

GENERAL TERMS AND CONDITIONS OF DELIVERY

I. Preamble

1. Provisions that are specially agreed in the contractual relationship take precedence over these General Terms and Conditions of Delivery. In the case that individual conditions should become ineffective, the rest of the conditions shall remain effective.

2. Only the following terms and conditions are applicable; conflicting or deviating terms and conditions of the customer are only binding for us if we have agreed to them in writing. Our terms and conditions are also binding when we make delivery although we are aware of conflicting or deviating terms and conditions of the customer.

3. No collateral agreements have been concluded. Supplements or changes to the contract must be agreed to in writing in order to be effective.

4. Our General Terms and Conditions of Delivery are applicable only when the customer is an entrepreneur as defined by § 14 of the *BGB* (German Civil Code), is a legal entity under public law or is a public law body.

5. These General Terms and Conditions are also binding for all future deliveries, services or offers to the customer even in the case that they have not been expressly agreed to once again.

II. Order placement and order acceptance

1. All the orders that are placed on us directly by the customer or through our sales representatives must be accepted by us in writing confirming order acceptance, unless it is a transaction for cash. In the case of provision of services and of maintenance jobs, the order may be accepted per telephone as well.

2. We reserve the right to deviations or changes from the agreed scope of services that are required, due to allowing for changes of a compelling nature in the statutory or technical standards or in the framework of technological advancements as long as this changed service provision does not make a significant change to the value and the intended use of the originally agreed upon performance.

III. Scope of the supplied goods and services, delivery time

1. We provide our services according to the state of art prevailing at the time of concluding the contract. Consulting services and other services are provided by us taking proper care, we are however not obliged to check the specifications, requirements, other parameters and information provided by the customer for correctness. We are authorised to allow third parties to perform the services due by us. We are authorised to make partial deliveries, if the partial delivery is usable by the customer within the framework of the intended use or purpose that has been contracted, if the delivery of the rest of the ordered goods is ensured and if the customer is not subjected to any substantial extra expense or additional costs due to this.

2. In the case that a delivery deadline has been agreed to or is required, the following shall be applicable: The stated delivery deadlines are not binding, as a matter of principle, unless they are specifically mentioned as "obligatory delivery date" and this has been confirmed by us in writing.

3. Delivery provided by us is subject to punctual delivery on the part of our suppliers. All events of force majeure and other events that have not been caused by us as per §

276 Civil Code shall discharge us from fulfilment of the contractual obligations that we have taken on, for as long as these events persist. We are obliged to immediately inform the customer of the event as soon as it occurs; we are also obliged to inform the customer regarding the expected duration of the event.

In the case that such an event should last for more than three months after the due date of the delivery of the provision of the goods or the services, we have the right to withdraw from the contract. In the case that the customer cannot be expected to accept the delivery of the goods or services due to the delay, it can withdraw from the contract through an immediate written declaration.

4. The prerequisite for maintaining the delivery deadline is the continuing prompt fulfilment of the customer's contractual obligations, in particular, the fulfilment of agreed payments and the provision of the agreed securities, if applicable.

5. Furthermore, the customer is only then authorised to assert further rights in the event of a delay that is attributable to us, if a reasonable period of grace that has been granted by the customer has elapsed without result.

6. We do not assure that the labels delivered and/or recommended by us are suitable for the intended use by the customer. This is particularly applicable in the case of self-adhesive labels as the reaction of the adhesive rubber coating with specific materials (e.g. plastic, textiles etc.) cannot be predicted. Our recommendations can thus not be considered assurances regarding the properties of the delivered labels.

7. Usage rights to the delivered software

The customer shall receive simple usage rights to standard or custom software that allows it to use the software within the framework of the agreed intended use. We deliver the software only in object code; under no conditions does the customer have the right to the hand-over of source codes. The customer has the right to make the required backup copies. The editing or other modification of the software is not permitted. The customer is also not authorised to rectify programming faults itself as long as we offer to rectify the programming faults ourselves at reasonable terms (e.g. within the framework of maintenance or service contracts). In the case that the customer requires information to establish interoperability of the software with other independently created computer programs, it must first make such an enquiry for the provision of such information with us. In the case that we do not provide the information to it at reasonable terms, the customer has the right, within the framework of the statutory provisions, to procure the information itself.

IV. Despatch

1. As long as nothing to the contrary has been agreed to in writing, all deliveries (new units, second-hand units and customer repairs) shall be to the account and at the risk of the customer from the time of handing over of the goods to the carrier. In the case that there is no special agreement, we are authorised to choose the carrier of the goods as well as the means of transport. This is also applicable when we deliver or have the goods delivered to the customer at its business location.

2. In the case that the despatch is delayed due to circumstances for which the customer is responsible, the risk shall pass to the customer from the time at which the merchandise was ready for despatch. The costs that are

incurred due to the delay – in particular, the storage and other events that have not been caused by us as per §

V. Liability for defects

1. The customer is obliged to inspect the delivered goods immediately after receipt and to immediately inform us in writing of existing defects. Receipt of the complaint within seven working days of the delivery will be deemed communicated in time. In the case that the complaint is not detectable at the time of the immediate, careful inspection, it must be made within seven working days of the complaint being detected, or at the time by which the customer should have detected the fault after using the delivered goods in normal operation without having conducted a detailed inspection. The self-rectification of the defect by the ordering party/customer without having asked for remedy or it having been approved by COT will lead to loss of claims arising from § 437 Civil Code.

2. Minor deviations in the colour of the labels and excess or short deliveries of up to 10% of the total quantity are production-dependent and are considered customary in trade. They are thus not to be considered a defect that we are responsible for.

3. Defects that are complained of late, i.e. to which objection is belatedly raised contrary to the aforementioned obligation shall not be accepted by us and they shall not be covered by the warranty. Complaints that are asserted against sales representatives, transporters or other third parties shall not be deemed to be in due form and due time. Complaints of defects can only be effectively asserted if they are made in writing.

4. The return shipment of the goods to us, if it has become necessary in the case of a defect, can only be done with our prior consent. Otherwise, such return consignments need not be accepted by us. In such a case, the customer shall bear the costs of the return shipment. In any case, the return shipment must be made in appropriate packaging. We recommend that the original packaging be preserved. The customer shall bear the costs for transit damage that occurs due to improper packaging. We shall reimburse the cost of a reasonable mode of transport in the case of a justified complaint regarding a defect.

5. In the case that a remedy is made or a replacement provided, based on a justified complaint regarding a defect, the provisions regarding the delivery period (see III.) shall be correspondingly applicable.

6. The presence of a detected defect and one that has been notified through an effective complaint is the basis of the following rights that the customer is entitled to: a) In the case of defectiveness, the customer has, at first, the right to demand remedy from us.

The entitlement to decide, whether to replace the merchandise with a new delivery of the same or rectification shall lie with us, at our discretion. We also have the right to make such changes to the goods or work supplies that have become necessary due to the complaints, insofar as the performance with reference to the subject matter of the contract is not being changed other than insubstantially and without incurring additional costs for the customer.

b) Over and above that, we have the right to another remedy in the case that the first remedy should fail, once more at our discretion

In the case that this remedy should also fail, the customer can withdraw from the contract or reduce the remuneration, without prejudice to any claims for

damages. As long as the customer has not declared withdrawal from the contract or has claimed damages due to non-fulfilment, we are authorised to carry out fulfilment even after the expiry of a notice period set by the customer.

7. Only in the cases of gross negligence or intentional infringement of the duty to supply faultless goods can the customer claim damages or replacement or compensation for futile expenditure. Customer shall be required to give evidence of the grounds for and the amount of the loss or damage incurred. The same shall be applicable to the futile expenditure incurred. Claims for its own expenses incurred by the ordering party/customer can only be raised in the case of a justified complaint if the prerequisites of § 440, 280, 281, 283 and 311a Civil Code are met.

8. Claims for material defects for new items and for work performance shall lapse after 12 months from the date of the transfer of risk. This is not applicable in the case of wilful intent and gross negligence as well as in the cases of harm to body, life or health; here, the statutory provisions shall apply. In the cases where the manufacturer grants an extended period for limitation purposes, then this longer period shall be applicable to our customers as well. In the case of consumable parts such as accumulators, batteries, rubber parts, fuses etc., the warranty period is for only the duration of the typical service life of these parts.

9. Claims for material defects for second hand items are not accepted by us unless they have been agreed upon otherwise in special contractual agreements.

10. Claims for material defects are deemed not to exist if these are only insubstantial deviations from the agreed quality or only impair serviceability of the product to a negligible extent, or in the case of insubstantial deviations in the colour, particularly in the case of label printing, or are the result of natural wear and tear or damage occurring after the passing of risk due to improper or careless handling, inadequate maintenance, excessive strain or unsuitable consumables or due to exceptional external influences for which no allowance is made in the contract, as well as in the case of software faults that are not reproducible. In the case that the customer or third parties carry out improper modifications or repair work, then there shall exist no grounds for claims for material defects for these or for the consequences that arise from these. Deviations which are customary in the trade and deviations which are the result of legal provisions or the replacement of assemblies by equivalent assemblies are permitted unless they affect usability for the contractual purpose.

11. Increased expenses, in particular for transport, travel and work expenses that we incur in the framework of the remedy because the customer has subsequently shifted the delivery item or object of the works to a location other than the place of fulfilment, will be borne by the customer unless the shift complies with the designated use of the delivery item or object of the works.

12. In the case that our operating and maintenance instructions are not complied with, modifications are made to the product, parts are replaced, or consumables are used that do not comply with the original specifications or the recommendations of the manufacturer (seller), then all warranties shall become null and void unless the customer is able to refute a correspondingly substantiated allegation that one of these circumstances has caused the defect.

13. The general warranty period according to Section V, Para 8 above for consumables that are designated by the

manufacturer as consumables, in particular those with a service life that is use-dependent (e.g. related to number of sheets or quantity) ends, at the latest, when this use-dependent service life is achieved.

VI. Acceptance of the work performance

1. The customer must check and approve the work performances promptly. The acceptance must be communicated in writing. In the case that the customer refuses the acceptance, it shall have to inform us immediately, at the latest, however within 14 days of the delivery of the work performance, quoting specific defects with their exact description in an error list. In the case that we do not receive either an acceptance declaration or a fault report, the work performance will be considered to have been accepted.

2. The customer may not refuse acceptance in the case of insignificant defects.

3. We shall rectify the defects within a reasonable time frame. The acceptance regulations given in Points 1 and 2 above will apply correspondingly from the time of the delivery, in the case that it has been made once again.

4. The customer has the right to rectify defects itself and to claim reimbursement for the expenses incurred for this from us, after COT has granted its written consent. However, the customer must give evidence of the expected amount of the expenses that it will incur to COT before rectifying the defects.

5. We can demand the acceptance of partial deliveries in the case of those that can be individually delimited. Points 1 – 4 shall apply *mutatis mutandis*.

VII. Liability for breach of duties in all other cases

Notwithstanding the provisions concerning the warranty and also the other special provisions contained in these Terms and Conditions, in the case of a breach of duty on our part, the following shall apply:

1. The customer shall grant us a reasonable period for remedy to rectify the breach of duty which shall not be less than *three weeks*. Only following the unsuccessful expiration of the period for the remedy can the customer cancel the contract and/or claim damages.

2. We are liable for an intentional or negligent violation of breaches of major duties, irrespective of the legal grounds, according to the reason, however only to the amount of a typically foreseeable damage event and the typically foreseeable expenses. Liability is otherwise excluded. Any statutory right of withdrawal on the part of the customer shall remain unaffected by this.

3. Liability for consequential damage is excluded except in cases of intent and gross negligence.

4. The limitations of liability given above are also applicable to our employees and agents.

5. The provisions of the Product Liability Act shall remain unaffected.

6. The liability for harm to body, life and health shall remain unaffected.

VIII. Exclusion of appearance and workmanship risk and guarantees

We do not accept any risk for appearance and workmanship and also do not provide any kind of warranties for this, except in the cases where there is an express agreement in writing concluded with the customer.

IX. Prices – Payment terms

1. The calculation of the price takes place at our headquarters in **EURO** plus the prevailing applicable turnover tax.
2. The customer is obliged to make the corresponding payments according to the order confirmation. Insofar as has not been otherwise agreed, our invoices fall due 30 days from delivery, net cash. The deduction of discounts shall require a special agreement.
3. The customer shall be considered to be in default if it does not make the payment at the stipulated time of payment. Interest shall be charged on the purchase price for the period of default at the correspondingly applicable statutory rate of interest. We reserve the right to assert further default damages. Our claim for commercial maturity interest (§ 353 of the *HGB* [German Commercial Code]) against merchants remains unaffected.
4. We accept bills of exchange only when this has been agreed in writing. In such cases, the customer shall bear the discount charges. Payment shall only be considered made, when the amount due has been irrevocably credited to us.
5. In the case that the bills of exchange or cheques that have been accepted by us are not credited by the drawee

on the due date, then all our elsewhere existing claims of payment from the customer shall fall due at this time. Any other existing due dates for payment shall expire. The same shall be applicable in the case that a claim is not paid by the due date.

6. The customer shall be entitled to offset claims or to retention rights, only if and when its counterclaims have been finally determined by a court of law, are undisputed, or have been accepted by us.

7. Finally, all our claims against the customer, no matter what the legal relationship, shall become immediately due and payable should circumstances arise which give us the right to cancel the contract pursuant to statutory or contractual provisions.

8. According to our price list, we calculate

- a) €0.70 net / km for travel costs
 - b) €98.00 net / hour for travel time
 - c) €110.00 net / hour for the number of hours worked
- Work and travel time (b/c) that are of less than one hour shall be calculated on pro rata basis

X. Retention of title

1. We shall retain the title to all deliveries until all our payments have been received that have arisen between the customer and us based on the existing business relationship, from the date of the corresponding conclusion of the contract. Unless a current account relationship has been agreed to between the customer and us, the retention of title shall also extend to the correspondingly acknowledged balance. The same shall be applicable for as long as a balance is not acknowledged, but a "causal"

account balance has been made, possibly for the reason that the customer has become insolvent or bankrupt.

2. The customer has the right to sell the goods delivered subject to retention of title within the scope of proper business activities to third parties, however only subject to retention of title. In such a case the customer is however obliged to assign all claims accruing to it from the resale to its buyer to us at this time itself. We accept the assignment. If the value of the securities arising from the retention of title exceeds our claims that need to be secured by more than 20%, we shall release the corresponding collaterals of our choice to the customer on its request.

The customer has the right to collect on these receivables as long as it is not in default with payment. In the case that this occurs, we have the right to withdraw our authorisation for collection; in this case, the customer is obliged to provide us with all the necessary information to enable us to collect the debt from the customers ourselves. We have the right to withdraw the authorisation for resale and collection if the customer has got into significant financial difficulties or has made an application to initiate insolvency proceedings.

3. In the case of an attachment of the goods lying with the customer that fall under our retention of title, the customer is obliged to inform the pledge creditor immediately that the attached goods have been delivered by us and are subject to retention of title by us. The customer is also obliged to send us a copy of the compulsory execution decree as well as a copy of its comments to the pledge creditor.

4. The assertion of our rights under the retention of title and the attachment of the goods delivered shall not be deemed to be termination of the contract. The value of the goods at the time of the return shall only be set off against our existing claims against the customer.

XI. Termination

We are authorised to terminate the contract for the following reasons:

- a) In the case that we find out, after the conclusion of the contract, that the customer is not adequately solvent and if, in spite of us setting a reasonable notice period, it can neither provide consideration nor counter securities against our performance.
- b) When it becomes apparent that the customer has made incorrect statements with regard to its credit worthiness and if these statements have a significant bearing on its creditworthiness.
- c) If the goods that are subject to our retention of title are being sold by the customer by means other than in the normal course of business, in particular by way of transfer of securities or pledging. Exceptions to this shall only be permitted when we have given our consent to resale in writing.

5. The customer is obliged to take all the necessary co-operative steps required for the proper fulfilment of the contract in time and free of cost to us. In the case of a delay in carrying out the co-operative steps by the customer, our performance due dates shall also be prolonged by a reasonable period, however at least by the number of days by which the due date for the carrying out of the co-operative steps has been exceeded. Without prejudice to any other rights, we can raise an invoice for the extra expenses caused by the delay, in particular for the equipment and staff that has been kept idle for the duration of the delay.

XII. Place of performance, jurisdiction and other provisions

1. Our company's registered office is the place of jurisdiction for all the disputes arising directly or indirectly from the contractual relationship insofar as the customer is an entrepreneur or a legal person under public law or a special fund under public law.

2. The place of performance for all the obligations arising from the contract, including the obligation of the customer from the contract, including the obligation of the customer to pay, is our registered office.

3. In any case, including cross-border deliveries, only the laws of the Republic of Germany shall apply; the UN Convention on Contracts for the International Sale of Goods is excluded.

4. We are authorised to store, process and record data that relates to the movement of goods and payment transactions with the customer as long as this is required for the processing and accounting for of the contractual relationship. The data shall not be passed on to third parties except in cases where the transfer of data is legally permitted, or if the customer has given his consent to it in writing. The data shall be deleted as soon as it is no longer required.

5. The customer is obliged to take all the necessary co-operative steps required for the proper fulfilment of the contract in time and free of cost to us. In the case of a delay in carrying out the co-operative steps by the customer, our performance due dates shall also be prolonged by a reasonable period, however at least by the number of days by which the due date for the carrying out of the co-operative steps has been exceeded. Without prejudice to any other rights, we can raise an invoice for the extra expenses caused by the delay, in particular for the equipment and staff that has been kept idle for the duration of the delay.

6. Our previous General Terms and Conditions are repealed through these General Terms and Conditions of Delivery that are applicable from **8 September 2015** onwards.