

General Terms and Conditions of Polycart LLC

File signed by Polycart LLC with electronic signature device StampIT

Business, supplychain and payment conditions of **Polycart LLC, BG131004542**, following the non-binding conditions recommendation of the General business-, supply- and payment conditions for the Paper- and Plastics Packaging Industry of the Bulgarian Chamber of Commerce for the application in business transactions with private contractors and **Polycart LLC**.

We point out that all contracts and obligations will always be subject to the General Terms and Conditions of **Polycart LLC, with registered office Slavyanska 46, Kostinbrod 2230, Bulgaria, EU**.

I. Scope of application

1.

Unless otherwise agreed to in writing our offers, sales and deliveries occur exclusively based on these general business-, supply- and payment conditions. Purchasing conditions of the customer or other unilaterally deviating agreements are only deemed as accepted if they have been confirmed by us in writing as a supplement to these general business-, supply- and payment conditions.

2.

References and counter confirmations of the customer under reference to his purchasing conditions are hereby explicitly vetoed.

II. Offers and execution of contract

1.

Our offers are non-binding until the acceptance by the customer and may therefore be revoked at any time prior to the receipt of the written acceptance of the offer from the customer.

2.

The acceptance of offers/orders by the customer requires our confirmation in the written form or via fax or text form, unless supply and invoicing incurs immediately. The customer is bound to his order/offer for 22 General Terms and Conditions

Download General Terms and Conditions of **Polycart LLC from this website**.

Business-, supply- and payment conditions of **Polycart LLC** following the non-binding conditions recommendation of the General business-, supply- and payment conditions for the Paper- and Plastics Packaging Industry of EU Chamber of Commerce for the application in business transactions with private contractors

We point out that all contracts and obligations will always be subject to the General Terms and Conditions of **Polycart LLC**.

I. Scope of application

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II. Offers and execution of contract

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2.

The acceptance of offers/orders by the customer requires our confirmation in the written form or via fax or text form, unless supply and invoicing incurs immediately. The customer is bound to his order/offer for 10 working days from our receipt of the order/offer.

3.

If the customer subsequently requests amendments to the order, these amendments are only effective as far as agreement is reached regarding the amendments between the contractual parties.

4.

The quality of the products to be supplied by us is defined by the details set out in our specifications.

The descriptions contained in catalogues, brochures, newsletters, advertisements, illustrations, pricelists etc. do not determine the quality of the subject of supply, unless explicitly included in the contract and/or the offer or the order confirmation by reference to the specification.

5.

Statements in our specifications regarding the quality of the subject of supply do not constitute guarantees, in particular not guarantees for durability. The assumption of guarantees and the procurement risk are subject to previous special agreements between the parties, explicitly declaring that a guarantee and/or the procurement risk are assumed.

6.

To ensure the proper production process, in addition to a processing fee of € 250.00 we charge the customer with at least the following expenses – subject to the proof of higher costs, in the event of a unilateral order cancellation by the customer:

6 weeks prior to confirmed loading week 50 % of the order value

3 weeks prior to confirmed loading week 75 % of the order value

2 weeks prior to confirmed loading week 100 % of the order value

However, special material and incurred reproduction costs are generally invoiced at 100 %. The crucial date for the calculation is our receipt of the written declaration of the customer.

III. Prices

1.

Our offer prices are based on the calculations existing at the time of the submission of the offer. If significant price increases (at least 5 %) occur for raw materials required by us for the fulfilment of the contract after the submission of the offer/execution of the contract in agreements with a commitment of more than 4 months or in continuous obligations, we are entitled to increase the agreed prices proportionally to the additional expense. The customer will be notified of this event. All prices are net plus freight, packaging, insurance, customs and VAT applicable on the day of the invoice.

2.

In the event of quantity-/weight deviations, which are within the tolerances regulated in section VIII, the price calculations occur on the basis of the actual quantity/weight supplied.

3.

Subsequent alterations initiated by the customer, particularly to drawings, drafts, samples and sample prints will be invoiced to the customer separately.

4.

If the goods are provided according to weight, the price will be calculated according to the gross weight under inclusion of packaging- and wrapping paper.

5.

All prices apply ex works unless otherwise agreed.

IV. Industrial property rights

1.

The printed documents as well as electronic data, drafts, drawings, clichés, films, print cylinders and –plates provided by us remain our property, even if the customer has reimbursed proportional costs. However, in such cases the customer is entitled to reimburse us with the total incurred costs to obtain ownership.

The retention time for these printed documents is a maximum of 3 years from the date of the last supply of the customer with identical printed subjects of supply. After this period we may destroy documentation which has not been requested for return.

2.

If the development and execution of any order results in copyrights and/or industrial property rights for us, these are not transferred with the sale of the subject of supply. This also applies in the event of the customer bearing a proportion of the costs for the development. We are especially entitled to exploit these copyrights and/or industrial property rights also for orders from third parties.

3.

Unless otherwise agreed we are entitled to visibly attach our company logo or a code number on the subjects of supply produced by us.

4.

For samples, drawings and drafts etc., which were produced at the request of the customer, remuneration is to be

paid also if the main order, for which they were produced, has not been awarded. Upon the payment of the remuneration the ownership is transferred to the customer.

5.

The customer is obligated to verify whether the documents provided by the customer infringe on any third party rights, in particular copyrights, industrial property rights (design patents, patents, utility models, trademarks). This also applies to the use of protected fonts. If claims are made by third parties against us concerning the infringement of copyrights and/or industrial property rights or the violation of the law against unfair competition due to the use, exploitation or reproduction of documents and/or templates supplied by the customer, the customer has support us in the defence against the alleged legal violations and reimburse us for all damages, including solicitor- and process expenses, incurred by us.

V. Obligations according to the Packaging Regulations

1.

If we apply symbols of a comprehensive system in terms of § 6 (3) of the Packaging Regulations (VerpackV) e.g. “Der Grüne Punkt” (the green dot) on the instructions of the customer, the customer is deemed the “marketer” of the symbol in terms of the Packaging Regulations (VerpackV) and is thus obligated to pay the fees directly to the comprehensive system. Our products are subject to the Packaging Regulations (VerpackV) also without the print of the “green dot“. The customer has to pay the fees also in this case.

2.

If the customer violates the regulations of the VerpackV and if claims are raised against us in this matter, the customer is obligated to reimburse us with all expenditures incurred to us in this context.

3.

If the packages are service packages filled with goods in terms of § 3 (1) Nr. 2 , 2nd sent. of the VerpackV, which typically occur at the private end user and which are brought onto the market by the customer for the first time, the regulation of Item 1 above applies accordingly, if the customer participates in a system himself. If, according to § 6 (1) , 2nd sent. VerpackV, the customer requires from us that we participate in one or several systems according to § 6 (3) VerpackV with regard to the service packages delivered from us to the customer, and to provide a respective declaration of completeness on behalf of the customer according to § 10 (3) VerpackV, the following applies:

4.

The obligation according to § 6 (1) , 2nd sent. VerpackV as well as § 10 (3) VerpackV is only assumed by us if the customer requests us in writing to do so. In this case we have to confirm this written request of the customer in writing.

5.

If we take over the participation for the customer in a system according to § 6 (3) VerpackV and the delivery of the declaration of completeness according to § 10 (3) VerpackV, the customer is obligated to reimburse to us the incurred costs, meaning the costs including the administration expenditures for the utilisation of the comprehensive system according to § 6 (3) VerpackV (e.g. dual system) as well as the costs for the delivery of the declaration of completeness and – if desired – the costs for applying to the products the symbol of a comprehensive system such as e.g. “Der grüne Punkt” (the green dot) to the full extent.

6.

The costs for the assumption of the utilisation of a comprehensive system, for the delivery of the declaration of completeness, the administration expenditure and – if desired – the costs for applying to the products the symbol of a comprehensive system such as e.g. “Der Grüne Punkt” (the green dot) will be itemised separately for the customer in the invoice. Basis is the Fee Ordinance of the comprehensive system utilised.

7.

The selection of the comprehensive system is ours.

8.

If the customer does not participate in the ‘Duales System Deutschland AG’ he is obligated to us to take back the delivered packaging according to the latest version of the regulations of the VerpackV and to take care for its disposal in the manner prescribed in the VerpackV. If the customer culpably violates his obligations and if this results in a penalty against us due to the violation against the VerpackV, the customer is obligated to exempt us from this obligation of payment. If we have already paid the fine the customer has to reimburse us with this amount.

9.

If we are obligated to take back packages based on the VerpackV, the place of fulfilment for the return of the packaging by the customer is the registered head office of our company.

VI. Delivery/ default of delivery/ transfer of risk/ force majeure / reservation of self-delivery

1.

We use common print colours for the print. The colours for the printing of medical sterilisation packaging are only sterilisation-true according to the specifications and data sheets regarding specifically known sterilisation procedures. If specific demands are made regarding the colours, e.g. high resistance to light, alkali fastness, abrasion resistance, fastness against liquids, humidity, suitability for the contact with certain fillers such as food etc., the customer has to make particular written reference to this matter on the order/enquiry at the time of placing the order.

No warranty can be provided for the resistance to light of the material- and print colours, as also the suppliers of raw materials and colours will not assume a warranty for the colour’s resistance to light. The same applies for the abrasion resistance of the print colours.

We reserve the right to small deviations of the colour shade, if customary. Water colours printed on brown paper are subject to constant colour variations within single deliveries as well as repeat prints. They do not entitle the customer to refuse the acceptance or to claim a defect. Proofs will be presented prior to going to press if the customer explicitly requests this or if we consider this necessary. As these proofs (e.g. proof, cromalin, offset proof etc.) are not made by flexo print, considerable deviations in the subsequent edition printing cannot be avoided in some cases. Proofs ex machine, which are requested by the customer, will be invoiced separately according to cost.

2.

The delivery term is complied with if the subject of the supply has left our premises by the expiration of the delivery term or if we have notified the customer of our readiness for dispatch in the event the customer has agreed or is obliged to pick up the goods.

3.

For supply agreements on call, unless otherwise agreed, the customer is obligated to stipulate in advance a delivery arrangement covering at least 6 months and to call according to the respective arrangements at the latest 10 working days prior to the respective delivery date. If the customer does not comply with this obligation or as otherwise determined, we are entitled to perform the call and/or delivery arrangement ourselves, i.e. to deliver the goods or withdraw from the contract upon giving suitable notice. Our withdrawal from the contract does not exclude our right to claim damages due to the violation of obligation.

4.

Damage claims due to defaults in delivery or due to non-provided services are excluded unless they are due to gross negligence or intent on our behalf, our executives or vicarious assistants. This liability limitation does not apply in case of a violation of essential contractual obligations (cardinal obligations) on our behalf.

If damage claims can be asserted against us due to ordinary negligence (violation against cardinal obligations), the damage claim is limited to the typically foreseeable damages. In these cases damage claims due to loss of production and/or loss of profit are excluded. This liability limitation applies accordingly to the conduct of our vicarious assistants. Any customer's right of withdrawal due to the facts of the case is not affected by this liability limitation.

5.

Transfer of risk: At dispatch the risk is transferred to the customer at the latest with the hand-over of the subject of supply to the carrier, freighter or other third party stipulated for the dispatch (whereby the commencement of loading matters). This also applies in the event of partial deliveries. If the dispatch or the handover is delayed due to a circumstance owing to the customer, the risk is transferred to the customer from the day of the notice of readiness for dispatch.

6.

If we are impeded in the fulfilment of our obligation after execution of contract due to unforeseeable, unusual circumstances, which could not be avoided despite reasonable care, in particular due to operation breakdown, official sanctions and interventions, delays in the supply of essential raw materials, problems with energy supply etc., the delivery term is appropriately extended. If these circumstances render the supply impossible for us, we are exempt from our obligation to deliver. This regulation also applies in cases of lock-outs and strikes.

If we prove that, despite careful selection of our suppliers and despite the execution of the necessary contracts at appropriate conditions, we were not supplied in time by suppliers, the delivery term is extended by the period of the delay, which was caused due to the untimely delivery by the suppliers. In case of the impossibility of supply by suppliers we are entitled to withdraw from the contract. We are obligated to assign any claims against our suppliers, to which we are entitled due to the untimely delivery, to the customer.

If the above mentioned impediments extend over more than one month, the customer is entitled to withdraw from the contract pertaining to the as yet unfulfilled proportion of the contract.

If in the above mentioned cases the delivery period is extended or if we are exempt from our obligation to deliver, any damage claims and rights of withdrawal to be derived hereof expire after the expiration of one month.

We may only invoke the circumstances mentioned here if we have notified the customer of these circumstances without undue delay upon becoming aware of the obstacles.

7.

The withdrawal due to delayed delivery is subject to our culpable default and additionally requires an appropriate period of grace with the warning that the contractual relationship will not be continued by the customer upon the expiration of the granted period of grace.

VII. Packaging and dispatch

We are liable for the proper and customary packaging. However, our liability is limited to intent and gross negligence. Our right to assert an objection against the customer pretending his contributory negligence remains unaffected here from.

VIII. Tolerances

1. Grammage deviations

Deviations of the agreed grammage are to be tolerated by the customer to the same extent as they are to be tolerated by the us according to the supply conditions of the manufacturer of the utilised material. The following tolerances apply unless determined otherwise in the a.m. supply conditions:

a)

Paper pertaining to the agreed substance:

Up to 39 g/m² +/- 8 %

40 - 59 g/m² +/- 6 %

60 and more g/m² +/- 5 %

b)

Plastic foils pertaining to the agreed thickness:

Less than 15 my +/- 8 %

From 15 my-25 my +/- 15 %

More than 25 my +/- 13 %

c)

Aluminium foil, cello foils, film laminate and other materials relating to the agreed thickness or grammage (depending on the dimension on which the contract is based; applies individually or as a component of another product):

+/- 10 %

2. Measurement deviations

The following measurement deviations are to be accepted by the customer:

a)

Paper and paper combinations

Bags:

In length (= height of bag) +/- 4%

In width under 80 mm wide +/- 3 %

80 mm and more +/- 2%

Rolls:

in width and cut-off length +/- 3 mm

in yardage +/- 3 %

Formats:

In length +/- 5 mm

In width +/- 5 mm

b)

Plastics and aluminium

Height of bag +/- 5 mm

Width of bags larger than 200 mm +/- 5 %

Width of bag smaller than 199 mm +/- 10 %

c)

The measurement deviations for the materials mentioned under lit. a) regarding rolls and formats and lit. b) also apply to the positioning of the print as well as to the punch and embossing on these materials. For the position of the print as well as the cutting and embossing in the width in case of the bags listed under a), a measurement deviation of +/- 4 mm applies for bag widths over 80 mm and of +/- 3 mm for bag widths of 80 mm and less. Register deviation in printed products cannot be avoided due to technical reasons, as these depend on the material, the execution and the printing procedure. Only significant deviations warrant reclamation.

3.

Quantity deviations: In all productions we are entitled to over- and under supply of up to 20 % of the ordered quantity. In case of sale by quantity (quantity less than 50,000 pieces) and in case of collective runs with print change within one print run as well as the sale according to weight (for weights less than 500 kg) up to 30 % of the ordered. quantity The delivery occurs with complete invoicing of the actually delivered quantity.

4.

Inherent colour of raw materials paper and foil: We cannot ensure constant raw material colours within a delivery and in case of repeat orders.

IX. Print

1.

We use common print colours for the print. The colours for the printing of medical sterilisation packaging are only sterilisation-true according to the specifications and data sheets regarding specifically known sterilisation procedures. If specific demands are made regarding the colours, e.g. high resistance to light, alkali fastness, abrasion resistance, fastness against liquids, humidity, suitability for the contact with certain fillers such as food etc., the customer has to make particular written reference to this matter on the order/enquiry at the time of placing the order.

No warranty can be provided for the resistance to light of the material- and print colours, as also the suppliers of raw materials and colours will not assume a warranty for the colour's resistance to light. The same applies for the abrasion resistance of the print colours.

We reserve the right to small deviations of the colour shade, if customary. Water colours printed on brown paper

are subject to constant colour variations within single deliveries as well as repeat prints. They do not entitle the customer to refuse the acceptance or to claim a defect. Proofs will be presented prior to going to press if the customer explicitly requests this or if we consider this necessary. As these proofs (e.g. proof, cromalin, offset proof etc.) are not made by flexo print, considerable deviations in the subsequent edition printing cannot be avoided in some cases. Proofs ex machine, which are requested by the customer, will be invoiced separately according to cost.

2.

No warranty can be assumed for the migration of softeners in plastic products or similar migration appearances and for related circumstances. Damage claims relating to gross negligence or intent on our behalf remain unaffected.

3.

We are not responsible for the consequences of mistakes in the "Filmmasters" or other similar materials, which were provided to us by the customer for the printing neither of the uniform product code or another similar code, nor for difficulties or their consequences which may occur on use of the printed code. This also applies to proofs of printing works approved by the customer, which contain a uniform product code.

4.

The print of the EAN-barcode occurs according to the state of technology under consideration of the current execution regulations of CCG (see series CoOrganisation, booklet 2, "Der EAN-Strichcode" (the EAN-barcode)).

Furthermore, any defect liability pertaining to reading results at cash registers of the trade is excluded due to possible influences through the customer on the barcode and the lack of uniform measurement- and reading technology.

5.

We are not liable for defects, which occur due to print plates and copies provided by the customer and/or his vicarious assistants. If we detect text- or picture errors during the production and interrupt or stop the printing for this reason, the customer bears the related additional costs unless he proves that we are liable for a faulty production due to gross negligence or the violation of cardinal obligations.

X. Material and execution

1.

Without special instructions from the customer the execution of the orders occurs with customary material and according to known manufacturing processes and the state of technology. In case of utilisation of the packaging for food- and/or medical products the suitability of the material is to be explicitly clarified with us according to the current norms (e.g. EN 868). Notices of defect pertaining to the interaction of the packaging material with the filler and vice versa are subsequently excluded if the customer has not explicitly referred to the type and the special characteristics of the filler and/or the utilisation for food- and/or medical products in writing in a timely manner and has given us the opportunity to reply.

2.

Agreed recycled raw materials are carefully selected by us. However, regenerated foils and recycled papers may still vary in surface consistency, colour, purity, smell and physical values between charges, which do not entitle

the customer to a notice of defect. However, we are obligated to assign any warranty- and/or damage claims pertaining to the consistency of the regenerated foils and the recycled papers against the supplier to the customer.

XI. Reservation of title

1.

The supplied goods remain our property until full payment of the purchase price has been received.

2.

The customer is entitled to on-sell the reserved goods in the normal course of business; however he is only permitted to pledge or transfer the security with our written permission. The customer is obligated to secure our rights in the event of on-selling of reserved goods on a non-cash basis.

3.

For security purposes the customer herewith assigns to us his claims from the on-selling of the reserved goods; we accept the assignment. Notwithstanding the assignment and our collection rights the customer is entitled to collection of his receivables only as long as he fulfils his obligations toward us and does not incur a financial collapse. Upon our demand the customer has to provide the information regarding the assigned claims necessary for collection, in particular a list of the debtors with names and addresses, amounts and dates of his invoices and to inform the debtors regarding the assignment with a corresponding copy to us.

4.

The customer performs any possible treatment and processing of the reserved goods for us without any obligations arising for us here from. In the event of processing, linking and mixing of the reserved goods with other goods, which do not belong to us, we are entitled to proportional co-ownership of the newly created item at a ratio of the invoice value to the other processed goods at the time of processing, linking or mixing.

If the customer acquires the sole ownership of the new item the contractual partners agree that the customer grants us co-ownership to the new item at the ratio of the invoice value of the processed, linked or mixed reserved goods and stores them for us free of charge.

5.

If the reserved goods are on-sold together with other goods, regardless whether with or without processing, linking or mixing, the above agreed a.m. assignment applies only to the amount of the invoice value of our reserved goods, which are on-sold together with the other goods.

6.

The customer has to notify us immediately regarding any levy of execution by third parties pertaining to the reserved goods or claims assigned in advance and handover the documents necessary for an intervention.

7.

The customer's authority for the disposition over the reserved goods and the collection of the assigned claims expires in the event of default of payment by the customer, in case of protests regarding bills of exchange or cheques as well as in the financial collapse of the customer, particularly in case of an application for insolvency. In these cases we are also entitled to take possession of the reserved goods and the customer is obligated to return the reserved goods to us following our withdrawal from the contract.

In cases of commercial cheque or bill financing it is clarified that the ownership to the subject of supply is only transferred to the customer upon the complete payment of the bill of exchange and the settlement of the bill amounts and -expenses to us.

8.

If the customer is in default of payment toward us twice within a 6 months period and/or if the customer is insolvent or if an insolvency is foreseeable based on objective criteria, we are entitled to demand the return of the subject of supply following the withdrawal from the contract and/or to collect the claims assigned to us directly from the customer's customers in the event of the goods having been on-sold.

9.

Upon the customer's request we are obligated to release the securities owed to us to the extent, as their value exceeds the claims by 10 % or more. We are at liberty to determine which securities are released.

XII. Notice of defect/ defects

1.

The duty for examination- and requirement to give notice of defects of the customer is determined by EU International Commercial Law.

2.

In case of larger and multiple deliveries of the same type of goods the entire supplied batch can only be rejected as faulty if the defects were determined with the aid of a recognised, representative random test procedure.

3.

If the defect of the total supplied quantity in terms of above Item 2 in flexible packaging and/or machine-made bags amounts to up to 3 % of the total quantity, neither the total quantity can be rejected as faulty nor claims can be asserted based on these faulty subjects of supply. In this context it is irrelevant, whether the defect is based on the production/processing or the print.

All defects are to be reprimanded in writing without undue delay.

4.

We are to be given sufficient opportunity to check reprimanded defects on site. The customer has to provide us with sound samples together with the respective material- and supply codes in connection with his notice of defect.

XIII. Material defects/ statutes of limitation

1.

If the subject of supply is not free of material defects or if we have provided a warranty for certain consistency and/or quality features we will, at our discretion, either remedy the defect or provide a defect-free subject of supply.

2.

If the remedy of the defect fails after an unsuccessful second attempt the customer, at his discretion, may withdraw from the contract or reduce the purchase price.

If the material defect is due to gross negligence or intent on our part, our subcontractors or vicarious assistants or if the defect is based on a violation of essential contractual obligations (cardinal obligations) on our part or a violation against life, body, health or if we have provided a guarantee for certain consistency and/or quality features or if the product liability law applies, the customer may, as well as withdrawing from the contact and reducing the purchase price, also claim damages due to the material defect.

If the violation of cardinal obligations is based on ordinary negligence and if the customer hereby incurs a pecuniary- or material damage, the damage claim is limited to the typically foreseeable damage. Damage due to loss of production and/or loss of profit is excluded in cases of ordinary negligence. This liability limitation applies accordingly to our vicarious assistants.

The above liability limitations/-exclusions especially apply also to damages, which are due to the insufficiency of abrasion resistance, light resistance, alkali fastness, friction resistance and water resistance of the employed colours, or due to the fact that the coding- and numbering arrangement is not correct, the code sample provided by the customer is not readable at the transfer onto the subjects of supply, the reading of the code is not possible at the use of flexible material, or the packaged goods are impaired by the subject of supply or if the subject of supply does not comply with the legal regulations applicable for the filler. The same applies for damages, which are based on print documentation (electronic data, drafts, films, print plates etc.).

The application of the product liability law remains unaffected by this liability limitation.

3.

If we decide to provide cure, we will bear the necessary costs for the remedy. Costs incurred due to the subject of supply being moved to a location other than the registered head office or the contractually agreed place of destination of the customer, are borne by the customer.

4.

Warranty claims are excluded if we are not responsible according to VIII. IX., X and XII.

If the customer has asserted claims against us pertaining to a liability for defects and if it turns out that either no defect exists or that the asserted defect is based on a circumstance, which does not obligate us to a warranty, the customer has to reimburse to us all cost hereby incurred.

5.

The regular statute of limitation for defect subjects of supply, which are normally not made use of for buildings, is 1 year from the delivery of the subject of supply to the customer.

If we have granted a guarantee of durability, the claims pertaining to this guarantee of durability become statute-barred with the expiration of the period, for which the guarantee of durability was provided. This period commences with the delivery of the subject of supply, to which the guarantee of durability applies.

6.

Claims of the customer in case of defects pertaining to an insignificant reduction of the value or suitability of the subject of supply are excluded. However, this limitation of liability does not apply for damage claims based on a material defect resulting from gross negligence or intent or which leads to a violation of life, body and health.

7.

If the subjects of supply are second-hand goods, all liability for defect is excluded, unless we, our executives or vicarious assistants are culpable of gross negligence or intent or a violation of essential contractual obligations (cardinal obligations) or a violation of life, body and health.

XIV. Other damage claims

1.

Our liability based on material- or legal defects or delays in supply or non-supply is not covered by this section XIV. In this respect the regulations of the above sections VI., VIII., X., XV apply.

2.

Damage claims against us based on other violations of duty by us, in particular of protection obligations and/or transaction-related obligations are excluded, unless they are based on gross negligence or intent and/or a violation of essential contractual obligations (cardinal obligations) by us and/or the violation of life, body, health by us or our vicarious assistants.

If damage claims can be asserted against us based on ordinary negligence the compensation is limited to the typically foreseeable damages. The liability due to loss of production and/or loss of profit in case of simple negligence is excluded.

3.

The liability limitation according to Item 2 applies accordingly in case of tortious claims. The liability according to the product liability act remains unaffected by this regulation.

4.

Claims based on damages from other violations of obligations regulated in this section, which are not based on material defect, become statute-barred within one year from the end of the year, in which the claim originated and the customer has obtained knowledge of the circumstances justifying the claim or should have obtained without gross negligence. The maximum terms provided for in EU International Commercial Law remain unaffected. This limitation of the legal statute of limitation does not apply for damage claims due to gross negligence or intent, for the violation of essential contractual obligations (cardinal obligations) by us, the violation of body, life, health and freedom as well as a violation against the product liability act by us or our vicarious assistants.

XV. Industrial property rights

1.

Damage claims based on the infringement of trademarks, patents, patent applications, utility patents, design patents and copyrights against us and/or our vicarious assistants are excluded, unless they are based on gross negligence or intent by us and/or vicarious assistants or if the non-violation of industrial property rights was guaranteed by us. In the event of the damage claim being based on ordinary negligence (violation of cardinal obligations) the compensation is limited to the typically foreseeable damages and the liability due to loss of production and loss of profit is excluded. This also applies to our vicarious assistants.

2.

The customer's right of withdrawal due to the violation of the above industrial property rights remains unaffected.

3.

If assertions are made against us based on the violation of industrial property rights of third parties the customer has only provided proof of this defect of title if a legally unappealable judgement was passed against him in this matter. The customer's right to give us third party notice remains unaffected by this regulation.

XVI. Suspension of the statute of limitation during negotiations

The pending of negotiations pertaining to claims based on material defects or damage claims of any kind is assumed only if the parties have declared in writing that they are negotiating such claims. If the invoking of this requirement of the written form constitutes an unlawful conduct, neither party can invoke the compliance with this requirement for the written form.

XVII. Payment conditions

1.

Payments are due and payable at the agreed payment date. If no calendar defined date has been agreed upon, the payments are due and payable with the receipt of the invoice or a respective payment schedule. If the receipt is ambiguous, the payments are due and payable with the receipt of our supplies and services.

2.

In the event of still pending invoices payments apply respectively to the settlement of the oldest due claim, unless the customer has asserted a right of retention against these outstanding debts. Otherwise we retain the right to offset. For the remainder EU International Commercial Law applies.

3.

If the customer is in default from our earlier deliveries and/or if a significant deterioration occurs in the financial circumstances of the customer after the execution of the agreement, which jeopardises our payment claim, the payment has to occur reciprocally and simultaneously against the deliveries of the subjects of supply. The customer can avoid the concurrent delivery by providing security in the amount of the purchase price or advance payment concerning the respective delivery.

4.

The customer is not entitled to offset his claims against us, unless these claims are uncontested or unappealably determined.

XVIII. Place of fulfilment, jurisdiction and venue, applicable law, other

1.

Place of fulfilment for delivery, service and payment is the registered seat of our company unless otherwise agreed.

2.

Exclusive jurisdiction for all disputes connected with the contractual relationship is the registered seat of our company. However, we are entitled – but not obligated – to also bring in legal action to the courts of the customer's registered seat.

3.

The legal relationship of the parties is exclusively governed by the laws of the Republic Of Bulgaria and

European Union under exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).

4.

The customer was informed and agrees that all data from the business relationship concerning him, including personal- and invoice related data, are stored by our electronic data processing according to the stipulation of the legal regulations, in particular the Federal Data Protection Act and that they are passed on exclusively to subcontractors commissioned by us and credit agencies in the context of credit-standing checks and order processing.

5.

Unless explicitly regulated otherwise above, contracts as well as all supplementary- and collateral agreements, reservations, alterations and amendments require the written form, which may only be waived in writing ad hoc.

6.

Unless explicitly regulated otherwise above, contracts as well as all supplementary- and collateral agreements, reservations, alterations and amendments require the written form, which may only be waived in writing ad hoc.

Business-, supply- and payment conditions of **Polycart LLC** following the non-binding conditions recommendation of the General business-, supply- and payment conditions for the Paper- and Plastics Packaging Industry for the application in business transactions with private contractors

We point out that all contracts and obligations will always be subject to the General Terms and Conditions of **Polycart LLC**.

I. Scope of application

1.

Unless otherwise agreed to in writing our offers, sales and deliveries occur exclusively based on these general business-, supply- and payment conditions. Purchasing conditions of the customer or other unilaterally deviating agreements are only deemed as accepted if they have been confirmed by us in writing as a supplement to these general business-, supply- and payment conditions.

2.

References and counter confirmations of the customer under reference to his purchasing conditions are hereby explicitly vetoed.

II. Offers and execution of contract

1.

Our offers are non-binding until the acceptance by the customer and may therefore be revoked at any time prior to the receipt of the written acceptance of the offer from the customer.

2.

The acceptance of offers/orders by the customer requires our confirmation in the written form or via fax or text form, unless supply and invoicing incurs immediately. The customer is bound to his order/offer for 10 working days from our receipt of the order/offer.

3.

If the customer subsequently requests amendments to the order, these amendments are only effective as far as agreement is reached regarding the amendments between the contractual parties.

4.

The quality of the products to be supplied by us is defined by the details set out in our specifications.

The descriptions contained in catalogues, brochures, newsletters, advertisements, illustrations, pricelists etc. do not determine the quality of the subject of supply, unless explicitly included in the contract and/or the offer or the order confirmation by reference to the specification.

5.

Statements in our specifications regarding the quality of the subject of supply do not constitute guarantees, in particular not guarantees for durability. The assumption of guarantees and the procurement risk are subject to previous special agreements between the parties, explicitly declaring that a guarantee and/or the procurement risk are assumed.

6.

To ensure the proper production process, in addition to a processing fee of € 250.00 we charge the customer with at least the following expenses – subject to the proof of higher costs, in the event of a unilateral order cancellation by the customer:

6 weeks prior to confirmed loading week 50 % of the order value

3 weeks prior to confirmed loading week 75 % of the order value

2 weeks prior to confirmed loading week 100 % of the order value

However, special material and incurred reproduction costs are generally invoiced at 100 %. The crucial date for the calculation is our receipt of the written declaration of the customer.

III. Prices

1.

Our offer prices are based on the calculations existing at the time of the submission of the offer. If significant price increases (at least 5 %) occur for raw materials required by us for the fulfilment of the contract after the submission of the offer/execution of the contract in agreements with a commitment of more than 4 months or in continuous obligations, we are entitled to increase the agreed prices proportionally to the additional expense. The customer will be notified of this event. All prices are net plus freight, packaging, insurance, customs and VAT applicable on the day of the invoice.

2.

In the event of quantity-/weight deviations, which are within the tolerances regulated in section VIII, the price calculations occur on the basis of the actual quantity/weight supplied.

3.

Subsequent alterations initiated by the customer, particularly to drawings, drafts, samples and sample prints will be invoiced to the customer separately.

4.

If the goods are provided according to weight, the price will be calculated according to the gross weight under inclusion of packaging- and wrapping paper.

5.

All prices apply ex works unless otherwise agreed.

IV. Industrial property rights

1.

The printed documents as well as electronic data, drafts, drawings, clichés, films, print cylinders and –plates provided by us remain our property, even if the customer has reimbursed proportional costs. However, in such cases the customer is entitled to reimburse us with the total incurred costs to obtain ownership.

The retention time for these printed documents is a maximum of 3 years from the date of the last supply of the customer with identical printed subjects of supply. After this period we may destroy documentation which has not been requested for return.

2.

If the development and execution of any order results in copyrights and/or industrial property rights for us, these are not transferred with the sale of the subject of supply. This also applies in the event of the customer bearing a proportion of the costs for the development. We are especially entitled to exploit these copyrights and/or industrial property rights also for orders from third parties.

3.

Unless otherwise agreed we are entitled to visibly attach our company logo or a code number on the subjects of supply produced by us.

4.

For samples, drawings and drafts etc., which were produced at the request of the customer, remuneration is to be paid also if the main order, for which they were produced, has not been awarded. Upon the payment of the remuneration the ownership is transferred to the customer.

5.

The customer is obligated to verify whether the documents provided by the customer infringe on any third party rights, in particular copyrights, industrial property rights (design patents, patents, utility models, trademarks). This also applies to the use of protected fonts. If claims are made by third parties against us concerning the infringement of copyrights and/or industrial property rights or the violation of the law against unfair competition due to the use, exploitation or reproduction of documents and/or templates supplied by the customer, the customer has support us in the defence against the alleged legal violations and reimburse us for all damages, including solicitor- and process expenses, incurred by us.

V. Obligations according to the Packaging Regulations

1.

If we apply symbols of a comprehensive system in terms of § 6 (3) of the Packaging Regulations (VerpackV) e.g. “Der Grüne Punkt” (the green dot) on the instructions of the customer, the customer is deemed the “marketer” of the symbol in terms of the Packaging Regulations (VerpackV) and is thus obligated to pay the fees directly to the comprehensive system. Our products are subject to the Packaging Regulations (VerpackV) also without the print

of the “green dot“. The customer has to pay the fees also in this case.

2.

If the customer violates the regulations of the VerpackV and if claims are raised against us in this matter, the customer is obligated to reimburse us with all expenditures incurred to us in this context.

3.

If the packages are service packages filled with goods in terms of § 3 (1) Nr. 2 , 2nd sent. of the VerpackV, which typically occur at the private end user and which are brought onto the market by the customer for the first time, the regulation of Item 1 above applies accordingly, if the customer participates in a system himself. If, according to § 6 (1) , 2nd sent. VerpackV, the customer requires from us that we participate in one or several systems according to § 6 (3) VerpackV with regard to the service packages delivered from us to the customer, and to provide a respective declaration of completeness on behalf of the customer according to § 10 (3) VerpackV, the following applies:

4.

The obligation according to § 6 (1) , 2nd sent. VerpackV as well as § 10 (3) VerpackV is only assumed by us if the customer requests us in writing to do so. In this case we have to confirm this written request of the customer in writing.

5.

If we take over the participation for the customer in a system according to § 6 (3) VerpackV and the delivery of the declaration of completeness according to § 10 (3) VerpackV, the customer is obligated to reimburse to us the incurred costs, meaning the costs including the administration expenditures for the utilisation of the comprehensive system according to § 6 (3) VerpackV (e.g. dual system) as well as the costs for the delivery of the declaration of completeness and – if desired – the costs for applying to the products the symbol of a comprehensive system such as e.g. “Der grüne Punkt” (the green dot) to the full extent.

6.

The costs for the assumption of the utilisation of a comprehensive system, for the delivery of the declaration of completeness, the administration expenditure and – if desired – the costs for applying to the products the symbol of a comprehensive system such as e.g. “Der Grüne Punkt” (the green dot) will be itemised separately for the customer in the invoice. Basis is the Fee Ordinance of the comprehensive system utilised.

7.

The selection of the comprehensive system is ours.

8.

If the customer does not participate in the ‘Duales System Deutschland AG’ he is obligated to us to take back the delivered packaging according to the latest version of the regulations of the VerpackV and to take care for its disposal in the manner prescribed in the VerpackV. If the customer culpably violates his obligations and if this results in a penalty against us due to the violation against the VerpackV, the customer is obligated to exempt us from this obligation of payment. If we have already paid the fine the customer has to reimburse us with this amount.

9.

If we are obligated to take back packages based on the VerpackV, the place of fulfilment for the return of the packaging by the customer is the registered head office of our company.

VI. Delivery/ default of delivery/ transfer of risk/ force majeure / reservation of self-delivery

1.

We use common print colours for the print. The colours for the printing of medical sterilisation packaging are only sterilisation-true according to the specifications and data sheets regarding specifically known sterilisation procedures. If specific demands are made regarding the colours, e.g. high resistance to light, alkali fastness, abrasion resistance, fastness against liquids, humidity, suitability for the contact with certain fillers such as food etc., the customer has to make particular written reference to this matter on the order/enquiry at the time of placing the order.

No warranty can be provided for the resistance to light of the material- and print colours, as also the suppliers of raw materials and colours will not assume a warranty for the colour's resistance to light. The same applies for the abrasion resistance of the print colours.

We reserve the right to small deviations of the colour shade, if customary. Water colours printed on brown paper are subject to constant colour variations within single deliveries as well as repeat prints. They do not entitle the customer to refuse the acceptance or to claim a defect. Proofs will be presented prior to going to press if the customer explicitly requests this or if we consider this necessary. As these proofs (e.g. proof, cromalin, offset proof etc.) are not made by flexo print, considerable deviations in the subsequent edition printing cannot be avoided in some cases. Proofs ex machine, which are requested by the customer, will be invoiced separately according to cost.

2.

The delivery term is complied with if the subject of the supply has left our premises by the expiration of the delivery term or if we have notified the customer of our readiness for dispatch in the event the customer has agreed or is obliged to pick up the goods.

3.

For supply agreements on call, unless otherwise agreed, the customer is obligated to stipulate in advance a delivery arrangement covering at least 6 months and to call according to the respective arrangements at the latest 10 working days prior to the respective delivery date. If the customer does not comply with this obligation or as otherwise determined, we are entitled to perform the call and/or delivery arrangement ourselves, i.e. to deliver the goods or withdraw from the contract upon giving suitable notice. Our withdrawal from the contract does not exclude our right to claim damages due to the violation of obligation.

4.

Damage claims due to defaults in delivery or due to non-provided services are excluded unless they are due to gross negligence or intent on our behalf, our executives or vicarious assistants. This liability limitation does not apply in case of a violation of essential contractual obligations (cardinal obligations) on our behalf.

If damage claims can be asserted against us due to ordinary negligence (violation against cardinal obligations), the damage claim is limited to the typically foreseeable damages. In these cases damage claims due to loss of production and/or loss of profit are excluded. This liability limitation applies accordingly to the conduct of our vicarious assistants. Any customer's right of withdrawal due to the facts of the case is not affected by this

liability limitation.

5.

Transfer of risk: At dispatch the risk is transferred to the customer at the latest with the hand-over of the subject of supply to the carrier, freighter or other third party stipulated for the dispatch (whereby the commencement of loading matters). This also applies in the event of partial deliveries. If the dispatch or the handover is delayed due to a circumstance owing to the customer, the risk is transferred to the customer from the day of the notice of readiness for dispatch.

6.

If we are impeded in the fulfilment of our obligation after execution of contract due to unforeseeable, unusual circumstances, which could not be avoided despite reasonable care, in particular due to operation breakdown, official sanctions and interventions, delays in the supply of essential raw materials, problems with energy supply etc., the delivery term is appropriately extended. If these circumstances render the supply impossible for us, we are exempt from our obligation to deliver. This regulation also applies in cases of lock-outs and strikes.

If we prove that, despite careful selection of our suppliers and despite the execution of the necessary contracts at appropriate conditions, we were not supplied in time by suppliers, the delivery term is extended by the period of the delay, which was caused due to the untimely delivery by the suppliers. In case of the impossibility of supply by suppliers we are entitled to withdraw from the contract. We are obligated to assign any claims against our suppliers, to which we are entitled due to the untimely delivery, to the customer.

If the above mentioned impediments extend over more than one month, the customer is entitled to withdraw from the contract pertaining to the as yet unfulfilled proportion of the contract.

If in the above mentioned cases the delivery period is extended or if we are exempt from our obligation to deliver, any damage claims and rights of withdrawal to be derived hereof expire after the expiration of one month.

We may only invoke the circumstances mentioned here if we have notified the customer of these circumstances without undue delay upon becoming aware of the obstacles.

7.

The withdrawal due to delayed delivery is subject to our culpable default and additionally requires an appropriate period of grace with the warning that the contractual relationship will not be continued by the customer upon the expiration of the granted period of grace.

VII. Packaging and dispatch

We are liable for the proper and customary packaging. However, our liability is limited to intent and gross negligence. Our right to assert an objection against the customer pretending his contributory negligence remains unaffected here from.

VIII. Tolerances

1. Grammage deviations

Deviations of the agreed grammage are to be tolerated by the customer to the same extent as they are to be tolerated by the us according to the supply conditions of the manufacturer of the utilised material. The following

tolerances apply unless determined otherwise in the a.m. supply conditions:

a)

Paper pertaining to the agreed substance:

Up to 39 g/m² +/- 8 %

40 - 59 g/m² +/- 6 %

60 and more g/m² +/- 5 %

b)

Plastic foils pertaining to the agreed thickness:

Less than 15 my +/- 8 %

From 15 my-25 my +/- 15 %

More than 25 my +/- 13 %

c)

Aluminium foil, cello foils, film laminate and other materials relating to the agreed thickness or grammage (depending on the dimension on which the contract is based; applies individually or as a component of another product):

+/- 10 %

2. Measurement deviations

The following measurement deviations are to be accepted by the customer:

a)

Paper and paper combinations

Bags:

In length (= height of bag) +/- 4%

In width under 80 mm wide +/- 3 %

80 mm and more +/- 2%

Rolls:

in width and cut-off length +/- 3 mm

in yardage +/- 3 %

Formats:

In length +/- 5 mm

In width +/- 5 mm

b)

Plastics and aluminium

Height of bag +/- 5 mm

Width of bags larger than 200 mm +/- 5 %

Width of bag smaller than 199 mm +/- 10 %

c)

The measurement deviations for the materials mentioned under lit. a) regarding rolls and formats and lit. b) also apply to the positioning of the print as well as to the punch and embossing on these materials. For the position of the print as well as the cutting and embossing in the width in case of the bags listed under a), a measurement

deviation of +/- 4 mm applies for bag widths over 80 mm and of +/- 3 mm for bag widths of 80 mm and less. Register deviation in printed products cannot be avoided due to technical reasons, as these depend on the material, the execution and the printing procedure. Only significant deviations warrant reclamation.

3.

Quantity deviations: In all productions we are entitled to over- and under supply of up to 20 % of the ordered quantity. In case of sale by quantity (quantity less than 50,000 pieces) and in case of collective runs with print change within one print run as well as the sale according to weight (for weights less than 500 kg) up to 30 % of the ordered. quantity The delivery occurs with complete invoicing of the actually delivered quantity.

4.

Inherent colour of raw materials paper and foil: We cannot ensure constant raw material colours within a delivery and in case of repeat orders.

IX. Print

1.

We use common print colours for the print. The colours for the printing of medical sterilisation packaging are only sterilisation-true according to the specifications and data sheets regarding specifically known sterilisation procedures. If specific demands are made regarding the colours, e.g. high resistance to light, alkali fastness, abrasion resistance, fastness against liquids, humidity, suitability for the contact with certain fillers such as food etc., the customer has to make particular written reference to this matter on the order/enquiry at the time of placing the order.

No warranty can be provided for the resistance to light of the material- and print colours, as also the suppliers of raw materials and colours will not assume a warranty for the colour's resistance to light. The same applies for the abrasion resistance of the print colours.

We reserve the right to small deviations of the colour shade, if customary. Water colours printed on brown paper are subject to constant colour variations within single deliveries as well as repeat prints. They do not entitle the customer to refuse the acceptance or to claim a defect. Proofs will be presented prior to going to press if the customer explicitly requests this or if we consider this necessary. As these proofs (e.g. proof, cromalin, offset proof etc.) are not made by flexo print, considerable deviations in the subsequent edition printing cannot be avoided in some cases. Proofs ex machine, which are requested by the customer, will be invoiced separately according to cost.

2.

No warranty can be assumed for the migration of softeners in plastic products or similar migration appearances and for related circumstances. Damage claims relating to gross negligence or intent on our behalf remain unaffected.

3.

We are not responsible for the consequences of mistakes in the "Filmasters" or other similar materials, which were provided to us by the customer for the printing neither of the uniform product code or another similar code, nor for difficulties or their consequences which may occur on use of the printed code. This also applies to proofs of printing works approved by the customer, which contain a uniform product code.

4.

The print of the EAN-barcode occurs according to the state of technology under consideration of the current execution regulations of CCG (see series CoOrganisation, booklet 2, “Der EAN-Strichcode” (the EAN-barcode)).

Furthermore, any defect liability pertaining to reading results at cash registers of the trade is excluded due to possible influences through the customer on the barcode and the lack of uniform measurement- and reading technology.

5.

We are not liable for defects, which occur due to print plates and copies provided by the customer and/or his vicarious assistants. If we detect text- or picture errors during the production and interrupt or stop the printing for this reason, the customer bears the related additional costs unless he proves that we are liable for a faulty production due to gross negligence or the violation of cardinal obligations.

X. Material and execution

1.

Without special instructions from the customer the execution of the orders occurs with customary material and according to known manufacturing processes and the state of technology. In case of utilisation of the packaging for food- and/or medical products the suitability of the material is to be explicitly clarified with us according to the current norms (e.g. EN 868). Notices of defect pertaining to the interaction of the packaging material with the filler and vice versa are subsequently excluded if the customer has not explicitly referred to the type and the special characteristics of the filler and/or the utilisation for food- and/or medical products in writing in a timely manner and has given us the opportunity to reply.

2.

Agreed recycled raw materials are carefully selected by us. However, regenerated foils and recycled papers may still vary in surface consistency, colour, purity, smell and physical values between charges, which do not entitle the customer to a notice of defect. However, we are obligated to assign any warranty- and/or damage claims pertaining to the consistency of the regenerated foils and the recycled papers against the supplier to the customer.

XI. Reservation of title

1.

The supplied goods remain our property until full payment of the purchase price has been received.

2.

The customer is entitled to on-sell the reserved goods in the normal course of business; however he is only permitted to pledge or transfer the security with our written permission. The customer is obligated to secure our rights in the event of on-selling of reserved goods on a non-cash basis.

3.

For security purposes the customer herewith assigns to us his claims from the on-selling of the reserved goods; we accept the assignment. Notwithstanding the assignment and our collection rights the customer is entitled to collection of his receivables only as long as he fulfils his obligations toward us and does not incur a financial collapse. Upon our demand the customer has to provide the information regarding the assigned claims necessary for collection, in particular a list of the debtors with names and addresses, amounts and dates of his invoices and

to inform the debtors regarding the assignment with a corresponding copy to us.

4.

The customer performs any possible treatment and processing of the reserved goods for us without any obligations arising for us here from. In the event of processing, linking and mixing of the reserved goods with other goods, which do not belong to us, we are entitled to proportional co-ownership of the newly created item at a ratio of the invoice value to the other processed goods at the time of processing, linking or mixing.

If the customer acquires the sole ownership of the new item the contractual partners agree that the customer grants us co-ownership to the new item at the ratio of the invoice value of the processed, linked or mixed reserved goods and stores them for us free of charge.

5.

If the reserved goods are on-sold together with other goods, regardless whether with or without processing, linking or mixing, the above agreed a.m. assignment applies only to the amount of the invoice value of our reserved goods, which are on-sold together with the other goods.

6.

The customer has to notify us immediately regarding any levy of execution by third parties pertaining to the reserved goods or claims assigned in advance and handover the documents necessary for an intervention.

7.

The customer's authority for the disposition over the reserved goods and the collection of the assigned claims expires in the event of default of payment by the customer, in case of protests regarding bills of exchange or cheques as well as in the financial collapse of the customer, particularly in case of an application for insolvency. In these cases we are also entitled to take possession of the reserved goods and the customer is obligated to return the reserved goods to us following our withdrawal from the contract.

In cases of commercial cheque or bill financing it is clarified that the ownership to the subject of supply is only transferred to the customer upon the complete payment of the bill of exchange and the settlement of the bill amounts and -expenses to us.

8.

If the customer is in default of payment toward us twice within a 6 months period and/or if the customer is insolvent or if an insolvency is foreseeable based on objective criteria, we are entitled to demand the return of the subject of supply following the withdrawal from the contract and/or to collect the claims assigned to us directly from the customer's customers in the event of the goods having been on-sold.

9.

Upon the customer's request we are obligated to release the securities owed to us to the extent, as their value exceeds the claims by 10 % or more. We are at liberty to determine which securities are released.

XII. Notice of defect/ defects

1.

The duty for examination- and requirement to give notice of defects of the customer is determined by the EU International Commercial Law.

2.

In case of larger and multiple deliveries of the same type of goods the entire supplied batch can only be rejected as faulty if the defects were determined with the aid of a recognised, representative random test procedure.

3.

If the defect of the total supplied quantity in terms of above Item 2 in flexible packaging and/or machine-made bags amounts to up to 3 % of the total quantity, neither the total quantity can be rejected as faulty nor claims can be asserted based on these faulty subjects of supply. In this context it is irrelevant, whether the defect is based on the production/processing or the print.

All defects are to be reprimanded in writing without undue delay.

4.

We are to be given sufficient opportunity to check reprimanded defects on site. The customer has to provide us with sound samples together with the respective material- and supply codes in connection with his notice of defect.

XIII. Material defects/ statutes of limitation

1.

If the subject of supply is not free of material defects or if we have provided a warranty for certain consistency and/or quality features we will, at our discretion, either remedy the defect or provide a defect-free subject of supply.

2.

If the remedy of the defect fails after an unsuccessful second attempt the customer, at his discretion, may withdraw from the contract or reduce the purchase price.

If the material defect is due to gross negligence or intent on our part, our subcontractors or vicarious assistants or if the defect is based on a violation of essential contractual obligations (cardinal obligations) on our part or a violation against life, body, health or if we have provided a guarantee for certain consistency and/or quality features or if the product liability law applies, the customer may, as well as withdrawing from the contract and reducing the purchase price, also claim damages due to the material defect.

If the violation of cardinal obligations is based on ordinary negligence and if the customer hereby incurs a pecuniary- or material damage, the damage claim is limited to the typically foreseeable damage. Damage due to loss of production and/or loss of profit is excluded in cases of ordinary negligence. This liability limitation applies accordingly to our vicarious assistants.

The above liability limitations/-exclusions especially apply also to damages, which are due to the insufficiency of abrasion resistance, light resistance, alkali fastness, friction resistance and water resistance of the employed colours, or due to the fact that the coding- and numbering arrangement is not correct, the code sample provided by the customer is not readable at the transfer onto the subjects of supply, the reading of the code is not possible at the use of flexible material, or the packaged goods are impaired by the subject of supply or if the subject of supply does not comply with the legal regulations applicable for the filler. The same applies for damages, which are based on print documentation (electronic data, drafts, films, print plates etc.).

The application of the product liability law remains unaffected by this liability limitation.

3.

If we decide to provide cure, we will bear the necessary costs for the remedy. Costs incurred due to the subject of supply being moved to a location other than the registered head office or the contractually agreed place of destination of the customer, are borne by the customer.

4.

Warranty claims are excluded if we are not responsible according to VIII. IX., X and XII.

If the customer has asserted claims against us pertaining to a liability for defects and if it turns out that either no defect exists or that the asserted defect is based on a circumstance, which does not obligate us to a warranty, the customer has to reimburse to us all costs hereby incurred.

5.

The regular statute of limitation for defect subjects of supply, which are normally not made use of for buildings, is 1 year from the delivery of the subject of supply to the customer.

If we have granted a guarantee of durability, the claims pertaining to this guarantee of durability become statute-barred with the expiration of the period, for which the guarantee of durability was provided. This period commences with the delivery of the subject of supply, to which the guarantee of durability applies.

6.

Claims of the customer in case of defects pertaining to an insignificant reduction of the value or suitability of the subject of supply are excluded. However, this limitation of liability does not apply for damage claims based on a material defect resulting from gross negligence or intent or which leads to a violation of life, body and health.

7.

If the subjects of supply are second-hand goods, all liability for defect is excluded, unless we, our executives or vicarious assistants are culpable of gross negligence or intent or a violation of essential contractual obligations (cardinal obligations) or a violation of life, body and health.

XIV. Other damage claims

1.

Our liability based on material- or legal defects or delays in supply or non-supply is not covered by this section XIV. In this respect the regulations of the above sections VI., VIII., X., XV apply.

2.

Damage claims against us based on other violations of duty by us, in particular of protection obligations and/or transaction-related obligations are excluded, unless they are based on gross negligence or intent and/or a violation of essential contractual obligations (cardinal obligations) by us and/or the violation of life, body, health by us or our vicarious assistants.

If damage claims can be asserted against us based on ordinary negligence the compensation is limited to the typically foreseeable damages. The liability due to loss of production and/or loss of profit in case of simple

negligence is excluded.

3.

The liability limitation according to Item 2 applies accordingly in case of tortious claims. The liability according to the product liability act remains unaffected by this regulation.

4.

Claims based on damages from other violations of obligations regulated in this section, which are not based on material defect, become statute-barred within one year from the end of the year, in which the claim originated and the customer has obtained knowledge of the circumstances justifying the claim or should have obtained without gross negligence. The maximum terms provided for in EU International Commercial Law remain unaffected. This limitation of the legal statute of limitation does not apply for damage claims due to gross negligence or intent, for the violation of essential contractual obligations (cardinal obligations) by us, the violation of body, life, health and freedom as well as a violation against the product liability act by us or our vicarious assistants.

XV. Industrial property rights

1.

Damage claims based on the infringement of trademarks, patents, patent applications, utility patents, design patents and copyrights against us and/or our vicarious assistants are excluded, unless they are based on gross negligence or intent by us and/or vicarious assistants or if the non-violation of industrial property rights was guaranteed by us. In the event of the damage claim being based on ordinary negligence (violation of cardinal obligations) the compensation is limited to the typically foreseeable damages and the liability due to loss of production and loss of profit is excluded. This also applies to our vicarious assistants.

2.

The customer's right of withdrawal due to the violation of the above industrial property rights remains unaffected.

3.

If assertions are made against us based on the violation of industrial property rights of third parties the customer has only provided proof of this defect of title if a legally unappealable judgement was passed against him in this matter. The customer's right to give us third party notice remains unaffected by this regulation.

XVI. Suspension of the statute of limitation during negotiations

The pending of negotiations pertaining to claims based on material defects or damage claims of any kind is assumed only if the parties have declared in writing that they are negotiating such claims. If the invoking of this requirement of the written form constitutes an unlawful conduct, neither party can invoke the compliance with this requirement for the written form.

XVII. Payment conditions

1.

Payments are due and payable at the agreed payment date. If no calendar defined date has been agreed upon, the payments are due and payable with the receipt of the invoice or a respective payment schedule. If the receipt is ambiguous, the payments are due and payable with the receipt of our supplies and services.

2.

In the event of still pending invoices payments apply respectively to the settlement of the oldest due claim, unless the customer has asserted a right of retention against these outstanding debts. Otherwise we retain the right to offset. For the remainder EU International Commercial Law applies.

3.

If the customer is in default from our earlier deliveries and/or if a significant deterioration occurs in the financial circumstances of the customer after the execution of the agreement, which jeopardises our payment claim, the payment has to occur reciprocally and simultaneously against the deliveries of the subjects of supply. The customer can avoid the concurrent delivery by providing security in the amount of the purchase price or advance payment concerning the respective delivery.

4.

The customer is not entitled to offset his claims against us, unless these claims are uncontested or unappealably determined.

XVIII. Place of fulfilment, jurisdiction and venue, applicable law, other

1.

Place of fulfilment for delivery, service and payment is the registered seat of our company unless otherwise agreed.

2.

Exclusive jurisdiction for all disputes connected with the contractual relationship is the registered seat of our company. However, we are entitled – but not obligated – to also bring in legal action to the courts of the customer's registered seat.

3.

The legal relationship of the parties is exclusively governed by the laws of the Republic of Bulgaria under exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).

4.

The customer was informed and agrees that all data from the business relationship concerning him, including personal- and invoice related data, are stored by our electronic data processing according to the stipulation of the legal regulations, in particular the Federal Data Protection Act and that they are passed on exclusively to subcontractors commissioned by us and credit agencies in the context of credit-standing checks and order processing.

5.

Unless explicitly regulated otherwise above, contracts as well as all supplementary- and collateral agreements, reservations, alterations and amendments require the written form, which may only be waived in writing ad hoc.

6.

Unless explicitly regulated otherwise above, contracts as well as all supplementary- and collateral agreements, reservations, alterations and amendments require the written form, which may only be waived in writing ad hoc. days from our receipt of the order/offer.

3.

If the customer subsequently requests amendments to the order, these amendments are only effective as far as agreement is reached regarding the amendments between the contractual parties.

4.

The quality of the products to be supplied by us is defined by the details set out in our specifications.

The descriptions contained in catalogues, brochures, newsletters, advertisements, illustrations, pricelists etc. do not determine the quality of the subject of supply, unless explicitly included in the contract and/or the offer or the order confirmation by reference to the specification.

5.

Statements in our specifications regarding the quality of the subject of supply do not constitute guarantees, in particular not guarantees for durability. The assumption of guarantees and the procurement risk are subject to previous special agreements between the parties, explicitly declaring that a guarantee and/or the procurement risk are assumed.

6.

To ensure the proper production process, in addition to a processing fee of € 250.00 we charge the customer with at least the following expenses – subject to the proof of higher costs, in the event of a unilateral order cancellation by the customer:

- 6 weeks prior to confirmed loading week 50 % of the order value
- 3 weeks prior to confirmed loading week 75 % of the order value
- 2 weeks prior to confirmed loading week 100 % of the order value

However, special material and incurred reproduction costs are generally invoiced at 100 %. The crucial date for the calculation is our receipt of the written declaration of the customer.

III. Prices

1.

Our offer prices are based on the calculations existing at the time of the submission of the offer. If significant price increases (at least 5 %) occur for raw materials required by us for the fulfilment of the contract after the submission of the offer/execution of the contract in agreements with a commitment of more than 4 months or in continuous obligations, we are entitled to increase the agreed prices proportionally to the additional expense. The customer will be notified of this event. All prices are net plus freight, packaging, insurance, customs and VAT applicable on the day of the invoice.

2.

In the event of quantity-/weight deviations, which are within the tolerances regulated in section VIII, the price calculations occur on the basis of the actual quantity/weight supplied.

3.

Subsequent alterations initiated by the customer, particularly to drawings, drafts, samples and sample prints will be invoiced to the customer separately.

4.

If the goods are provided according to weight, the price will be calculated according to the gross weight under inclusion of packaging- and wrapping paper.

5.

All prices apply ex works unless otherwise agreed.

IV. Industrial property rights

1.

The printed documents as well as electronic data, drafts, drawings, clichés, films, print cylinders and –plates provided by us remain our property, even if the customer has reimbursed proportional costs. However, in such cases the customer is entitled to reimburse us with the total incurred costs to obtain ownership.

The retention time for these printed documents is a maximum of 3 years from the date of the last supply of the customer with identical printed subjects of supply. After this period we may destroy documentation which has not been requested for return.

2.

If the development and execution of any order results in copyrights and/or industrial property rights for us, these are not transferred with the sale of the subject of supply. This also applies in the event of the customer bearing a proportion of the costs for the development. We are especially entitled to exploit these copyrights and/or industrial property rights also for orders from third parties.

3.

Unless otherwise agreed we are entitled to visibly attach our company logo or a code number on the subjects of supply produced by us.

4.

For samples, drawings and drafts etc., which were produced at the request of the customer, remuneration is to be paid also if the main order, for which they were produced, has not been awarded. Upon the payment of the remuneration the ownership is transferred to the customer.

5.

The customer is obligated to verify whether the documents provided by the customer infringe on any third party rights, in particular copyrights, industrial property rights (design patents, patents, utility models, trademarks). This also applies to the use of protected fonts. If claims are made by third parties against us concerning the infringement of copyrights and/or industrial property rights or the violation of the law against unfair competition due to the use, exploitation or reproduction of documents and/or templates supplied by the customer, the customer has support us in the defence against the alleged legal violations and reimburse us for all damages, including solicitor- and process expenses, incurred by us.

V. Obligations according to the Packaging Regulations

1.

If we apply symbols of a comprehensive system in terms of § 6 (3) of the Packaging Regulations (VerpackV) e.g. “Der Grüne Punkt” (the green dot) on the instructions of the customer, the customer is deemed the “marketer” of the symbol in terms of the Packaging Regulations (VerpackV) and is thus obligated to pay the fees directly to the comprehensive system. Our products are subject to the Packaging Regulations (VerpackV) also without the print of the “green dot“. The customer has to pay the fees also in this case.

2.

If the customer violates the regulations of the VerpackV and if claims are raised against us in this matter, the customer is obligated to reimburse us with all expenditures incurred to us in this context.

3.

If the packages are service packages filled with goods in terms of § 3 (1) Nr. 2 , 2nd sent. of the VerpackV, which typically occur at the private end user and which are brought onto the market by the customer for the first time, the regulation of Item 1 above applies accordingly, if the customer participates in a system himself. If, according to § 6 (1) , 2nd sent. VerpackV, the customer requires from us that we participate in one or several systems according to § 6 (3) VerpackV with regard to the service packages delivered from us to the customer, and to provide a respective declaration of completeness on behalf of the customer according to § 10 (3) VerpackV, the following applies:

4.

The obligation according to § 6 (1) , 2nd sent. VerpackV as well as § 10 (3) VerpackV is only assumed by us if the customer requests us in writing to do so. In this case we have to confirm this written request of the customer in writing.

5.

If we take over the participation for the customer in a system according to § 6 (3) VerpackV and the delivery of the declaration of completeness according to § 10 (3) VerpackV, the customer is obligated to reimburse to us the incurred costs, meaning the costs including the administration expenditures for the utilisation of the comprehensive system according to § 6 (3) VerpackV (e.g. dual system) as well as the costs for the delivery of the declaration of completeness and – if desired – the costs for applying to the products the symbol of a comprehensive system such as e.g. “Der grüne Punkt” (the green dot) to the full extent.

6.

The costs for the assumption of the utilisation of a comprehensive system, for the delivery of the declaration of completeness, the administration expenditure and – if desired – the costs for applying to the products the symbol of a comprehensive system such as e.g. “Der Grüne Punkt” (the green dot) will be itemised separately for the customer in the invoice. Basis is the Fee Ordinance of the comprehensive system utilised.

7.

The selection of the comprehensive system is ours.

8.

If the customer does not participate in the ‘Duales System Deutschland AG’ he is obligated to us to take back the delivered packaging according to the latest version of the regulations of the VerpackV and to take care for its disposal in the manner prescribed in the VerpackV. If the customer culpably violates his obligations and if this results in a penalty against us due to the violation against the VerpackV, the customer is obligated to exempt us from this obligation of payment. If we have already paid the fine the customer has to reimburse us with this amount.

9.

If we are obligated to take back packages based on the VerpackV, the place of fulfilment for the return of the packaging by the customer is the registered head office of our company.

VI. Delivery/ default of delivery/ transfer of risk/ force majeure / reservation of self-delivery

1.

We use common print colours for the print. The colours for the printing of medical sterilisation packaging are only sterilisation-true according to the specifications and data sheets regarding specifically known sterilisation procedures. If specific demands are made regarding the colours, e.g. high resistance to light, alkali fastness,

abrasion resistance, fastness against liquids, humidity, suitability for the contact with certain fillers such as food etc., the customer has to make particular written reference to this matter on the order/enquiry at the time of placing the order.

No warranty can be provided for the resistance to light of the material- and print colours, as also the suppliers of raw materials and colours will not assume a warranty for the colour's resistance to light. The same applies for the abrasion resistance of the print colours.

We reserve the right to small deviations of the colour shade, if customary. Water colours printed on brown paper are subject to constant colour variations within single deliveries as well as repeat prints. They do not entitle the customer to refuse the acceptance or to claim a defect. Proofs will be presented prior to going to press if the customer explicitly requests this or if we consider this necessary. As these proofs (e.g. proof, cromalin, offset proof etc.) are not made by flexo print, considerable deviations in the subsequent edition printing cannot be avoided in some cases. Proofs ex machine, which are requested by the customer, will be invoiced separately according to cost.

2.

The delivery term is complied with if the subject of the supply has left our premises by the expiration of the delivery term or if we have notified the customer of our readiness for dispatch in the event the customer has agreed or is obliged to pick up the goods.

3.

For supply agreements on call, unless otherwise agreed, the customer is obligated to stipulate in advance a delivery arrangement covering at least 6 months and to call according to the respective arrangements at the latest 10 working days prior to the respective delivery date. If the customer does not comply with this obligation or as otherwise determined, we are entitled to perform the call and/or delivery arrangement ourselves, i.e. to deliver the goods or withdraw from the contract upon giving suitable notice. Our withdrawal from the contract does not exclude our right to claim damages due to the violation of obligation.

4.

Damage claims due to defaults in delivery or due to non-provided services are excluded unless they are due to gross negligence or intent on our behalf, our executives or vicarious assistants. This liability limitation does not apply in case of a violation of essential contractual obligations (cardinal obligations) on our behalf.

If damage claims can be asserted against us due to ordinary negligence (violation against cardinal obligations), the damage claim is limited to the typically foreseeable damages. In these cases damage claims due to loss of production and/or loss of profit are excluded. This liability limitation applies accordingly to the conduct of our vicarious assistants. Any customer's right of withdrawal due to the facts of the case is not affected by this liability limitation.

5.

Transfer of risk: At dispatch the risk is transferred to the customer at the latest with the hand-over of the subject of supply to the carrier, freighter or other third party stipulated for the dispatch (whereby the commencement of loading matters). This also applies in the event of partial deliveries. If the dispatch or the handover is delayed due to a circumstance owing to the customer, the risk is transferred to the customer from the day of the notice of readiness for dispatch.

6.

If we are impeded in the fulfilment of our obligation after execution of contract due to unforeseeable, unusual circumstances, which could not be avoided despite reasonable care, in particular due to operation breakdown,

official sanctions and interventions, delays in the supply of essential raw materials, problems with energy supply etc., the delivery term is appropriately extended. If these circumstances render the supply impossible for us, we are exempt from our obligation to deliver. This regulation also applies in cases of lock-outs and strikes.

If we prove that, despite careful selection of our suppliers and despite the execution of the necessary contracts at appropriate conditions, we were not supplied in time by suppliers, the delivery term is extended by the period of the delay, which was caused due to the untimely delivery by the suppliers. In case of the impossibility of supply by suppliers we are entitled to withdraw from the contract. We are obligated to assign any claims against our suppliers, to which we are entitled due to the untimely delivery, to the customer.

If the above mentioned impediments extend over more than one month, the customer is entitled to withdraw from the contract pertaining to the as yet unfulfilled proportion of the contract.

If in the above mentioned cases the delivery period is extended or if we are exempt from our obligation to deliver, any damage claims and rights of withdrawal to be derived hereof expire after the expiration of one month.

We may only invoke the circumstances mentioned here if we have notified the customer of these circumstances without undue delay upon becoming aware of the obstacles.

7.

The withdrawal due to delayed delivery is subject to our culpable default and additionally requires an appropriate period of grace with the warning that the contractual relationship will not be continued by the customer upon the expiration of the granted period of grace.

VII. Packaging and dispatch

We are liable for the proper and customary packaging. However, our liability is limited to intent and gross negligence. Our right to assert an objection against the customer pretending his contributory negligence remains unaffected here from.

VIII. Tolerances

1. Grammage deviations

Deviations of the agreed grammage are to be tolerated by the customer to the same extent as they are to be tolerated by the us according to the supply conditions of the manufacturer of the utilised material. The following tolerances apply unless determined otherwise in the a.m. supply conditions:

a)

Paper pertaining to the agreed substance:

Up to 39 g/m² +/- 8 %

40 - 59 g/m² +/- 6 %

60 and more g/m² +/- 5 %

b)

Plastic foils pertaining to the agreed thickness:

Less than 15 my +/- 8 %

From 15 my-25 my +/- 15 %

More than 25 my +/- 13 %

c)

Aluminium foil, cello foils, film laminate and other materials relating to the agreed thickness or grammage

(depending on the dimension on which the contract is based; applies individually or as a component of another product):

+/- 10 %

2. Measurement deviations

The following measurement deviations are to be accepted by the customer:

a)

Paper and paper combinations

Bags:

In length (= height of bag) +/- 4%

In width under 80 mm wide +/- 3 %

80 mm and more +/- 2%

Rolls:

in width and cut-off length +/- 3 mm

in yardage +/- 3 %

Formats:

In length +/- 5 mm

In width +/- 5 mm

b)

Plastics and aluminium

Height of bag +/- 5 mm

Width of bags larger than 200 mm +/- 5 %

Width of bag smaller than 199 mm +/- 10 %

c)

The measurement deviations for the materials mentioned under lit. a) regarding rolls and formats and lit. b) also apply to the positioning of the print as well as to the punch and embossing on these materials. For the position of the print as well as the cutting and embossing in the width in case of the bags listed under a), a measurement deviation of +/- 4 mm applies for bag widths over 80 mm and of +/- 3 mm for bag widths of 80 mm and less. Register deviation in printed products cannot be avoided due to technical reasons, as these depend on the material, the execution and the printing procedure. Only significant deviations warrant reclamation.

3.

Quantity deviations: In all productions we are entitled to over- and under supply of up to 20 % of the ordered quantity. In case of sale by quantity (quantity less than 50,000 pieces) and in case of collective runs with print change within one print run as well as the sale according to weight (for weights less than 500 kg) up to 30 % of the ordered. quantity The delivery occurs with complete invoicing of the actually delivered quantity.

4.

Inherent colour of raw materials paper and foil: We cannot ensure constant raw material colours within a delivery and in case of repeat orders.

IX. Print

1.

We use common print colours for the print. The colours for the printing of medical sterilisation packaging are only sterilisation-true according to the specifications and data sheets regarding specifically known sterilisation procedures. If specific demands are made regarding the colours, e.g. high resistance to light, alkali fastness,

abrasion resistance, fastness against liquids, humidity, suitability for the contact with certain fillers such as food etc., the customer has to make particular written reference to this matter on the order/enquiry at the time of placing the order.

No warranty can be provided for the resistance to light of the material- and print colours, as also the suppliers of raw materials and colours will not assume a warranty for the colour's resistance to light. The same applies for the abrasion resistance of the print colours.

We reserve the right to small deviations of the colour shade, if customary. Water colours printed on brown paper are subject to constant colour variations within single deliveries as well as repeat prints. They do not entitle the customer to refuse the acceptance or to claim a defect. Proofs will be presented prior to going to press if the customer explicitly requests this or if we consider this necessary. As these proofs (e.g. proof, cromalin, offset proof etc.) are not made by flexo print, considerable deviations in the subsequent edition printing cannot be avoided in some cases. Proofs ex machine, which are requested by the customer, will be invoiced separately according to cost.

2.

No warranty can be assumed for the migration of softeners in plastic products or similar migration appearances and for related circumstances. Damage claims relating to gross negligence or intent on our behalf remain unaffected.

3.

We are not responsible for the consequences of mistakes in the "Filmmasters" or other similar materials, which were provided to us by the customer for the printing neither of the uniform product code or another similar code, nor for difficulties or their consequences which may occur on use of the printed code. This also applies to proofs of printing works approved by the customer, which contain a uniform product code.

4.

The print of the EAN-barcode occurs according to the state of technology under consideration of the current execution regulations of CCG (see series CoOrganisation, booklet 2, "Der EAN-Strichcode" (the EAN-barcode)).

Furthermore, any defect liability pertaining to reading results at cash registers of the trade is excluded due to possible influences through the customer on the barcode and the lack of uniform measurement- and reading technology.

5.

We are not liable for defects, which occur due to print plates and copies provided by the customer and/or his vicarious assistants. If we detect text- or picture errors during the production and interrupt or stop the printing for this reason, the customer bears the related additional costs unless he proves that we are liable for a faulty production due to gross negligence or the violation of cardinal obligations.

X. Material and execution

1.

Without special instructions from the customer the execution of the orders occurs with customary material and according to known manufacturing processes and the state of technology. In case of utilisation of the packaging for food- and/or medical products the suitability of the material is to be explicitly clarified with us according to the current norms (e.g. EN 868). Notices of defect pertaining to the interaction of the packaging material with the filler and vice versa are subsequently excluded if the customer has not explicitly referred to the type and the

special characteristics of the filler and/or the utilisation for food- and/or medical products in writing in a timely manner and has given us the opportunity to reply.

2.

Agreed recycled raw materials are carefully selected by us. However, regenerated foils and recycled papers may still vary in surface consistency, colour, purity, smell and physical values between charges, which do not entitle the customer to a notice of defect. However, we are obligated to assign any warranty- and/or damage claims pertaining to the consistency of the regenerated foils and the recycled papers against the supplier to the customer.

XI. Reservation of title

1.

The supplied goods remain our property until full payment of the purchase price has been received.

2.

The customer is entitled to on-sell the reserved goods in the normal course of business; however he is only permitted to pledge or transfer the security with our written permission. The customer is obligated to secure our rights in the event of on-selling of reserved goods on a non-cash basis.

3.

For security purposes the customer herewith assigns to us his claims from the on-selling of the reserved goods; we accept the assignment. Notwithstanding the assignment and our collection rights the customer is entitled to collection of his receivables only as long as he fulfils his obligations toward us and does not incur a financial collapse. Upon our demand the customer has to provide the information regarding the assigned claims necessary for collection, in particular a list of the debtors with names and addresses, amounts and dates of his invoices and to inform the debtors regarding the assignment with a corresponding copy to us.

4.

The customer performs any possible treatment and processing of the reserved goods for us without any obligations arising for us here from. In the event of processing, linking and mixing of the reserved goods with other goods, which do not belong to us, we are entitled to proportional co-ownership of the newly created item at a ratio of the invoice value to the other processed goods at the time of processing, linking or mixing.

If the customer acquires the sole ownership of the new item the contractual partners agree that the customer grants us co-ownership to the new item at the ratio of the invoice value of the processed, linked or mixed reserved goods and stores them for us free of charge.

5.

If the reserved goods are on-sold together with other goods, regardless whether with or without processing, linking or mixing, the above agreed a.m. assignment applies only to the amount of the invoice value of our reserved goods, which are on-sold together with the other goods.

6.

The customer has to notify us immediately regarding any levy of execution by third parties pertaining to the reserved goods or claims assigned in advance and handover the documents necessary for an intervention.

7.

The customer's authority for the disposition over the reserved goods and the collection of the assigned claims expires in the event of default of payment by the customer, in case of protests regarding bills of exchange or cheques as well as in the financial collapse of the customer, particularly in case of an application for insolvency.

In these cases we are also entitled to take possession of the reserved goods and the customer is obligated to return the reserved goods to us following our withdrawal from the contract.

In cases of commercial cheque or bill financing it is clarified that the ownership to the subject of supply is only transferred to the customer upon the complete payment of the bill of exchange and the settlement of the bill amounts and -expenses to us.

8.

If the customer is in default of payment toward us twice within a 6 months period and/or if the customer is insolvent or if an insolvency is foreseeable based on objective criteria, we are entitled to demand the return of the subject of supply following the withdrawal from the contract and/or to collect the claims assigned to us directly from the customer's customers in the event of the goods having been on-sold.

9.

Upon the customer's request we are obligated to release the securities owed to us to the extent, as their value exceeds the claims by 10 % or more. We are at liberty to determine which securities are released.

XII. Notice of defect/ defects

1.

The duty for examination- and requirement to give notice of defects of the customer is determined by EU International Commercial Law.

2.

In case of larger and multiple deliveries of the same type of goods the entire supplied batch can only be rejected as faulty if the defects were determined with the aid of a recognised, representative random test procedure.

3.

If the defect of the total supplied quantity in terms of above Item 2 in flexible packaging and/or machine-made bags amounts to up to 3 % of the total quantity, neither the total quantity can be rejected as faulty nor claims can be asserted based on these faulty subjects of supply. In this context it is irrelevant, whether the defect is based on the production/processing or the print.

All defects are to be reprimanded in writing without undue delay.

4.

We are to be given sufficient opportunity to check reprimanded defects on site. The customer has to provide us with sound samples together with the respective material- and supply codes in connection with his notice of defect.

XIII. Material defects/ statutes of limitation

1.

If the subject of supply is not free of material defects or if we have provided a warranty for certain consistency and/or quality features we will, at our discretion, either remedy the defect or provide a defect-free subject of supply.

2.

If the remedy of the defect fails after an unsuccessful second attempt the customer, at his discretion, may withdraw from the contract or reduce the purchase price.

If the material defect is due to gross negligence or intent on our part, our subcontractors or vicarious assistants or if the defect is based on a violation of essential contractual obligations (cardinal obligations) on our part or a violation against life, body, health or if we have provided a guarantee for certain consistency and/or quality features or if the product liability law applies, the customer may, as well as withdrawing from the contact and reducing the purchase price, also claim damages due to the material defect.

If the violation of cardinal obligations is based on ordinary negligence and if the customer hereby incurs a pecuniary- or material damage, the damage claim is limited to the typically foreseeable damage. Damage due to loss of production and/or loss of profit is excluded in cases of ordinary negligence. This liability limitation applies accordingly to our vicarious assistants.

The above liability limitations/-exclusions especially apply also to damages, which are due to the insufficiency of abrasion resistance, light resistance, alkali fastness, friction resistance and water resistance of the employed colours, or due to the fact that the coding- and numbering arrangement is not correct, the code sample provided by the customer is not readable at the transfer onto the subjects of supply, the reading of the code is not possible at the use of flexible material, or the packaged goods are impaired by the subject of supply or if the subject of supply does not comply with the legal regulations applicable for the filler. The same applies for damages, which are based on print documentation (electronic data, drafts, films, print plates etc.).

The application of the product liability law remains unaffected by this liability limitation.

3.

If we decide to provide cure, we will bear the necessary costs for the remedy. Costs incurred due to the subject of supply being moved to a location other than the registered head office or the contractually agreed place of destination of the customer, are borne by the customer.

4.

Warranty claims are excluded if we are not responsible according to VIII. IX., X and XII.

If the customer has asserted claims against us pertaining to a liability for defects and if it turns out that either no defect exists or that the asserted defect is based on a circumstance, which does not obligate us to a warranty, the customer has to reimburse to us all cost hereby incurred.

5.

The regular statute of limitation for defect subjects of supply, which are normally not made use of for buildings, is 1 year from the delivery of the subject of supply to the customer.

If we have granted a guarantee of durability, the claims pertaining to this guarantee of durability become statute-barred with the expiration of the period, for which the guarantee of durability was provided. This period commences with the delivery of the subject of supply, to which the guarantee of durability applies.

6.

Claims of the customer in case of defects pertaining to an insignificant reduction of the value or suitability of the subject of supply are excluded. However, this limitation of liability does not apply for damage claims based on a material defect resulting from gross negligence or intent or which leads to a violation of life, body and health.

7.

If the subjects of supply are second-hand goods, all liability for defect is excluded, unless we, our executives or vicarious assistants are culpable of gross negligence or intent or a violation of essential contractual obligations (cardinal obligations) or a violation of life, body and health.

XIV. Other damage claims

1.

Our liability based on material- or legal defects or delays in supply or non-supply is not covered by this section XIV. In this respect the regulations of the above sections VI., VIII., X., XV apply.

2.

Damage claims against us based on other violations of duty by us, in particular of protection obligations and/or transaction-related obligations are excluded, unless they are based on gross negligence or intent and/or a violation of essential contractual obligations (cardinal obligations) by us and/or the violation of life, body, health by us or our vicarious assistants.

If damage claims can be asserted against us based on ordinary negligence the compensation is limited to the typically foreseeable damages. The liability due to loss of production and/or loss of profit in case of simple negligence is excluded.

3.

The liability limitation according to Item 2 applies accordingly in case of tortious claims. The liability according to the product liability act remains unaffected by this regulation.

4.

Claims based on damages from other violations of obligations regulated in this section, which are not based on material defect, become statute-barred within one year from the end of the year, in which the claim originated and the customer has obtained knowledge of the circumstances justifying the claim or should have obtained without gross negligence. The maximum terms provided for in EU International Commercial Law remain unaffected. This limitation of the legal statute of limitation does not apply for damage claims due to gross negligence or intent, for the violation of essential contractual obligations (cardinal obligations) by us, the violation of body, life, health and freedom as well as a violation against the product liability act by us or our vicarious assistants.

XV. Industrial property rights

1.

Damage claims based on the infringement of trademarks, patents, patent applications, utility patents, design patents and copyrights against us and/or our vicarious assistants are excluded, unless they are based on gross negligence or intent by us and/or vicarious assistants or if the non-violation of industrial property rights was guaranteed by us. In the event of the damage claim being based on ordinary negligence (violation of cardinal obligations) the compensation is limited to the typically foreseeable damages and the liability due to loss of production and loss of profit is excluded. This also applies to our vicarious assistants.

2.

The customer's right of withdrawal due to the violation of the above industrial property rights remains unaffected.

3.

If assertions are made against us based on the violation of industrial property rights of third parties the customer has only provided proof of this defect of title if a legally unappealable judgement was passed against him in this matter. The customer's right to give us third party notice remains unaffected by this regulation.

XVI. Suspension of the statute of limitation during negotiations

The pending of negotiations pertaining to claims based on material defects or damage claims of any kind is assumed only if the parties have declared in writing that they are negotiating such claims. If the invoking of this requirement of the written form constitutes an unlawful conduct, neither party can invoke the compliance with this requirement for the written form.

XVII. Payment conditions

1.

Payments are due and payable at the agreed payment date. If no calendar defined date has been agreed upon, the payments are due and payable with the receipt of the invoice or a respective payment schedule. If the receipt is ambiguous, the payments are due and payable with the receipt of our supplies and services.

2.

In the event of still pending invoices payments apply respectively to the settlement of the oldest due claim, unless the customer has asserted a right of retention against these outstanding debts. Otherwise we retain the right to offset. For the remainder EU International Commercial Law applies.

3.

If the customer is in default from our earlier deliveries and/or if a significant deterioration occurs in the financial circumstances of the customer after the execution of the agreement, which jeopardises our payment claim, the payment has to occur reciprocally and simultaneously against the deliveries of the subjects of supply. The customer can avoid the concurrent delivery by providing security in the amount of the purchase price or advance payment concerning the respective delivery.

4.

The customer is not entitled to offset his claims against us, unless these claims are uncontested or unappealably determined.

XVIII. Place of fulfilment, jurisdiction and venue, applicable law, other

1.

Place of fulfilment for delivery, service and payment is the registered seat of our company unless otherwise agreed.

2.

Exclusive jurisdiction for all disputes connected with the contractual relationship is the registered seat of our company. However, we are entitled – but not obligated – to also bring in legal action to the courts of the customer's registered seat.

3.

The legal relationship of the parties is exclusively governed by the laws of the Republic of Bulgaria, EU under exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).

4.

The customer was informed and agrees that all data from the business relationship concerning him, including personal- and invoice related data, are stored by our electronic data processing according to the stipulation of the legal regulations, in particular the Federal Data Protection Act and that they are passed on exclusively to subcontractors commissioned by us and credit agencies in the context of credit-standing checks and order processing.

5.

Unless explicitly regulated otherwise above, contracts as well as all supplementary- and collateral agreements, reservations, alterations and amendments require the written form, which may only be waived in writing ad hoc.

6.

Unless explicitly regulated otherwise above, contracts as well as all supplementary- and collateral agreements, reservations, alterations and amendments require the written form, which may only be waived in writing ad hoc.

Polycart LLC

Sofia, Bulgaria, EU