

Terms and Conditions (T&C)

(payment and delivery terms)

Applicable from 01.10.2020

1. Scope

- 1.1. The current version of our Terms and Conditions ('T&C') is accessible at www.walstead-moraviapress.com. Deliveries, services and offers of Walstead Moraviapress s. r. o. (hereinafter 'Supplier') are based exclusively on these Terms and Conditions. For this reason the T&C also apply to all future business relations even if the parties do not explicitly express their consent to them again. Deviations from these Terms and Conditions are effective only when confirmed in writing by Supplier.

2. Offers

- 2.1. Unless agreed otherwise in writing, offers are submitted in Czech koruna (CZK) and/or in a different currency specified in the offer and include all the statutory value added tax and other payments to the state, unless the offer specifies otherwise. Offers are non-binding. Unless an offer specifies otherwise, the offer is valid from 14 days after it is submitted.
- 2.2. Increases in operative materials costs (e.g. paper, printing inks, bookbinding material etc.) and increases in wage costs based on a collective agreement after the purchase price is set but before a delivery is invoiced authorise the Supplier to factor the increased costs into the invoice.
- 2.3. V1 binding¹ printing jobs are usually delivered including safety bond (two inner double sheets of the book block).² The use of safety bonds is a production procedure improving the product's quality and safety and it is entirely at the Supplier's discretion whether to use this component or not, depending mainly on the structure of the product. If the Supplier is explicitly not required to use a safety bond, or conversely is explicitly required to, the customer must specify this in the order; otherwise it is up to the Supplier whether to use it or not.

3. Conclusion of Contracts

- 3.1. A contract is concluded:
 - 3.1.1. upon delivery of written confirmation of the performance of the job by the Supplier; or
 - 3.1.2. upon the signing of a contract by all contracting parties; or
 - 3.1.3. upon delivery of written confirmation of the job timetable by the Supplier.
- 3.2. Any addenda or changes to a job, including the customer's instructions concerning the performance of the job, only become valid and effective after conclusion of a contract.

4. Changes to a Job

- 4.1. If, before printing starts, there are fundamental changes concerning the scope, the number of copies or the type of paper, such changes must be treated as a new job. When a new job replacing a previous job is performed, the Cancellation Terms will not be applied. If the customer wishes to make fundamental changes later than 6 weeks before the planned start of printing, any extra costs arising will be billed to the customer. If the new job cannot be performed (e.g. for capacity reasons or because paper needs to be ordered), the customer may demand that the originally agreed job is performed. If the new job cannot be performed and the customer does not demand that the originally agreed job is performed, the Cancellation Terms will be applied.

5. Cancellation Terms

- 5.1. If the customer cancels a job or part thereof more than 6 weeks before the start of printing, the customer is obliged to pay a contractual penalty amounting to 10% of the value of the cancelled production plus costs already incurred in the performance of the job (paper etc.).
- 5.2. If the customer (partially) cancels less than 6 weeks before the start of printing, he is obliged to pay the Supplier a contractual penalty

amounting to 60% of the value of the cancelled production plus costs already incurred in the performance of the job. In addition, the Supplier is authorised to charge the customer for the cost of production stoppages occurring in connection with changes to the Supplier's production plan as a result of the partial or full cancellation.

- 5.3. If the customer partially or fully cancels a week or less before the start of printing, he is obliged to pay the Supplier a contractual penalty amounting to 100% of the value of the cancelled production plus costs already incurred in the performance of the job. In addition, the Supplier is authorised to charge the customer for the cost of production stoppages occurring in connection with changes to the Supplier's production plan as a result of the partial or full cancellation.

- 5.4. Contractual penalties and the cost of production stoppages are payable no later than 14 days after they are claimed (delivery of a written demand for payment thereof by the customer). The Supplier sends the written demand for payment of the contractual penalty or the cost of production stoppages by e-mail in pdf format to the customer's specified e-mail or by post in the form of a registered letter to the address given by the customer in business correspondence and/or listed in the appropriate public business register.

6. Samples and Drafts

- 6.1. Unless agreed otherwise, the customer is obliged to pay the Supplier for the cost of creating samples and drafts, even if the job was not performed.

7. Copyright

- 7.1. The customer bears responsibility for the copying, processing, altering or other use of all printing templates. The customer is obliged to compensate the Supplier for any damages arising out of third-party claims consisting in breach of copyright, the rights of performing artists, other industrial rights or personality rights. The customer is solely responsible for the contents (text and images) of the printed work ordered.

8. Provision of data

- 8.1. The current guidelines for creating and transferring data are published on the Supplier's homepage at www.walstead-moraviapress.com. Before printing begins, the Supplier will send the customer a pdf or Insite file for approval. The Supplier may set a reasonable time limit for approving the proof; if this time limit elapses without a reply from the customer, the proof is deemed approved. The Supplier does not check the content of binding proofs supplied by the customer. Extra costs (e.g. replaced pages) will be charged at cost. The Supplier is not liable for errors caused by the provision of incomplete data or complete or incorrect technical data. If the customer does not provide a binding proof and does not order same from the Supplier, the Supplier does not assume liability for the correctness and proper condition of the print.

9. Provided Material

- 9.1. Material provided by the customer must be delivered to the Supplier, who confirms only the receipt of the material and not the quantity and quality specified in the delivery documents. If the wrong types of paper are delivered, the Supplier is authorised to refuse acceptance of the delivery (but must state the reason for doing so). The Supplier is not obliged to test the materials delivered by the customer for the performance of the job or give any warnings to the customer in advance.

10. Storage of Job Documents, Printed Products, Print Documents and Printing Accessories

- 10.1. The Supplier assumes no liability for external data, data carriers and other items which the customer does not demand back after the job has been performed. The Supplier is not obliged to store printed products, print documents, data and data carriers, printing plates and equipment, paper etc. after performing the job, unless specifically agreed with the customer; in such an event the

¹ V1 = notebook brochure

² Safety bond = spine collation

customer bears the cost of the storage thereof and also the risk of the destruction thereof. The cost of storage is calculated in retrospect for the preceding three months. The Supplier is liable for damage or loss only in the case of wilful wrongdoing or gross negligence.

11. Delivery Periods and Deadlines

- 11.1. Unless specified otherwise in the job confirmation, in the contract or in the confirmed timetable, the delivery period starts at the moment when the Supplier has at its disposal all the work documents and information necessary for the performance of the job and the customer has defrayed all outstanding payments (e.g. advance payments or outstanding amounts from previous jobs), but at the earliest on the day on which the performance of the job is confirmed. The delivery period ends on the day on which the merchandise leaves the Supplier's place of business or is prepared for collection under the terms of the contract.
- 11.2. Fixed deadlines must be agreed on explicitly and in writing; other agreed delivery deadlines are merely approximate. In the event of the late delivery of print documents, the customer must allow the Supplier a proportionate additional period of time. The Supplier is not liable for the delivery period being exceeded if this was caused by a violation of the customer's obligation to provide cooperation or by changes to the job demanded by the customer.

12. Excess or Shortage in Delivery

- 12.1. The customer is obliged to accept excesses or shortages of 5% of the ordered print run, the size of which may vary from plus 5% to minus 5% of the ordered quantity of prints (or up to 10% in the case of especially complicated printing jobs). The customer notes that a difference from the ordered quantity may be caused by a shortage of paper as a result of the high consumption thereof if it is necessary for the customer to determine the print colours.
- 12.2. Invoicing takes place at the agreed price per unit.

13. Delivery of Merchandise, Delay in Acceptance

- 13.1. In accordance with the terms of the contract the customer is obliged to accept the prepared merchandise without delay. The delivery and acceptance of goods, including the transfer of the risk of damages to the goods, takes place in line with the EXW Incoterms 2020. If the parties agree on other delivery terms, the customer is obliged to accept sent merchandise without delay. The customer confirms the acceptance of goods by signing the appropriate documents. If the customer fails to fulfil this obligation, the delivery is deemed accepted on the day on which the merchandise was supposed to have been accepted under the agreed terms. The risk of accidental damage thereupon passes to the customer. In the event of delayed acceptance or if delivery is impossible because of force majeure, the Supplier is authorised to store the merchandise itself or have it stored by a delivery firm, and to do so at the customer's expense and risk.

14. Packaging, Packaging Material and Waste

- 14.1. With the exception of Euro Pallets, a fee is charged for packaging and the packaging is non-returnable. Euro pallets which the Supplier makes available must be returned by way of exchange (unless they are charged separately).
- 14.2. Ordinary waste generated e.g. by trimming surplus material, remain the Supplier's property.

15. Insurance

- 15.1. Insurance for damages occurring during the transport of goods will be taken out solely if the customer explicitly wishes and at the customer's expense.

16. Terms of Payment

- 16.1. Unless agreed otherwise in writing, the customer undertakes to pay issued invoices no later than 14 days after they are sent. The Supplier sends invoices by e-mail in pdf format to the customer's specified e-mail or by post in the form of a registered letter to the address given by the customer in business correspondence and/or listed in the appropriate public business register. Offsetting against the customer's counterclaims is not permitted, unless such counterclaims were determined by a court or explicitly

acknowledged by the Supplier. In the event of larger jobs interim invoices will be issued for work done and partial payments will be demanded. Unless agreed otherwise, invoicing for newspapers and magazines takes place after each issue.

- 16.2. If a discount has been agreed, it may be applied only if the customer has settled its obligations stemming from the contractual relation and has paid duly and in good time for all services, otherwise the customer forfeits the right to the discount and is obliged to pay the full price without a discount.
- 16.3. In the case of bank transfers the day on which a payment is credited to the Supplier's bank account is deemed to be the day of payment. Payment by bill of exchange or cheque is not accepted.
- 16.4. Penalty interest of 2% a month will be charged in the event of late payment. In the event of late payment the Supplier may authorise a debt collection firm to collect due receivables and may pass on information about the customer to such firm for such purpose. In such an event the customer undertakes to pay the costs of the debt collection firm or law firm in full.
- 16.5. If, during the contractual relation, the customer's financial situation, credibility or credit rating deteriorates or if the customer is in arrears with payment or if any other circumstances are known that cast doubt on the customer's ability to pay or jeopardise payment by the customer, the Supplier is authorised to demand payments in advance and to retain merchandise not yet delivered and to refuse to perform services, to shorten payment times, to call in existing receivables or to withdraw from the job. If insolvency proceedings are commenced against the customer, the Supplier is authorised to make the performance of the job and the release of merchandise conditional on payment in advance.
- 16.6. Recognised complaints do not authorise the customer not to pay the full amount of an invoice, merely to withhold a proportion of it or offset it against payment for another job.

17. Ownership

- 17.1. Work equipment and incomplete products, in particular punching machines, data carriers, printing plates and similar printing equipment, as well as processed data which the Supplier uses in order to perform a job remain the property of the Supplier and are not handed over or made available for use, even if the customer paid for the production thereof.

18. Reservation of Title, Right of Retention

- 18.1. Supplied goods remain the property of the Supplier until the agreed price is paid in full. Claims arising from further sales of goods covered by the Supplier's exclusive ownership are assigned to the Supplier as security on its claims.
- 18.2. Until such time as all receivables due to the Supplier from the business relation are paid in full, the Supplier is authorised to exercise its right of retention pursuant to Section 1395 et seq. of Act No. 89/2012 Coll. with regard to all templates, data carriers, materials and other items provided by the customer.

19. Liability for Defects

- 19.1. Complaints about evident defects are permissible only if sent by registered letter or e-mail sent immediately after the merchandise is accepted. The Supplier will confirm receipt thereof. The Supplier must be notified of hidden defects immediately after their detection but no later than three months after the merchandise left the Supplier's premises or, where applicable, sphere of control. A right covered by a warranty must be asserted in court or becomes time-barred six months from the day on which merchandise is delivered. Defects in part of a delivery must not lead to claims concerning the entire delivery. The Supplier has the right to deal with complaints either by making an improvement or by providing a replacement delivery, with the understanding that it is for the Supplier to choose. The same applies to legitimate objections to a subsequent improvement or replacement delivery. If the making of an improvement or a replacement delivery is not possible in good time, the customer may repudiate the contract under the terms of the law or demand a price reduction. Complaints concerning deviations from the properties of paper or other material bought

by the Supplier are not permitted if such properties are declared permissible in the delivery terms of the paper manufacturer in question (which may be presented to the customer upon request).

19.2. In the case of colour reproductions, minor deviations from the original do not constitute a defect. The same applies to minor deviations between proofs and production prints, in particular when different paper is used for the proofs and production prints, and to the difference between the end product on the one hand and on the other hand a sample print presented to the customer for approval of the start of printing or a template supplied by the customer (e.g. computer printout, digital proof). The ISO 12647/2 process standard applies to colour settings.

19.3. The Supplier is liable for deviations in the properties of the used material solely up to the amount of its own claims on the supplier in question. The tolerances specified in the supply industry's delivery terms apply to paper, cardboard and other materials. In the case of partial deliveries complaints can only be submitted regarding the partial delivery in question. In accordance with standard practice in the paper industry, all paper and cardboard may be supplied with point grammage up to 5% heavier or lighter than ordered. The Supplier is under no circumstances liable for damages caused by the incorrect storage of products by the customer. Liability for material damages arising in consequence of a product defect (subsequent damages arising in consequence of the defect on the purchased item) is ruled out, unless the Supplier was grossly at fault.

20. Limitation of Liability

20.1. Claims for compensation for damages by the customer are ruled out, unless the damages were caused by deliberate or grossly negligent conduct by the Supplier. Claims for compensation for damages by the customer are limited to compensation for damages that could have been foreseen by the Supplier, with the understanding that they may not exceed the net value of the job (the performance of the work excluding payments by third parties and material). Compensation for lost earnings and compensation for consequential damages cannot be claimed.

20.2. Claims for compensation for damages must be asserted in court no later than six months after the customer learnt of the damages and no later than three years after the delivery or provision of the service.

21. Production Faults and Stoppages

21.1. Faults in the Supplier's own production or stoppages and other circumstances objectively preventing the Supplier from completing the job and resulting from force majeure, such as war, power shortages, sabotage, strikes and lockouts, natural disasters, epidemics, intervention by the authorities etc., or resulting from other unforeseeable, extraordinary events for which the Supplier is not culpable, such as difficulties in obtaining material, machine breakages, lack of transport equipment etc., permit non-compliance with agreed delivery deadlines and prices. Any overstepping of a delivery time arising in this manner does not authorise the customer to repudiate the contract or hold the Supplier liable for any damages incurred. If a state of force majeure permanently prevents the Supplier from performing a job, the Supplier is obliged to notify the customer of this fact without delay; subsequently each contracting party is authorised to serve notice on the contract without any liability towards the other contracting party. Claims for compensation for damages by the customer are ruled out in the event of force majeure. The Supplier is obliged to notify the customer without delay of the fact that the aforementioned circumstances of force majeure have arisen.

22. Delivery of Merchandise to EU Member States

22.1. With regard to Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax the customer undertakes that, under the terms of Article 1(1) and (3) of Council Implementing Regulation (EU) 2018/1912 of 4 December 2018, i.e. pursuant to Article 45a of Implementing Regulation (EU) No 282/2011 laying down implementing measures for Directive 2006/112/EC on the common system of value added tax, wording effective as at 1 January 2020, he will without delay, but no later than on the 10th day of the month following the month in which

goods were delivered, send to the Supplier (e.g. by e-mail to: zakazky.faktury@walstead-moraviapress.com) his declaration that he transported or sent the merchandise to the country of destination, along with two documents confirming the sending or shipping of goods to another Member State; such documents must be either shipping documents issued by two different parties independently, in the name of the supplier and customer (e.g. a signed CMR, bill of lading, invoice from the goods shipping firm, invoice for air shipping), or one shipping document and one other document issued by two different parties independently, in the name of the supplier and customer (e.g. bank document confirming payment of shipping, confirmation from a storage provider in the country of destination, insurance policy relating to the shipping of goods).

23. Deviations

23.1. Deviations from these delivery and payment terms only become effective after they are confirmed in writing by the Supplier. These delivery and payment terms remain binding even if certain parts thereof are for any reason found to be invalid. The customer's Terms and Conditions are not binding on the Supplier, even if the customer references them and the Supplier does not explicitly reject them in a specific case; the customer's Terms and Conditions are binding on the Supplier only if the Supplier confirms so explicitly.

24. Applicable Law, Place of Performance, Arbitration Agreement

24.1. The contracting parties have agreed that these T&C are binding on them. Matters not governed by these T&C or otherwise agreed in writing between the parties are governed by Czech law. The Vienna Convention on Contracts for the International Sale of Goods does not apply.

24.2. The place of performance for deliveries and payment is the Supplier's registered office, applying the terms of EXW Incoterms 2020, unless the parties agree otherwise in writing.

24.3. Any disputes arising from this contract and in connection with this contract will be definitively resolved by the Court of Arbitration of the Chamber of Commerce of the Czech Republic and Agrarian Chamber of the Czech Republic according to its rules and by an arbitrator nominated by the president of the Court of Arbitration.

25. Miscellaneous provisions

25.1. If any individual provision of the T&C is ineffective or invalid, the other provisions of the T&C remain unaffected. The ineffective or invalid provision will be replaced by an effective and implementable provision whose effects come closest to the purpose of the ineffective or invalid provision. The preceding provision applies mutatis mutandis if the T&C prove to be incomplete.

25.2. These T&C were drawn up in Czech, German and English language versions. In view of the fact that the legal relation between the Supplier and customer are governed by Czech law, the Czech language version is decisive.