1. Scope
Sales, deliveries and other services by Sonopress GmbH (hereinafter: "Sonopress") shall be rendered exclusively in accordance with the following General Terms and Conditions of Sale and Delivery (hereinafter: "Terms of Delivery"), which the customer accepts by placing his order or accepting delivery. They shall also apply for any future transactions with the customer and executory contracts.

The application of the customer's conflicting and supplementary terms and conditions of the customer is excluded even if they have not been expressly contradicted by Sonopress.

2. Conclusion of Contract and Performance
2.1 Offers by Sonopress are nonbinding. Contracts shall not be concluded until Sonopress has issued a written confirmation of order or until the order is performed and shall be governed exclusively by the contents of the confirmation of order (if provided) and these Terms of Delivery. A contract will not come about if its conclusion means a violation of the customer's capability of performance, or if it was agreed or contractually required as a result of using these parts. Sonopress is entitled, at its own choice, to perform all or part of the order in Gläubig's risk, fail to pass the production facilities to Sonopress or other connected undertakings in terms of Art. 15 et seq. of the German Stuck Stock Corporation Act, which may also be located abroad.

Sonopress may additionally or partially cancel the delivery and withdraw from the contract if the upward or downward in reasonable limits and according to the production processes which are known to the customer without prior consultation with the customer. Deliveries of more or less items are reasonable within the following tolerances:

<table>
<thead>
<tr>
<th>Size of order</th>
<th>Tolerance</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 5,000 pieces</td>
<td>Tolerance + 5%</td>
</tr>
<tr>
<td>5,001 - 10,000 pieces</td>
<td>Tolerance + 3%</td>
</tr>
<tr>
<td>10,001 - 20,000 pieces</td>
<td>Tolerance + 1%</td>
</tr>
<tr>
<td>&gt; 20,000 pieces</td>
<td>Tolerance + 0.5%</td>
</tr>
</tbody>
</table>

The delivered amount will be invoiced.

3. Periods and Deadlines
3.1 Delivery dates and delivery periods are only binding if they have been confirmed in writing by Sonopress in writing and the customer has disclosed or provided to Sonopress all of the information and documents necessary for delivery in a timely manner and has made any agreed advance payments and other services provided in due time and according to the customer's request. If delivery or shipment is delayed for reasons for which the customer bears responsibility, Sonopress is entitled to rescind the contract.

3.2 Unforeseeable, unavoidable, as well as events outside of the scope of Sonopress' control for which Sonopress bears means a violation such as acts of God, war, natural disasters, administrative ordinances or labour conflicts, shall release Sonopress from the obligation to make timely delivery or performance for the duration of such events. Agreed periods shall be extended accordingly by the length of the disturbance; the disturbance shall be informed in an appropriate manner that a disturbance has occurred. If the end of the disturbance is not foreseeable, the periods and other deadlines for more than three months, each party shall be entitled to rescind the contract.

3.3 In the event of late delivery by Sonopress, the customer shall be entitled to cancel the Agreement only if the Agreement contains a definite date for the delivery and a reasonable period, set by the customer for the delivery, has expired unseccessfully.

3.4 Sonopress may make partial delivery or partial performance for justified reasons or if it was agreed.

4. Shipment, Transfer of Risk, Insurances
4.1 Unless the customer stipulates otherwise, shipment shall be made using a reasonable form of shipment in the customary packaging.

4.2 Solely the customer is responsible for the disposal of sales packaging materials. Sonopress is not subject to a take-back obligation in terms of § 6 of the Verpackungsverordnung (Regulation on packaging materials).

4.3 Risk shall pass to the customer upon delivery of the subject of delivery to the carrier or to the customer himself. If delivery or shipment is delayed for reasons for which the customer bears responsibility, Sonopress is responsible for the delivery to the carrier or to the customer himself. If delivery or shipment is delayed for reasons for which the customer bears responsibility, Sonopress is responsible for the delivery to the carrier or to the customer himself. If delivery or shipment is delayed for reasons for which the customer bears responsibility, Sonopress is responsible for the delivery to the carrier or to the customer himself.

4.4 For goods (raw materials for example films, tapes or other graphic products) manufactured by Sonopress following their discriminatory labeling, the customer is entitled to charge a charge of € 60.00 per each pallet stored. The amount increases by € 30.00, with each subsequent month. After six months, Sonopress is entitled to return the goods to the customer at the customer's cost and to freely sell the goods for the account of the customer and to apply any proceeds to any receivables of Sonopress.

4.5 Insurances will only be made by customer's request.

5. Prices, Terms of Payment
5.1 If the parties have not agreed to a particular price, the price shall be determined by the price list of Sonopress applicable on the date of the conclusion of contract. Should the customer, or a third party on his behalf, require Sonopress with supply of a part of the subject of delivery to Sonopress to process the order (e.g. print components) which are outside the Sonopress specifications (e.g. width, size, thickness, processability, etc.), Sonopress is entitled to invoice the customer for the incremental costs involved in converting the articles.

5.2 All Sonopress prices are ex works and exclusive of the applicable statutory value-added tax, any import duties and the costs of normal packaging and dispatch (freight, postage), which will be charged separately.

5.3 Sonopress issues invoices on the day of delivery (or readiness for delivery in case Sonopress is required to collect the goods). In case of partial deliveries or partial performances according to clause 3.4, Sonopress is entitled to invoice each partial delivery or partial performance.

5.4 Each invoice shall be due for payment without any deduction within 30 days of the date of invoice. Payments by the customer shall not be deemed to have been made until Sonopress has received such payment.

5.5 If the customer has notified Sonopress that he uses the services of a third party for the receipt of Sonopress deliveries and execution of payment transactions, in particular the receipt of invoices and/or their payment, all Sonopress declarations of intent or similar business activities such as payment reminders are immediately effective for the customer also on receipt by the third party. Deviations are only valid if the customer has previously informed Sonopress in writing.

5.6 If the customer does not pay on time, Sonopress shall be entitled to charge 5% above the effective base lending rate as default interest. Sonopress reserves the right to claim any further damages.

5.7 Bills of exchange shall only be accepted upon special arrangement and on account of performance and without any costs or bank charges for Sonopress.

6. Default of Acceptance
6.1 If the customer refuses acceptance after expiration of a reasonable period of time set by Sonopress or announces seriously and definitely that he will refuse acceptance, Sonopress shall be entitled to cancel the contract or claim damages without prejudice to any further rights it may have.

6.2 If Sonopress claims damages according to clause 6.1 Sonopress shall be entitled to demand the contract value as compensation without providing evidence; the customer is entitled to prove that Sonopress has suffered no damage or that the amount of the damage is considerably lower. The right to assert any actual higher damages is reserved.

6.3 If the customer is in default of accepting performance or if he should be in breach of other duties to co-operate with Sonopress, Sonopress shall be entitled to reassign the stores at the customer's risk and expense.

7. Agreement about Characteristics. No Guarantee
7.1 Sonopress warrants that the delivered goods, at the time at which the risks pass to the customer, have the agreed characteristics. The latter are determined by the specific written agreements about qualities, features and performance characteristics and the performance characteristics in the literature provided by Sonopress.

7.2 Sonopress does not provide any undertaking (guarantee) for the characteristics of the goods above and beyond agreement about the characteristics reserved.

7.3 All information given in catalogs, price lists and other literature information provided by Sonopress, is under no circumstances to be understood as such guarantee for specific characteristics of the delivered goods.

7.4 For supplied materials, which were produced using parts provided by the customer, specifically at the customers request, or by a third party on behalf of the customer (e.g. print material), Sonopress will not offer any guarantee or warranty, if the supplied materials differ from what was agreed or contractually required as a result of using these parts.

8. Claims of Customer in Relation to Defects, Customers' Duty to inspect Goods
8.1 All rights of the customer relating to defects of the subject of delivery require that the subject of delivery has been inspected by the customer without undue delay upon its delivery. Sonopress is entitled to notify the customer of any defects without undue delay in writing, but no later than two weeks following delivery; hidden defects must be reported to Sonopress in writing without undue delay following their discovery.

8.2 Defects in only a part of the total amount of delivery shall not entitle the customer to cancel the contract. Unless the customer delivers of is of no interest to the customer. The same shall apply in respect of claim for damages ("großer Schadensersatz").

8.3 In the event of a notice of defect Sonopress shall have the right to inspect and test the subject of delivery in question. To such end, the customer shall grant Sonopress the required time and opportunity. Sonopress may also demand from the customer that he sends the subject of delivery in question to Sonopress at its expense. If the customer's notice of defect proves to be unjustified, the customer shall be obligated to Sonopress for the compensation of all expenses incurred in this context - e.g. travel expenses and costs of technicians or shipping costs.

8.4 Defects shall be remedied by Sonopress at its own choice by remedial work or the replacement of the subject of delivery or of a faultless part or of an entirely faultless item of delivery ("subsequent performance"), both at no cost for the customer.

8.5 The customer shall grant Sonopress the required time and opportunity for the subsequent performance. The customer shall only have the
right, following consultation without undue delay with Sonopress, to request the defaulter himself or have it realized by a third party and demand from Sonopress compensation for his necessary expenses caused by the subsequent performance if there is an emergency causing a threat to plant safety or to avoid unnecessarily large damage. This provision shall also apply if Sonopress is in default of subsequent performance.

8.6 The customer shall not have any claims to realization of the product sold under defects caused by the customer, e.g. by inappropriate or improper use, faulty start-up, faulty treatment by the customer or third parties commissioned by him, natural wear and tear, provisions of German law stating that Sonopress does not bear any responsibility for the defect.

8.7 The cost of materials, shipping and labor for the purpose of subsequent performance shall be assumed by Sonopress, unless the customer has to bear exceptionally such expenses in accordance with clause 9.3, in particular.

8.8 If the removal of the fault or the replacement delivery fails or is unreasonable for the customer, or Sonopress has refused either in accordance with section 439 subsection 3 German Civil Code (“BGB”) due to unreasonable costs, the customer, at his own option, shall be entitled to instruct the statutory provisions to cancel the contract, to reduce the purchase price or demand damages instead of performance (or compensation for expenses respectively).

8.9 The limitation period regarding claims of the customer for subsequent performance, cancellation of the contract or reduction of the purchase price in accordance with this clause shall be 12 months from the time of delivery to the customer.

As regards claims of the customer for damages and his claims on account of malicious concealing or intentionally caused defects, the statutory limitation periods shall remain applicable. If the delivered goods are sold indirectly or directly by the customer or by contractual partners of the customer to consumers, the claims for recourse against Sonopress will expire no earlier than two months after the time the customer has fulfilled claims of the consumer or other buyers.

9. Damages and Limitation of Liability

9.1 Sonopress shall be liable for damages without limitation according to the statutory provisions, unless clause 9.2 provides otherwise.

9.2 For the extent of damage and limited liability of Sonopress is limited as follows:

(i) Sonopress shall be liable only to the extent of the typical foreseeable contractual damage for the slightly negligent breach of material contractual duties;

(ii) Sonopress shall not be liable for the slightly negligent breach of immaterial contractual duties.

This shall apply, however, in the event of a mandatory statutory liability (in particular under the Product Liability Act) and for the assumption of a guarantee.

9.3 Clauses 9.1 and 9.2 are applicable to all claims for damages, irrespective of their legal ground, in particular also to those resulting from tort.

9.4 The customer shall be obliged to take adequate means to avoid damages or to mitigate damages.

10. Retention of Title

10.1 The delivered products shall remain the property of Sonopress until full payment is made of all of Sonopress’ receivables arising under its business relationship with the customer.

10.2 In the event of a current account the retention of title shall serve to secure the claim to the balance to which Sonopress is entitled.

10.3 The customer shall only be entitled to sell the products subject to the retention of title within the scope of normal business transactions. The customer is entitled to pledge, provide mortgage mortgages on or otherwise dispose of the products subject to retention of title in a manner permitted by law, to assign, let or otherwise dispose of such products.

The customer hereby assigns his claims for the proceeds under the resale of the products to Sonopress, which accepts such assignment.

In the event the customer disposes of the products subject to the retention of title after having processed, remedied or merged them with other goods, the amount of such part only which corresponds to the price agreed to by Sonopress and the customer plus 10 % of such price as a security premium shall be assigned.

Subject to revocation of this right, the customer is authorized to collect in trust and on behalf of Sonopress the receivables assigned to Sonopress in his own name. Sonopress may revoke this authorization and the entitlement to resell the products if the customer is in default of material obligations to Sonopress such as his payment obligations.

In the event that products subject to the retention of title are merged, processed or remedied with other goods, Sonopress becomes co-owner of the new goods according to the quota to which the products subject to the retention of title contribute to the value of the new goods. In the event that the merger, processing or remedying of the goods is to be regarded as the main goods, it shall be deemed to be agreed that the customer shall transfer joint ownership to Sonopress according to Sonopress’ quota of the total value of the new goods. The subject of such joint ownership shall be kept safe by the customer for Sonopress.

10.5 The customer shall provide Sonopress at all times with the requested information concerning the products sold under retention of title or claims which have been assigned to Sonopress hereunder. Attachments to claims against the products sold under retention of title by third parties must be reported immediately by the customer to Sonopress. Should the GEMA (society for licensing and collecting rights) make a claim against Sonopress for alleged infringement of third party rights, the customer will indemnify Sonopress and the customer will bear and have the GEMA make a claim against Sonopress for alleged infringement of third party rights, the customer will indemnify Sonopress under the provisions of clause 9.1 with respect to such legal actions in full.

10.6 The customer is obliged to treat the products sold under the retention of title with care for the duration with retention of title.

10.7 Should the realizable value of the collateral exceed the total amount of Sonopress’ receivables to be secured by more than 10 %, the customer shall be entitled to demand a release of collateral to such extent.

10.8 Should the customer be in default of a material obligation such as payment to Sonopress, Sonopress may take back any products sold under the retention of title without prejudice to any other rights it may have. In this case the customer shall provide Sonopress or its representatives with a signed receipt for the products sold under retention of title and surrender the same.

Should Sonopress demand a surrender of goods under the provisions of this clause, the customer shall have the obligation to be a cancellation of the contract. Only after cancellation of the contract, Sonopress will be entitled to demand the surrender of the goods.

In the event of deliveries to other jurisdictions in which the foregoing arrangements governing the retention of title do not have the same effect, however, proviso, the provisions of this clause shall be replaced by everything to create corresponding rights of security for the benefit of Sonopress. The customer will cooperate, for example, in the presentation of evidence in adequate form, as stated in 13.1 above, regarding his rights of security for the benefit of Sonopress against product liability claims of third parties to the extent he is responsible for the fault causing such liability.

11. Product Liability

Should the customer sell the subject of delivery unaltered or following processing, merging, mixing or fusion with other goods, he shall indemnify Sonopress within his internal relationship with Sonopress against product liability claims of third parties to the extent he is responsible for the fault causing such liability.

12. Raw Materials

12.1 Raw materials to be provided by the customer, in particular master tapes and litho films, have to be delivered free of charge and in faultless condition to Sonopress.

12.2 If Sonopress has concerns about the ability to use a master tape, the customer shall immediately provide a new one or shall order a new one from Sonopress. Sonopress shall keep safe by the customer for Sonopress’ use and wear and tear of master tapes and litho films or other production goods that shall be used repeatedly.

12.3 In case of fire or burglary and resulting damage or loss the customer will only provide a new raw materials of Sonopress’ insurance amount. Such pro rata rate shall be determined by the relationship between the value of materials belonging to the customer and the total damage suffered by Sonopress.

13. Third Party Rights

13.1 The customer warrants that he is the owner of all necessary proprietary rights for the purposes of duplicating and using the raw materials (master tapes, CD-R, litho films, electronic data, etc.) in particular raw materials of racial, violent, pornographic or otherwise illegal applicability. In such cases Sonopress is entitled to cancel the contract in whole; the customer shall bear all arising costs. In case Sonopress is liable for damages to third parties concerning any raw materials, Sonopress is entitled to demand indemnification and compensation from the customer.

14. General Terms and Conditions

14.1 Changes and supplements to the contract and/or these Terms of Delivery, as well as any side agreement, shall require written form. This shall also apply for the modification of this written form requirement.

14.2 If a term of the contract and/or these Terms of Delivery are fully or partially invalid, the other provisions shall remain unaffected. The parties undertake in such case to replace the invalid provision by such valid provision which may come closest to the commercial purpose of the invalid provision.

14.3 If the customer is a merchant, legal entity under public law or a special fund under public law, the exclusive place of jurisdiction for all disputes arising out of the contract is the court of the customer’s habitual residence or, in case the customer does not have any general place of the customer’s business location, the court of Bielefeld. This shall also apply if the customer does not have any general place of business location, the court of the customer’s business location; such court approvals to the contract and/or these Terms of Delivery shall be void. In this case the customer has moved his habitual residence to a foreign country following the conclusion of contract. Sonopress is entitled, however, to enter actions against the customer at any other court.


15. General information requirements according to § 36 consumer dispute settlement law (Verbraucherstreitbeilegungsgesetz “VSBG”)

We are refraining from participation in the dispute settlement procedures as laid down in the VSBG.