

# GENERAL TERMS AND CONDITIONS OF SALE

OOO Sokol-Yar Russia

## § 1 General Information—Area of Application

1. Our Terms and Conditions of Sale shall apply exclusively; we shall not accept any conditions put forward by the Ordering Party which contradict or differ from our Conditions of Sale, unless we have expressly agreed to their validity in writing. Our Terms and Conditions of Sale shall apply even if we carry out the delivery to the Ordering Party without reservation in awareness of the Ordering Party's conflicting conditions or conditions which may be different from our Conditions of Sale.
2. All arrangements which are made between us and the Ordering Party for the purpose of executing this contract must be put in writing. Additional duties assumed by OOO Sokol-Yar Russia shall not affect the validity of these Terms and Conditions of Sale.
3. Our General Conditions of Sale shall only apply with regard to companies as defined in the Chapter 48 of the Civil Code of the Russian Federation.
4. Inasmuch as, in international business activities, INCOTERMS are to be used for a specific order, the provisions of these Terms and Conditions of Sale shall take precedence over the provisions contained in the INCOTERMS as long as the subject matter of the provisions is the same. The Parties are in agreement that the INCOTERMS should be amended in such a way that the INCOTERMS provisions which contradict the Terms and Conditions of Sale no longer apply.
5. Our Terms and Conditions of Sale shall also apply to all future business transactions with the Ordering Party.

## § 2 Offer – Offer Documents

1. All offers are non-binding. Purchase contracts are only concluded by a written confirmation or acceptance from the seller. All verbal, telephonic and telegraphic agreements, modifications or side agreements shall not be valid unless confirmed by us in writing.
2. We reserve the proprietary rights and copyrights to all illustrations, drawings, calculations and other documents. This also applies to written documents which are marked as “confidential.” The Ordering Party must have our express written consent before passing these to third parties.
3. Specifications quoted in documents, illustrations, brochures, catalogs and other sales literature as well as drawings, including the details regarding units (pieces), weights and measurements listed therein are nonbinding unless they are expressly designated as binding.

## § 3 Preparation Work

1. There will be a charge for drafts, proof copies and similar preparatory work and also changes made to print layouts, printing forms or raw materials which have been confirmed by the Ordering Party, even if the order for the entire production is not subsequently placed.
2. This shall also apply in the event that we are commissioned to design developments and undertake sample trials.
3. Unless other arrangements have been made, first-time (pilot) orders will be carried out according to the samples submitted by the seller and confirmed by the Ordering Party. In cases where samples prepared in a laboratory facility are used, there is the possibility that, based on different printing conditions when compared to the production facility, unavoidable differences may result in the printout. Significantly greater color deviation tolerances will be required where pearlescent colors are used. Subsequent orders will be based on the master sample provided with the first order. Requests deviating from this must be confirmed in writing. Once the original (master) sample is used up, a new master sample with the same design will be made to replace the old master sample on which future productions will then be based.
4. The seller reserves the right to undertake technical modifications at any time. This applies to individual orders as well as follow-up orders.

## § 4 Prices—Payment Terms

1. Unless otherwise specified in the order confirmation, our prices shall be “ex works,” Excluding of packaging. All shipments are undertaken at the expense and risk of the Ordering Party and are not insured by the Seller.
2. The statutory sales tax is not included in our prices; it will be separately shown on the invoice in the lawful amount on the day the invoice is issued.
3. The granting of a discount requires a special agreement in writing.
4. Unless stated otherwise in the order confirmation, the purchase price shall be payable net (without deduction) within 30 days from the date of invoice. The statutory regulations regarding the consequences of delayed payment shall apply.
5. The Customer shall only be entitled to offset amounts if its counterclaims are formally noted by the courts, undisputed or recognized by us. Furthermore, the Customer shall only be entitled to exercise a right of retention insofar as it's agreed by the parties.

## § 5 Delivery Period

1. Delivery periods shall begin at the earliest when the contract is concluded. The beginning of the delivery period we have indicated is subject to the clarification of all technical issues.
2. We reserve the right to stipulate that deliveries are subject to the condition that we ourselves receive punctual deliveries from our suppliers.
3. If the delivery deadline is exceeded, the Ordering Party shall be required to allow a reasonable additional period.
4. The fulfillment of our delivery obligation is furthermore subject to the timely and proper fulfillment of the Ordering Party's obligations. The right to defense of unperformed contract remains reserved.
5. If the Ordering Party falls into default of acceptance or culpably breaches other obligations to cooperate, we shall be entitled to claim compensation for the damages incurred to us as a result, including any additional expenses. The right to further claims remains reserved.
6. OOO Sokol-Yar Russia shall be entitled to perform duties after the proposed deadline, unless subsequent performance is unacceptable for the Customer.
7. Operational malfunctions/business disruptions, delayed deliveries or non-deliveries on the part of our suppliers, shortages of raw materials, energy or labor, as well as strikes, lockouts, difficulties in procuring means of transportation, traffic disruptions, acts of State/governmental actions and events of force majeure shall, for the duration of the disturbance and the extent of its effect, release the affected party from the delivery, respectively, acceptance obligation as long as the affected party is not responsible for the events. The party prevented from performing the contract shall be under obligation to notify the other party without delay, explaining the circumstances; furthermore, it shall do everything within its power to correct the situation which prevents the delivery/acceptance as quickly as possible.
8. We shall furthermore be liable in accordance with the statutory provisions where the delayed delivery is the result of intentional or grossly negligent breach of the contract attributable to us; culpability on the part of our representatives and vicarious agents shall be attributed to us. Where the delayed delivery is not the result of intentional breach of the contract attributable to us, our liability for damages shall be limited to the foreseeable loss or damage which may occur naturally in the ordinary course of events.
9. Any further liability shall be excluded.

## § 6 Transfer of Risk—Packaging Costs

1. Where packaging is expressly shown on the invoice or delivery note/waybill as packaging on loan, such packaging shall, immediately after use and no later than within a period of 3 months from the date of invoice,

be returned in usable condition freight and cost free. If such packaging is not returned on time or is returned in a condition which prevents it from being re-used, we shall be entitled to charge the replacement costs to the purchaser at the relevant day rate and to demand immediate payment.

2. Even in the case of Group FINCOTERMS being agreed, OOO Sokol-Yar Russia shall not be obliged to submit certificates or documents which have not been expressly agreed, nor to complete customs formalities or to comply with systems of weights and measures, packaging, labelling or marking regulations or certification requirements applicable outside Russian Federation.

#### § 7 Advice—Information

1. Information regarding the processing and application options our products offer as well as technical recommendations or advice and other particulars are not stipulated by way of secondary contractual obligations and will be provided to the best of our knowledge, yet on a non-binding basis and to the exclusion of any form of liability.

2. The provision of such information without an explicit written agreement shall not constitute an independent consulting contract

#### § 8 Assignment

The assignment of claims directed against us shall be effective only with our consent.

#### § 9 Seller's Warranty

1. The Parties are in agreement that the goods shall be deemed to be defect-free as long as they correspond to the condition (quality) specified in the confirmed order / specification. In the event that the goods are not suitable for a purpose other than the customary one, this shall not constitute a defect unless the Parties have agreed in writing to specific application properties.

2. The use of catchphrase-style descriptions, references to generally recognized standards, the use of trademarks or quality marks or the submission of samples or specimen merely describe the composition or nature of the goods and shall not by themselves constitute the assumption of a guaranty or contractual commitment.

3. Claims by the Customer in respect of defects shall be subject to the Customer complying properly with his duties under Articles 336 and 342 of the Spanish Code of Commerce with regard to the inspection of the goods and the limits for notification of defects. This shall also include, if necessary, trial processing. This shall also apply to correcting primary and interim products which have been sent. The risk of any defects shall pass to the Customer when the go ahead is given for printing, except in the case of defects which do not occur or cannot be identified until the completion process following the go-ahead to print is given. This shall apply to all other go aheads by the Customer during completion.

4. Deviations in structure, color and dimensions within the usual commercial tolerances shall not constitute defects. Insofar as a defect is present in the object of sale, the Ordering Party shall have the right, at its discretion, to request subsequent performance in the form of removal/repair of defects or with the delivery of a new, defect-free object. In carrying out the removal of the defect, we shall be obligated to absorb all the expenditures necessary for the removal of the defect(s), in particular the costs for the transport, labor and material, provided that these are not increased as a result of the object of sale having been taken to a location other than the place of performance.

5. If the subsequent performance proves to be unsuccessful, the Ordering Party shall have the option to either cancel the contract or demand a reduction of the price. In this respect, the Parties are in agreement that OOO Sokol-Yar Russia, will also be allowed to undertake multiple attempts at rectification as long as it is reasonable for the Ordering Party.

6. We shall be liable in accordance with the statutory provisions if the Ordering Party asserts claims for compensation of damage based on intent and gross negligence, including intent and gross negligence on the part of our representatives or vicarious agents. Unless we are charged with deliberate breach of contract, the liability for damages shall be limited to

the foreseeable loss or damage which may occur naturally in the ordinary course of events.

7. We shall be liable in accordance with the statutory provisions if we culpably commit a breach of a material contractual obligation; however, in such case, the liability for damages shall be limited to the foreseeable loss or damage which may occur naturally in the ordinary course of events.

8. If and when the Ordering Party is entitled to claim compensation for damages instead of performance, our liability within the scope of paragraph (3) shall be limited to the foreseeable loss or damage which may occur naturally in the ordinary course of events

9. The liability for injury to life, body or health remains unaffected; this shall also apply to compulsory liability as defined in the Product Liability Act.

10. Unless otherwise agreed above, all other liability is excluded.

11. The period of limitation for all defect claims shall be 12 months, calculated from the transfer of risk.

#### § 10 Joint Liability

1. We shall not be liable in excess of the damages as referred to in Article 9, irrespective of the legal nature of the claim made. This shall apply in particular to claims for damages arising out of fault when entering into the contract, other breaches of duty or claims based on tort for compensation for property damage in accordance with Article 1064 of the Civil Code of Russian Federation.

2. Where the liability for damages is excluded or limited for us, this shall also apply with regard to the personal liability for damages of our employees, workers, staff members, representatives and vicarious agents.

#### § 11 Delivery Surpluses or Shortfalls

The Parties agree that in the case of order quantities of  $\leq 10,000$  kg, delivery surpluses or shortfalls by up to 20% of the amount ordered and in the case of order quantities of  $> 10,000$  kg, delivery surpluses or shortfalls by up to 10% shall not constitute a defect and shall not give rise to a complaint.

#### § 12 Contract Printing

1. If the Ordering Party supplies the paper, the delivery must be made free of charge. The Seller shall assume no responsibility for the quantities and qualities confirmed in the shipping documents. Should additional costs be incurred on account of quality fluctuations, the Ordering Party must bear these costs.

2. The Seller will make every effort to keep maculature (paper waste) to a minimum.

3. Our printing on the material results in us acquiring co-ownership of the final product thus manufactured and likewise in cases where transformations/processing and mixing with other materials take place; the co-ownership shall continue until the full payment of all claims to which we are entitled arising from our business relationship with the Ordering Party in proportion to the value of the performance provided by us.

#### § 13 Safekeeping, Title, Copyright, Design Patent, Brand Name/Trademark

1. Any company inventory we use for the manufacture of the object of sale to which the contract relates, in particular films, printing forms, print cylinders and print samples shall remain our property even if they are charged for separately, and shall not be shipped to the Ordering Party.

2. The Ordering Party shall be responsible for ensuring that the performance of its order does not violate industrial property rights, in particular third-party copyrights. The Ordering Party shall indemnify us against all claims by third parties on account of such violation of rights.

3. Copyright, design patent and the right of duplication/reproduction along with all rights of use in any procedure and for any purpose in

respect of originals, drafts, printing forms and the like belonging to us or developed by us, even by Customer order, shall remain with us, unless specifically regulated otherwise in writing. The Ordering Party shall be granted the simple rights of use necessary for the purpose stipulated in the contract.

4. Models, raw materials, films, printing forms and other reusable items as well as semi-finished and finished products shall be kept safe by us subject to prior agreement and in consideration of remuneration. As regards this safekeeping, we shall be liable only for intent and gross negligence.

5. If the objects taken into safekeeping are to be insured, the Ordering Party must arrange for the insurance itself and pay the premium.

6. Insofar as our products are labeled with brand names or trademarks, the Ordering Party shall not be authorized to remove the label without our consent. The affixing of our label is not to be regarded as approval for the

Ordering Party's use of the brand name for products the Ordering Party has manufactured and further processed. A separate agreement must be made in this respect.

#### **§ 14 Jurisdiction—Place of Performance**

1. Our registered office shall be the exclusive place of jurisdiction for all claims asserted against us; we shall also be authorized, however, to file an action against the Ordering Party in the court where its registered office is located.

2. The law of the Russian Federation shall apply.

3. Unless otherwise stated in the order confirmation, our registered office shall be the place of performance.