery item (e.g. by means of a modem or VPN) as well as to retrieve, process, and make use of data.

6. a. The Supplier shall be entitled to review and store all data that is produced in the course of the Customer using the Supplier's Remote-Support-App (Visual Support). The Supplier retains all rights and title to the recorded data, The Customer agrees to the recording of all data produced by the device such as camera and microphone as of initializing the remote support.

b. The Supplier only obtains the acoustic and visual data provided by the Customer in the course of Customer's use of the remote support as well as data explicitly released by the Customer. The Customer shall ensure that it has obtained all permissions required to transfer personal data to the Supplier. Supplier will not disclose personal data to unrelated third parties.

7. For the

- connection of the delivery item to the digital product/remote service system/customer portal; - provision of the ordered digital service(s);

- for the continuous improvement of the delivery items and services;

- as well as for the development of new and further development of existing delivery items and services, the Supplier shall regularly transfer data that is generated and collected at the Customer's sites and on the Customer's equipment, at the Supplier or at companies affiliated with the Supplier within the meaning of Section 15 of the German Stock Corporation Act (AktG) as part of the services offered to the Supplier or a service provider commissioned by the Supplier.

a. The interval and scope of these transfers shall be freely determined by the Supplier at its own discretion.

b. The data is machine and device-specific or other technical data, including but not limited to software versions, totalizer status, licenses, machine configuration, technical job data such as paper format, printing speed, number of waste sheets and quality information, information on the process sequence, usage data such as the technical resource consumption or statements on the use of functions, or information on the power consumption of the machines as well as their utilization, performance and speed data.

c. Personal data will not be transmitted on the basis of this clause.

d. The Supplier is entitled to use this data for the services to be provided to the Customer, in particular for problem analysis and fault diagnosis in the event of a malfunction, to improve machine productivity, to

KOENIG & BAUER

continuously improve the quality of the delivery items and for Customer relationship management purposes.

e. In addition, the Supplier is also entitled to use this data to provide advice to the Customer and third parties on improving quality, efficiency and quantity, including - without limitation - benchmarking, consulting services, advertising, insofar as this is permitted by law, the improvement of existing products and the development of new products in order to be able to offer the Customer upgrades, retrofits and machine and/or component upgrades.

f. The Supplier is entitled to pass on the data to third parties in anonymized form and to exploit it commercially. The use of the data described above is not territorial, limited in scope or limited in time for the Supplier.

g. The Supplier is entitled to transfer all rights of use to the data to third parties. When collecting and using the data, the supplier shall comply with all statutory provisions, in particular in connection with the protection of business and trade secrets, as well as existing contractual confidentiality agreements and statutory deletion obligations.

X. Confidentiality

All information communicated by the Supplier to the Customer in connection with the Supplier's written order confirmation or with a purchase/work delivery contract signed by both parties as well as information relating to original spare parts of the supplier or software proprietary to the Supplier or third parties is to be treated confidentially by the Customer. The Customer is to use the information merely for the intended purpose in the written order confirmation or in the purchase/work delivery contract. The operating manual, received drawings, etc. are solely intended for use by the Customer and may not be transferred to third parties (not even vicarious agents and/or affiliated companies) without the prior written consent of the Supplier.

Consent to the transfer can only be granted in writing. A consent granted by the Supplier in this respect is a one-time consent and does not give the right to conduct multiple transfers.

The obligation to maintain confidentiality does not apply to information for which the Customer can prove that

a. the information was already public knowledge or became public knowledge without the Customer violating the obligation to maintain confidentiality, or

b. the information was already known to the Customer when it was received without the obligation to maintain confidentiality, or

c. the Customer legally obtained the information from third parties without the obligation to maintain confidentiality, or

d. the Customer developed this information without the use of the information communicated in accordance with this contract.

The obligations regulated in this Section X remain in place even beyond the end of the contract, regardless of the way in which the contract is ended.

Reverse engineering is prohibited.

XI. Withdrawal

1. If the Customer withdraws from the contract in due form and time then the Supplier shall compensate the Customer's negative interest (*negatives Interesse*) upon presentation of proof in the amount of up to a

maximum of one percent of the agreed price for the delivery item to the exclusion of all further claims of the Customer; this limitation shall not apply in the case of intent or gross negligence on the part of the Supplier or its vicarious agents for the delay in delivery. The Customer is free to provide proof of a higher amount of damage. Section VII. Subsection 2 applies accordingly.

2. Furthermore, the Customer can withdraw from the contract if

- it is made ultimately impossible for the Supplier to perform the entire scope of delivery to be performed before the passing of risk;

- it is made impossible for the Supplier to perform part of the delivery and the Customer provides proof of a justified interest in rejecting a partial performance of the Supplier. If the Customer does not succeed in proving this then the Customer has the right to reduce the consideration owed by the Customer at a rate of the percentage of the value of the impossible partial performance to the value of the total performance.

3. If the Customer withdraws then the Customer shall be obligated to surrender the delivery item to the Supplier regardless of the other developments in accordance with this subsection. The Supplier has the right to collect the delivery item from the Customer's premises in accordance with Section V. Subsection 6. (being applied *mutatis mutandis*); furthermore Section VII. shall apply accordingly for claims of the Customer. If the Customer delays in the surrender of the delivery item then the Customer shall also be liable for accidental damage to the delivery item during the delay or its inability to be issued to another party up to the point when the Supplier has once again taken it fully into the Supplier's direct possession.

4. If the Customer withdraws for reasons for which the Supplier is not responsible then the Supplier can demand compensation (in terms of positive interest (*positives Interesse*)) for:

- the expenses already incurred as well as those yet to be incurred as a result of the contract (such as commissions, costs for conversion, transport, packing, assembly and disassembly, insurance premiums, taxes, general overhead expenses, financing and collection costs, loss of interest) without proof at a flat rate of 5% of the value of the delivery item, whereby the Customer is free to provide proof of a smaller amount of damage. Moreover, the Supplier shall be entitled to prove and claim damage resp. compensation which goes beyond aforesaid flat-rate compensation. Offsetting by the Supplier, particularly using payments received from the Customer, is permitted; and

- the deterioration of, destruction of, or inability to return the delivery item for any other reason.

5. a. Furthermore, the Supplier can demand compensation for the use or consumption of the delivery item if the value of the delivery item has been decreased since its assembly and when the Supplier has once again taken it fully into the Supplier's direct possession. The decrease in value is calculated out of the difference between the total price in accordance with the order confirmation or in the purchase/work delivery contract and its present value determined through the sales proceeds (taking into account the incurred exploitation costs) or, if a sale is not possible, through the estimation of a sworn expert.

6. b. Subsection 4 above shall apply correspondingly in the case of the withdrawal of the Supplier for reasons for which the Customer is responsible, provided that 20% of the contract value is agreed as the flat

KOENIG & BAUER

rate for damage compensation, whereby the right of either party is reserved to provide proof that the damages are greater or less than this.

XII. Export controls and re-export

1. The parties are obliged to comply with all economic sanctions, export control regulations and import restrictions under applicable German law, EU law and any locally applicable jurisdiction; this also applies with regard to US law, to the extent that it is compatible with German or EU law ("Applicable Foreign Trade Law").

The validity of the contract and the obligation to provide the services and deliveries offered are subject to the proviso that the respectively Applicable Foreign Trade Law does not conflict with the formation and performance of the contractual obligations.

2. The Customer is obliged to promptly provide the Supplier with all information and documents required to comply with the Applicable Foreign Trade Law in the case of export, import, re-export or transfer.

3. Delays or non-performance due to the examination of the Applicable Foreign Trade Law or licensing procedures annul dates of delivery or time limits, unless the delay/non-performance lies within the Supplier's responsibility. Claims for damages or reimbursement of expenses based on such delays or non-performance are excluded insofar as these delays result from the compliance with the respective Applicable Foreign Trade Law; additionally, reference is also made to the provisions on the limitation of liability.

4. The Customer assures that all goods that are subject to an export restriction under Applicable Foreign Trade Law shall be used in the country of delivery agreed upon at the time of purchase and that the goods remain therein. If the Customer intends to re-export said goods at a later date, he shall be obliged to comply with the Applicable Foreign Trade Law.

5. The Customer shall not sell, export or re-export, directly or indirectly, to the Russian Federation or for use in the Russian Federation any goods supplied under or in connection with the contract that fall under the scope of Article 12g of Council Regulation (EU) No 833/2014.

If the Supplier transfers – under or in connection with the contract that falls under the scope of Article 12ga of Council Regulation (EU) No 833/2014 – intellectual property rights, trade secrets or other information within the meaning of the named Article 12ga to the Customer or if the Supplier grants corresponding access or re-use rights to intellectual property or trade secrets, the Customer shall not transfer these rights and trade secrets, directly or indirectly, to the Russian Federation or for use in the Russian Federation; the Customer is obliged to pass this restriction on to its own customers.

Furthermore, the Customer shall not sell, export or

re-export, directly or indirectly to Belarus or for use in Belarus any goods supplied under or in connection with the contract that falls under the scope of Article 8g of Council Regulation (EG) No 765/2006.

The Customer shall undertake its best efforts to ensure that the purpose of this Section XII. Subsection 5. Sentences 1., 2. and 3. is not frustrated by any third parties further down the commercial chain, including by possible resellers.

The Customer shall set up and maintain an adequate monitoring mechanism to detect conduct by any third parties further down the commercial chain, including by possible resellers, that would frustrate the purpose of this Section XII. Subsection 5. Sentences 1., 2. and 3.

Any violation of this Section XII. Subsection 5. Sentences 1. – 5. shall constitute a material breach of an essential element of the contract, and the Supplier shall be entitled to seek appropriate remedies, including, but not limited to: (i) withdrawal from the contract; and (ii) a contractual penalty of 30% of the total value of the contract or price of the goods exported, whichever is higher.

The contractual penalty shall be offset against any claims for damages in accordance with Section XII. Subsection 6.

6. In the event of culpable non-compliance with these obligations or incorrect or missing information, the Customer shall be liable for all damages resulting from that noncompliance for the Supplier, including possible public duties, charges and fines.

XIII. Applicable law; court of jurisdiction

1. Any disputes arising out of or in connection with this contract shall be governed by German law, subject to the exclusion of the Convention of the United Nations concerning the International Sale of Goods.

2. a. In case the Customer is seated within the European Union at the time a proceeding is initiated, any such disputes shall be finally decided by the court at the head office of the Supplier competent in both material and geographical respects. The Supplier also has the right to choose the court at the head office of the Customer. In this case, this clause governing the court of competent jurisdiction shall also apply to any examination of the validity of this clause.

b. In case the Customer is seated outside of the European Union at the time a proceeding is initiated, all disputes arising out of or in connection with this contract or its validity shall be finally settled in accordance with the Arbitration Rules of the German Arbitration Institute (DIS) without recourse to the ordinary courts of law. In case the dispute in value is not exceeding 200.000 EUR the arbitral tribunal shall be comprised of a sole arbitrator. In case the dispute in value does exceed 200.000 EUR the arbitral tribunal shall be comprised of three members. The seat of the arbitration is Würzburg, Germany. The language of the arbitration shall be German.