



## General terms and conditions of sales for customers

### Negotiations, orders and realization of products, jobs and services of Quadra Graphic d.o.o.

#### 1. General terms, validity period

- 1.1. The general terms and conditions, orders and realizations of products, jobs and services of Quadra Graphic d.o.o. (hereinafter „General terms and conditions“), specifically define the terms and the conditions of agreements, channels of realization and cancellations of rights between Quadra Graphic d.o.o. and the negotiating side (conducting of business, orders and production of goods, realization of business and services – before, during and after the conduct of business)
- 1.2. The general terms are valid in the segments of production and delivery, including, but in no way limiting itself on: provisions on application services which are related to deliveries and further expenses (hereinafter „product deliveries“), which are realized on basis of spoken or written confirmations: orders, order confirmations, offers, contracts or other means of negotiable agreements (hereinafter „contract“) confirmed between Quadra Graphic d.o.o. (hereinafter „Quadra“) and the negotiating side a.k.a. business partner (hereinafter „customer“)
- 1.3. In cases where the delivery of the ordered material is done to third parties, the negotiator is the customer.
- 1.4. General terms are the basis on which it is only possible and eligible to define and set a business relationship. Every distancing from the General terms will be concluded as non valid if not defined otherwise by Quadra in spoken or written form.
- 1.5. All details that are not defined by contract or agreement (1.2), will be treated according the General Terms.
- 1.6. If any condition of the General terms is not valid for use or application or is indeed invalid in any reason, this condition will not in any way affect the other conditions.

#### 2. Delivery of products, request for delivery of products

- 2.1. On request for an offer by the customer, Quadra will take into consideration the needs of the customer as well as it's own capacity and capability, where after acceptance the customer and Quadra sign an agreement.
- 2.2. The quality of the delivery is exclusively defined through the technical specification of the offer for the delivery of products.
- 2.3. The offer is binding and has a validity period of 7 calendar days from the day specified in the offer.
- 2.4. The order confirmation determines the technical specification for every request for delivery of products which are not defined through the request for offer.

#### 3. Price, place of delivery, dispatch and transfer risks

- 3.1. The price for the delivery of products is the price in the offer. The price can be changed only if it is significantly defined in writing. In case the contract was signed under specific requests, the price will be shown through the order confirmation.
- 3.2. The prices stated in the offer from Quadra have a validity period of 7 calendar days from the day specified in the offer, under the condition the customer asks for a prolongement of the offer. The validity period can only be altered from Quadra.
- 3.3. Quadra beholds all rights to include all differences in value if additive changes to the contract have been made and if requested by customer, including the stop of machines (under changes is also the renewal of pre-prints which differ in small-standard from the sample)
- 3.4. The prices of the transport are given Franco storage Quadra and are based on ExW prices – Ex Works (according Incoterms 2000). The price of delivery excludes packaging, loading, postals, insurance, and other costs (delivery). Prices are net prices and are shown in dinars in domestic exchange, where as the export price is shown in EUR. Sales and other taxes which are excluded from the price, are regulated by the customer.
- 3.5. In case Quadra is to commit the delivery of products for the needs of the customer, Quadra retains the right to include all transport costs. If there is no contract or written agreement stating otherwise, after the delivery of products, the customer accepts all costs of transport. For

deliveries under 5.000,00 dinars worth, Quadra charges a flat rate in height of 900,00 dinars on the net price.

- 3.6. The risk shall transfer to the customer at the place of delivery and in case the customer or the third party empowered by the customer does not make the pick-up in due schedule (transport delay). This refers to free deliveries as well as if the delivery is dispatched or collected.

#### 4. Execution of contract obligations

- 4.1. Quadra will make all efforts to execute all contract obligations abiding the rules and laws of the ISO9000:2000, ISO9001:2000, FOGRA as well as all

other standards which secure a more efficient and technologically advanced process and primary quality.

- 4.2. In case the contract obligations are in any way not executable, due to the unavailability of raw materials or other causes, Quadra retains the right to make the delivery which is equivalent in quality and price to the contract-agreed delivery. In case this is not possible, the customer and Quadra can withdraw from the contract.

#### 5. Terms of payment, discount

- 5.1. Quadra disposes the invoice or bill on day of delivery, partial delivery or when the delivery is set for dispatch – in case of hold of delivery sustained by dues or transport delays. Unless otherwise agreed, our invoices are due for immediate payment without any deduction.
- 5.2. The eventual agreement for lowering the price of transport of products (discount), does not afflict in any way the costs of transport, postals, insurance and other costs and is valid only if shown on the invoice.
- 5.3. In case of preliminary irregularities in dealings, Quadra retains the right to request an advance payment.
- 5.4. The customer can lower the bill or to use the right to sustain payment if in case of legally decided regulation or decision.
- 5.5. In case the regulation of payment has in any way been inflicted by the financial incapability of the customer, which has come to knowledge after the conclusion of the contract or agreement, Quadra retains the right for an advance payment, to put the delivery of products on hold and stop further production. These rights are also valid if there are any delay in payment of singular invoices.
- 5.6. In case of delayed payments, Quadra retains the right to include a flat rate in height of 2% above the valid interest rate which is announced and based on the Law of discount rates of the National Bank of Serbia. This does not exclude the right to request further rights on damage caused by delay.
- 5.7. The regulation of dues cannot in any way be settled by the return of the delivered products.
- 5.8. Drafts payable on demand, as a payment method, Quadra can only accept through a singular contract or agreement and through payment without discount. The rates and costs are to be regulated by the customer. Quadra accepts a draft from a high class bank or a blank draft form the customer, noted for use without objections and empowerment for use.

#### 6. Delivery schedule for products

- 6.1. All agreed delivery schedules become valid from the day of rightful or conditional delivery of correct documentation, material and information, needed licenses and authorizations, including, but not limiting the: pre-prints, models and plans which are delivered and confirmed by the customer, as well as complete fulfilment of terms of payment and other obligations of the customer. In case the above mentioned is not fulfilled in due schedule, the delivery dates will be, but not necessarily, prolonged accordingly.
- 6.2. The dates of delivery are valid only if Quadra has authorized them in written form.
- 6.3. If non-observance of the time for delivery is due to force majeure such as mobilization, war, riot or similar events e.g. strike or lock-out, which Quadra cannot foresee and affect in any reasonable way, the time schedules will be extended accordingly.



- 6.4. In case Quadra is delayed, the customer will authorize a prolongement of the delivery accordingly. After the expiration of the prolongement, the customer can withdraw from the contract.
  - 6.5. The customer retains the right to withdraw from contract or agreement in case Quadra has inflicted and is responsible for the delay of delivery, if the customer has not authorized the appropriate prolongement of the delivery, if the customer states that the new set delivery schedule is unacceptable which caused the delayed delivery during the prolongement period.
  - 6.6. The customer will, in appropriate time elapse, present a statement with the wish to withdraw from contract or to insist on delivery schedules, when conditions from 6.5. have been achieved.
  - 6.7. In case Quadra is responsible for the prolongement of the delivery schedules and in case the customer presents proof of acquired damage caused by the prolongement, the customer can request in written form a financial retrieval in height of 0,5% for every full calendar week of the prolonged delivery schedule, noted that the retrieval cannot rise above 5% of the net price of the part of the delivery products which could not be put to the intended use by the customer.
  - 6.8. Claims by the customer for damages due to a delay of delivery as well as claims for damages for non-performance which exceed the limits specified in 6.7. shall be excluded in all cases of delayed delivery even after the expiry of the time limit for delivery fixed by the customer. This exclusion shall not apply in cases of wilful misconduct or gross negligence or bodily injury where liability is mandatory.
- 7. Retention of title**
- 7.1. Quadra retains the right to ownership and intellectual property on draw-outs, drawings, plans, construction and engineering documents etc., which are related to the offer.
  - 7.2. The items delivered („Secured goods“) shall remain our property until each and every claim against the customer to which we are entitled under this business relationship have been duly satisfied. In case a part of the delivery or the whole delivery have been claimed by the third party, the customer empowers the third party. Quadra in this case would accept the empowerment. If the value of all Quadra's security interests against the customers exceeds the value of all secured interests of Quadra by more than 20%, Quadra will release part of the security rights at the customer's request.
  - 7.3. During the processing or reprocessing of the product which is delivered by Quadra and which remains in possession until fulfilment of all terms of the customer to Quadra, Quadra will be recognized as the producer and manufacturer and is entitled to the full ownership of the product. In case a third party is involved in the processing or reprocessing of the product, Quadra is limited in the part of the ownership and title in height of the bill for the product.
  - 7.4. Quadra retains the right to keep all forms of prints, pre-prints, writings and raw materials, which were supplied by the customer until the fulfilment of requests in the contract.
- 8. Material defects, Guarantee, Notice**  
The liability of Quadra for material defects is conclusively defined in the following provisions:
- 8.1. The description of the quality of the products of Quadra is defined conclusively in the respective technical specification („TS“) for every individual product. Quadra shall not be liable for the material defects relating to qualities not specifically mentioned in the TS. It is the sole liability of the customer to examine the suitability of the products for the intended use.
  - 8.2. In case, during the delivery, it is concluded that the product does not satisfy the TS in the moment of the transfer risk (3.6.), the justified conclusion Quadra has the choice of means to repair with possible upgrades or/and with additional deliveries. The prolongement of the delivery of product as in 8.3. cannot be established on basis of product upgrades or additional deliveries.
  - 8.3. The requests based on material defects will be accepted in the period of 6 months from the date of delivery, except in situations where it is differed by contract or agreement (guarantee period).
  - 8.4. The customer is obligated to deliver a written form stating the defect of the delivered product. The information about the defect should include the details of labels used for labelling packages of products.
  - 8.5. In case the customer does not supply Quadra with sufficient time to make the upgrades or/and the additional delivery, Quadra has no responsibility.
  - 8.6. In case of a late, unrealized or unsuccessful upgrade or/and additional delivery of product, the customer can request the lowering of price, change of contract or to withdraw from contract.
  - 8.7. Claims for defects shall not exist in the event of an insignificant deviation from the agreed quality, insignificant interference with use, natural wear and tear or damages which arose after transfer of risk as a result of faulty or negligent handling, excessive strain, unsuitable production facilities or operating resources, or particular external influences which are not assumed under contract.
  - 8.8. The unavailability of one part of the whole delivery of product does not give the right to the customer to make a complaint on the whole deliver of product.
  - 8.9. In the process of colour reproduction in all technological procedures, the customer cannot make a complaint when the end product slightly differs from the original. The same goes for comparing work pads and the end product.
  - 8.10. The requests based on defects of the material which overcome the whole defined and regulated in part 8. are not valid. Part 12. defines and regulates all other requests of the customer which are now excluded.
  - 8.11. The deliveries (including the info-carriers, transferred material) from the customer or third party empowered by the customer are not subject to thermal inspection. This does not affect the information that Quadra cannot process or use. Before committing the transfer of information, the customer is obligated to use adequate software and virus protection programs of the highest standard. The protection of the information carriers is the obligation of the customer. Quadra is allowed to make a singular copy.
  - 8.12. The shortage or surplus of the delivered product in height of 5% of the total quantity cannot be treated as for complaints. The total delivered quantity will be billed. Regarding the deliveries of special paper where the total quantity is less than 1000 kg., the above mentioned value is raised to 20%, where as for the quantities with less than 2000 kg. is 15%.
- 9. Intellectual property**
- 9.1. If not regulated otherwise, the delivery of product on the territory of Serbia and Montenegro will be free from the intellectual property right and copyrights from third parties (Intellectual property rights). If a third party asserts legitimate claims against the customer due to an infringement of an Intellectual property right by the deliveries furnished by us and used in conformity with the contract, Quadra will be liable to the customer under the following terms:
    - 9.1.1. At our own option and expense, Quadra shall either obtain a right to use the delivery product, modify the delivery product so as not to infringe Intellectual property rights or replace the deliveries. If this is not possible for Quadra on acceptable terms, the customer shall retain the right to withdraw from contract or to request the lowering of price. In the context of this point is the point 8.5. applied.
    - 9.1.2. The fulfilment of the above mentioned obligations shall be subject to the condition that the customer immediately notifies Quadra in writing of the claims asserted by the third party, that he does not acknowledge an infringement and that all counter-measures and settlement negotiations are reserved for Quadra. If the customer stops using the delivery product to reduce the damage or other important reasons, the customer shall make it clear to the third party that the suspended use does not mean acknowledgement of an infringement of intellectual property.
  - 9.2. Claims of the customer will be excluded if he is liable for the breach of the intellectual property right.



- 9.3. Claims of the customer shall also be excluded if the infringement of intellectual property was caused by specific demands of the customer, by the use of the delivery product not foreseeable by Quadra or by the delivery product being altered by the customer or being used together with the products not provided by Quadra.
- 9.4. The regulations from part 8. will be applied for all other cases where the intellectual property right has been breached.
- 9.5. Claims by the customer against Quadra due to a defect which are more extensive in part 9. are excluded and on them are the regulations from part 12. applied.
- 10. Unforgoing obligation based on breach of the intellectual property rights**
- 10.1. The customer accepts and cannot denounce the obligation for usage and transfer of creative elements (solutions, signs, trademark, holograms, stamping tools and other) which are delivered to Quadra from the customer – despite the carrier of information – which can cause the breach of intellectual property rights of the third party. The customer will free Quadra from any obligation to the third party.
- 11. Impossibility, adjustment of contracts**
- 11.1. If it is impossible for Quadra to make the delivery, the customer shall be entitled to claim damages unless Quadra is responsible for the impossibility. The customers claim for damages, however, will be limited to 10% of the value of the part of the delivery which owing to the impossibility cannot be put to the intended use by the customer. This shall, not apply where in cases of wilful misconduct, gross negligence or initial impossibility or due to bodily injury, there is a legally binding liability; this shall not imply a change in the burden of proof to the detriment of the customer. The customer's right to terminate the contract shall remain unaffected.
- 11.2. Where unforeseeable events of force majeure (6.2.) substantially change the economic importance or the content of the deliveries or have a considerable effect on Quadra's business, the contract shall be adapted accordingly with due regard to the principle of good faith. Where this is not economically reasonable, Quadra has the right to withdraw from contract. If Quadra makes use of this right of termination, Quadra will notify the customer of the termination immediately after becoming aware of the significance of the event even when at first an extension of the delivery time has been agreed with the customer.
- 12. Other claims for damages, obligation**
- 12.1. Any claims for damages of the customer shall be excluded regardless of whatever they are based on duties arising under the obligatory relationship or not.
- 12.2. Quadra can provide application guidelines and advice in usage of the product in good faith and without and liability to the customer. The customer shall not be released from the obligation to examine the product and it's intended usage at his own responsibility, without transferring the obligation and responsibility to Quadra. This shall apply even if Quadra is aware of the customer's intent of usage of the product.
- 12.3. The mentioned limitations in 12.1. and 12.2. are not affecting cases where the unfulfilment of obligations from Quadra is caused by wilful misconduct, gross negligence, bodily injury or breach of substantial contractual obligations.
- 12.4. Quadra's liability for damages arising from the fundamental non-performance of contractual obligations of the contract shall be limited to foreseeable damage normally covered by the contract except in cases of wilful misconduct, gross negligence or bodily injuries.
- 12.5. Insofar as our liability according points 12.1. and 12.4. is excluded and restricted, this shall also apply to the personal liability of our employees, personnel, staff and other agents, not, however, to our legally authorized representatives and senior management.
- 12.6. To the extent that the customer is entitled to claim for damages according part 11., these shall elapse with the expiry of the applicable time limit pursuant to 8.4. for material defects. In the event of claims for wilful misconduct and damages under the delivery product liability, the legal time limits shall apply.
- 12.7. The burden of proof shall remain unaffected by any of the provisions, parts and points of the general terms and conditions nor can any wilful conduct suspend this point.
- 13. Confidentiality**
- 13.1. All sides are agreed not to, without written authorization from the other side, use documents, knowledge and information, tools, samples, models, pre-prints, profiles, drawings, standard specifications, manuscripts and other technical documentations for other purposes except the ones they are used for or release them to service to any other third party. This shall not apply to information which at time of the receipt are generally known or were already known by the receiving party without being obliged to maintain the duty of confidentiality, were transferred by the third party or were developed by the receiving party.
- 13.2. The information which is exchanged by the sides, the receiving side is obligated to keep the received information confidential.
- 13.3. All information which is made available to the customer will be returned without further delay if no contract or agreement is reached or if a withdraw from contract is reached. The customer has no right to information retrieval.
- 14. Other obligations**
- 14.1. Material like information, software, films, literature, print-plates and other objects are not obligated to be returned from Quadra to the customer or third party which were used in the process of production of the delivery product.
- 14.2. The customer is obligated in the moment of transfer of risk, latest in the period of 7 days, to request the retrieval of material which was delivered to Quadra in form for the need of realization. Quadra is not obligated to keep and store the material delivered by the customer after the transfer of risk. The material belonging to the customer, information, information carrier, are to be archived for the needs of the customer based on the agreement and based on bonification in the moment of transfer of risk. In case it is required to insure the material delivered from the customer, the insurance expenses are regulated by the customer.
- 15. Closing points**
- 15.1. Quadra retains the right to, in regard to change of the general terms and conditions of sales for customer, appropriately modificates the general terms and conditions and in adequate manner and informs the customer of the modifications.
- 15.2. The general terms and conditions of sales for customers becomes valid form the first work day, after the period of announcement of 7 days on the main computer message board of Quadra Graphic d.o.o.
- 15.3. In the moment of validation of the general terms and conditions of sales for customers, all other singular company acts in motion regulating the sales policy of Quadra are overruled by general terms and conditions of sales for customers.
- 15.4. In legal disputes which can be established through the application of the general terms and conditions of Quadra, the legal rights and laws of Serbia and Montenegro are applied. The exclusive place of jurisdiction is the Trade and Sales Courthouse, Belgrade.

Milan Stevanović  
General Director Quadra Graphic d.o.o.  
In Belgrade, 13.VII.2005.

