

1. Scope of application

1.1 These purchase conditions only apply in so far as the supplier or service provider (hereafter collectively referred to as 'Suppliers') is an entrepreneur (Section 14 BGB (German Civil Code), a legal person or entity under public law or special fund under public law. The following terms and conditions of purchase shall apply exclusively to all business transactions between us and our suppliers. Deviating conditions of the supplier shall be considered non-binding. This shall also apply if we accept a delivery having regard to the general terms and conditions of the supplier. The acceptance of deliveries, services or payments does not constitute approval. **1.12** The following conditions shall not apply individually if and in so far as we have expressly concluded a deviating agreement in writing. The requirement for the written form shall also apply in the event of a waiver or amendment of this clause (1.2). Our employees do not have the power to deviate from the present conditions. **1.13** The authorisation to conclude deviating agreements or grant approvals is only granted to one person authorised to act on the company's behalf. **1.14** Unless otherwise agreed, the version of these purchase conditions which shall apply shall be those which were valid at the time of our order, or the last text version communicated to the supplier, and shall apply as a framework agreement to which future contracts will be subject without requiring us to reference said conditions for each individual case.

2. Orders

2.1 Supply contracts (order and acceptance) and call-offs, as well as changes/amendments thereto, require the written form (letter, email or fax), in so far as we have not explicitly agreed with the supplier in writing regarding the waiver of said formal requirement. **2.2** We are entitled to cancellation in so far as the supplier does not confirm the order in writing within 5 days (or by the date stipulated in the order). Delivery call-offs are only binding if the supplier does not object in writing within 14 days of the order date. **2.3** Only our order shall be authoritative with regards to the scope of the delivery or service. Should the supplier change or supplement our order within their confirmation, this shall constitute a new offer which requires our explicit written confirmation. **2.4** We reserve the right to change in retrospect an order which we have accepted - qualitatively or quantitatively - upon written instruction from the supplier. Should such an order influence the value or progress of a return service, the supplier is to inform us in writing in order to facilitate the adaptation of order conditions (e.g. return service, time of performance) by mutual consent, should this be necessary. **2.5** We reserve the right to change or cancel orders. In the event of a change, the supplier is obliged to inform us of any repercussions on prices and delivery time in order to obtain our consent thereto. In the event of a short-notice cancellation, we shall reimburse the supplier for all reasonable costs which had already been accrued. However, the supplier has no claim to compensation for any loss of profit. **2.6** All correspondence (order confirmations, delivery certificates and invoices etc.) is to reference the order number noted on the front page and other indications and must solely be directed at the point of purchase. Each order is to be handled individually. **2.7** The supplier is to inform us of any additional costs which arise during order processing, irrespective of legal ground, and to obtain our explicit written consent thereto in advance.

3. Prices

3.1 Prices, unless otherwise agreed, are fixed prices plus statutory sales tax applicable on the day of shipment. They include everything which the supplier requires to perform their (delivery) obligations to the agreed place of receipt (delivery address). The transaction currency is the Euro (€). **3.2** Should prices not be agreed in advance in individual cases, the contract shall only come into force if the binding prices within the supplier's order acceptance have been explicitly accepted by us in writing. **3.3** The packaging will only be paid for if this has been explicitly agreed to in writing. Transport costs are also to be borne by the supplier should no other agreement have been explicitly concluded in writing upon conclusion of the contract. We are entitled to take advantage of general price reductions which occur up until the intended delivery date irrespective of the provisions in Clause 3.1.

4. Invoices

4.1 Invoices must be submitted separately in duplicate for every order without delay following delivery. They may not be enclosed with the shipment. **4.2** We can only process invoices if they feature the order number, item number(s) and supplier number in full. If this information is missing, we are entitled to reject the invoice and request the issuance of a new invoice. Liability for any delays caused thereby shall be borne by the supplier in so far as they were accountable. A contractual penalty of 50€ shall be due for every erroneous invoice to compensate for the additional costs incurred thereby.

5. Payment terms

5.1 Unless otherwise agreed, payment shall be made by bank transfer within 30 days, or on the 3rd business day of the month following the invoice, and shall include a 3% discount. Deduction of discounts shall only be permitted if we offset, retain or only perform a partial payment due to defects still in need of rectification. **5.2** Should the delivery or service not be fully performed, performed inadequately, or a proper invoice is not submitted, the payment deadline within the meaning of Clause 4.1 shall only commence following complete performance of the delivery service/defect rectification following submission of a properly issued invoice. **5.3** Should we make payment prior to handover of the goods or service, the supplier is obliged to provide a security totalling the amount of the payment, or to assign transfer of the item(s)/service, as per our request. **5.4** In the event of payment delays for which we are accountable, we shall reimburse interest on account of delay to the maximum stipulated by law, Section 288 Para. 5 BGB remains unaffected.

6. Assignment of claims

Without our explicit written consent, the supplier is not entitled to assign their claims against us or enable third parties to make use thereof.

7. Offsetting

7.1 We are entitled to offset claims of the supplier with any other due claims held against the supplier by companies with which we are affiliated in accordance with Sections 15 ff. AktG (German Stock Corporation Act); this particularly refers to Vogel Druck und Medienservice GmbH, GGP Media GmbH, Probind Mohn Media Binding GmbH, Mohn Media Energy GmbH. Furthermore, we are also entitled to offset our claims with counter claims held by the supplier against one of the aforementioned companies. This shall also apply if cash payment has been agreed on one side and payment by bill or another method has been agreed on the other side on account of performance and the due dates differ. **7.2** The supplier can only offset their counter claims against our claims and refuse or withhold performance in so far as these counter claims have been explicitly acknowledged by us in writing or are legally established. In all other cases, the supplier is not entitled to offset nor exercise their right to refuse or withhold performance.

8. Delivery conditions/shipment

8.1 Deliveries are to be made to the delivery address indicated in compliance with our delivery specifications. **8.2** Deliveries are to be performed as DDP (Incoterms 2010). **8.3** The risk of transportation is to be borne by the supplier until the goods have been accepted by the designated place of receipt. Delivery to another location other than the designated place of receipt shall not cause a transfer of risk to the supplier if this location accepts the delivery. However, risk is only transferred to us following acceptance for deliveries involving assembly or installation, or services. **8.4** The supplier is to send a dispatch note for each individual shipment, separate from the goods and invoice. The dispatch notes are to be issued in triplicate and enclosed in the shipment. They must include the item, quantity, weight, packaging, type of shipment and designation, as well as our order number and cost centre. They must be issued in such a way that they are available no later than the arrival of the goods. In the event of a failure to do so, we shall not be held liable for processing delays. **8.5** The supplier shall be liable for the consequences of improperly issued dispatch documentation. Should the dispatch documentation be missing the department, order number, subject, or any other identification, all costs incurred thereby, such as demurrage charges, fees for rearrangement and the like, shall be borne by the supplier. Additional costs for postage and freight shall also be borne by the supplier and will be deducted upon invoicing. **8.6** We will only accept partial deliveries in so far as this has been agreed with us. Partial deliveries are to be designated as such in the dispatch documentation. Over and under-deliveries are only permitted with our consent. **8.7** All consignments are handed to the freight carrier in adequate packaging and are accompanied by the required documentation (consignment note, delivery certificate for each individual delivery address. **8.8** The supplier is obliged to take back all transport packaging at their own expense. The delivery and packaging guidelines of the company listed in the invoice address become an integral part of these purchase conditions. **8.9** The supplier is not entitled to COD consignments. **8.10** Delivery deadlines and dates are binding. The delivery period commences from the day of ordering, unless another explicit, written agreement has been concluded to the contrary. Compliance with the delivery date or deadline shall be determined by the receipt of the good by the place of receipt designated by us. For deliveries with assembly or installation, as well as services, their timeliness shall be determined by the time of acceptance. **8.11** Should the supplier fail to perform within the agreed time, we are entitled in the event of delivery delay to demand flat-rate compensation of 2% of the delivery value for each day in which the supplier is default for the particular item, however this cannot total more than 40% of the delivery value. The right to prove higher damages and assert further claims remains unaffected thereby. The supplier is free to prove that we have not incurred damages, or only to a lesser extent. **8.12** The supplier is obliged to immediately inform us in writing should circumstances arise, or become known to them, which make it impossible to fully or partially perform the delivery, while stating the reasons and the expected duration of the delay. **8.13** Premature delivery may only be performed after obtaining our explicit written approval and does not affect the payment date.

9. Force majeure

Should one of the parties be impeded from fulfilling their contractual obligations due to force majeure, the contractual parties are to be released from their performance obligations for the duration of the interruption and in accordance with the scope of its impact. The same shall also apply if these events occur at a time in which the affected contractual party is already in default. Unforeseeable and extraordinary events for which a party is not accountable, such as official measures, shall be considered force majeure. The contractual parties are obliged to a reasonable extent to provide any necessary information and to adjust their obligations in accordance with the changed circumstances in good faith.

10. Quality and warranty

10.1 The supplier assures that the goods are free of defect both qualitatively and quantitatively, that they correspond to the required specifications and comply with all applicable legal and administrative provisions as well as the recognised technical regulations. **10.2** Received goods will be examined by us within a reasonable time period with respect to quality defects and incorrect quantities. In the case of obvious defects, complaints will be considered timely if we lodge them within 5 working days of receipt of delivery. In the case of concealed defects, complaints will be considered timely if they are lodged within two weeks of discovering the defect(s). A notice of defect delays the end of a warranty period. The delay to the warranty period only ends once the supplier has explicitly and conclusively rejected the warranty claims in writing. **10.3** Should there be a defect, we continue to be entitled to the statutory warranty claims in full. We are particularly entitled to demand at our discretion repairs or prompt and free re-delivery. **10.4** We are also entitled to this right should the delivered goods not satisfy any applicable statutory requirements or any other environmental protection requirements. In this regard, we are also entitled to demand the supplier provide corresponding evidence of the environ-

mental suitability of the delivered goods. **10.5** The warranty period totals 24 months and commences once the delivery is received by the place of receipt designated by us and we have been presented with proper advice of dispatch and/or delivery certificate. For deliveries including assembly or installation, and for services, this period only commences once acceptance has been granted. The period of limitation does not run during the period in which repairs/rectification are being performed. For replacement delivery and defect rectification, the warranty period for replaced and repaired parts commences afresh, unless we determine, on the basis of the supplier's conduct, that they did not consider themselves obliged to perform said measure, but rather performed replacement delivery or defect rectification as a gesture of good will. **10.6** The supplier assures that they will hold stock of replacement parts ready for dispatch at short notice during the warranty period (ensuring the supply of spare parts). Should the contractor cease production of any replacement parts, they are obliged to provide us with the opportunity to make one final order. Should they fail to meet this obligation, they are obliged to compensate us for any damages caused as a result.

11. Product liability and the Grüner Punkt seal

11.1 The supplier shall release us from all third party claims arising from product liability at our first request if and in so far as the supplier, or their suppliers, are accountable for the product defects and damage incurred in accordance with the principles of product liability law. **11.2** Should the prerequisites of Clause 11.1 be met, the supplier is particularly obliged to compensate us for any expenses incurred by us or incurred as a result of a call-off measure performed by us. If reasonable to do so, we will inform the supplier of the basis for our call-off measure and its scope, and provide them with the opportunity to make a response. **11.3** The supplier is under an obligation to arrange for product liability insurance at their own expense covering at least 2,500,000€ per case of personal or material damage. **11.4** Further statutory claims are not affected. **11.5** The supplier assures that the goods they deliver feature the 'Grüner Punkt' seal (at their own expense) and that they have paid the corresponding fees to Diale System Deutschland GmbH. Should the seal not have been granted to the supplier but rather to a sub-supplier, the supplier assures that they have ascertained that the sub-suppliers have registered and paid the license fee to Diale System Deutschland GmbH in the proper fashion. At our first request, the supplier shall release us from all third party claims arising in this context, including the costs of legal defence and prosecution.

12. Supply chain security

12.1 Goods which have been produced, stored, transported for Mohn Media Mohndruck GmbH or their customers, or those which have been delivered to or accepted by said parties, are to be produced, stored, modified, processed and loaded in secure premises and at secure places of transit. During production, storage, modification, processing, loading and transporting, goods are to be protected against unauthorised access by means of appropriate measures. **12.2** For this purpose, the supplier is always to deploy suitable, reliable personnel. Furthermore, in the event of third parties being involved, such as external personnel, sub-contractors or service providers, the supplier must ensure that the above-mentioned measures and requirements are also observed by these parties to ensure the continuous security of the supply chain. **12.3** If requested, the supplier shall promptly provide evidence of the measures undertaken and requirements satisfied within their own sphere of responsibility, as well as that of any involved third parties; they furthermore as of now grant Mohn Media Mohndruck the right to verify compliance with the measures and requirements in person or via a commissioned party upon providing sufficient notice.

13. Industrial property rights

13.1 The supplier ensures that the goods are not encumbered with third party rights, particularly, copyrights, trademarks or personal rights; and that the goods will not infringe on any third party rights within the context of delivery, and that they will release us entirely from all third party claims at our first request, including costs of legal defence and prosecution. **13.2** The preceding clause shall not apply in so far as the resulting legal infringement arose due to additional special specifications provided by us explicitly and in writing concerning the product/good to be delivered for which the supplier explicitly responded in writing stating the specific circumstances in which said specifications may result in the violation of third party rights.

14. Confidentiality and non-disclosure

14.1 The supplier is obliged to handle with the utmost confidence all documentation, information, operational and business secrets ('Information') received from us and to maintain confidentiality toward third parties. **14.2** To be considered non-confidential, information must have already been publicly known without a breach of confidentiality taking place, or without the supplier being accountable for said breach, or must require disclosure on the basis of a ruling from a competent court or authority. **14.3** This obligation shall also apply after the termination of the business relationship for a duration of three years. **14.4** At our discretion, information is to be handed back to us without delay at the end of the business relationship, or to be destroyed upon written instruction to do so.

15. Copyrights, retention of title

15.1 We retain the title and copyrights to all illustrations, drawings, descriptions and other documents or resources which we make available to the supplier, or which we commission the supplier to develop. They are solely to be used for production on the basis of our order and are to be returned without request following order processing. **15.2** The illustrations, drawings, descriptions and other documents stipulated under Clause 14.1 are to be considered confidential information irrespective of whether they are designated as such. Clauses 13.1 and 13.4 shall apply accordingly. **15.3** Work aids, equipment and other materials ('materials') and tools procured or produced for the fulfilment of our orders by the supplier at our expense are transferred to our ownership. They are to be stored properly and surrendered to us following order processing. **15.4** Should we provide the supplier with materials, we also retain the ownership title thereto. Processing or conversion by the supplier shall be performed for us as manufacturer. Should goods to which we retain title be processed or worked into items not belonging to us, we acquire joint ownership of the newly processed or commingled creation commensurate with the value of our part thereof (purchase price plus any applicable sales tax) at the time of processing or commingling. Should commingling be performed in such a way that the supplier is to be considered the main owner thereof, it is agreed that the supplier shall transfer joint ownership to us pro rata. The Supplier shall hold the sole or joint ownership for us. **15.5** Should the security rights to which we are entitled under Clause 15.4 exceed the purchase price of all the items to which we retain title by more than 10%, we are obliged to release securities as we see fit upon the request of the supplier. **15.6** We reserve title to tools. The supplier is obliged to solely use the tools for manufacturing the goods we have ordered and to carefully store and maintain said tools on our behalf at their expense. **15.7** On the side of the supplier, we recognise a simple retention of title if the supplier explicitly refers thereto in their confirmation of our order. We reject all further retentions of title.

16. Professional storage insurance

The supplier, or storage firms commissioned by the supplier, is obliged to arrange for sufficient professional storage insurance cover for materials and tools provided by us, as well as goods produced for us against damage caused by fire, water, burglary and theft.

17. Supplier personnel

In accordance with the statutory provisions, the supplier shall only deploy personnel for the purposes of rendering the service due who are in possession of a valid work permit for the Federal Republic of Germany or, should the service not be performed in Germany, a work permit for the country in which the manufacturer or service provider is officially registered; personnel must also be properly registered with the German social security bodies, or those of the country in which the manufacturer or service provider is officially registered, and the supplier must ensure that applicable taxes and charges have been settled correctly. All applicable tax and social security contributions are to be paid by the supplier to the relevant bodies (social security bodies, tax office, or similar) in full and on time. Employees must be in possession of a valid employment contract with the supplier and must be remunerated in accordance with the respectively applicable provisions. Employees are to have been instructed by the supplier to strictly comply with the regulations of occupational safety, occupational safety of minors, and any applicable statutory or regulatory requirements. Compliance with the above-mentioned regulations is to be continually monitored by the supplier.

18. Supplier code of conduct

The supplier is obliged to comply with all relevant legal rules and regulations concerning accident prevention and employee/environmental protection with regard to services and deliveries. Notwithstanding other obligations, they shall observe the code of conduct for business partners (Bertelsmann Supplier Code of Conduct of Bertelsmann S.E. & Co. KGaA, which can be accessed at the following websites: www.bertelsmann.com and www.bertelsmann.com).

19. Minimum wage

19.1 The supplier is under an obligation to pay all their employees no less than the statutory minimum wage. Upon our request, the supplier is to provide evidence within 14 days of having met this obligation through submission of suitable documentation for the entire term of the contract, including six months after the termination of the present contractual relationship (this particularly refers to documents in accordance with Section 17 para. 1 MiLoG (German minimum wage law), clearance certificate from the competent social insurance fund or leave fund etc.). **19.2** At our first request, the supplier is to release us from all third party claims (particularly employees of the contractor, clients of the contracting party, employment office (Bundesagentur für Arbeit) arising from a breach of the obligation to pay the statutory minimum wage. **19.3** The supplier is obliged to place any sub-contractors under the same obligation to pay the statutory minimum wage - and present evidence of which - and to release the contracting party, as they themselves are obliged in accordance with Clauses 19.1 and 19.2. Should the sub-contractor themselves make use of other sub-contractors, the supplier must ensure that all sub-contractors have been placed under the same obligation. **19.4** The supplier shall be liable to Mohn Media Mohndruck GmbH for all third party claims which arise from a breach of the obligation to pay the statutory minimum wage. **19.5** Should the supplier breach MiLoG and/or the obligations agreed under Clauses 19.1 and 19.3, Mohn Media Mohndruck GmbH shall be entitled to withhold the agreed remuneration in part or in full. Under the same circumstances, we shall be entitled to extraordinarily terminate the contract with immediate effect.

20. General provisions

20.1 Should the supplier fail to deliver or perform at the time at which the delivery or service is due, or should (preliminary) insolvency proceedings be initiated, we shall be entitled to withdraw entirely from the contract with regard to the non-performed part - or a performed part which can no longer be used, or use of which would be inexpedient at our discretion - in the event that the supplier is not willing to perform concurrently despite our request, or not willing to provide securities. **20.2** Rights and obligations arising from this order can only be transferred to third parties following our explicit written consent. **20.3** The law of the Federal Republic of Germany shall apply to the exclusion of the UN Sales Convention. **20.4** The place of performance is the delivery address designated by us. **20.5** The place of jurisdiction for all disputes arising between us and the supplier, or within the context of the business relationship, shall be the registered location of our company if the supplier is a merchant or, at our discretion, the registered location of the supplier may be selected.