

# General terms and conditions of business

## for advertisements and other advertising materials in newspapers and magazines

1. For the purposes of the following General Terms and Conditions, 'advertisement order' means a contract to print one or more advertisements or inserts (called 'ads' in the following) from a commercial or other advertiser (called 'advertiser' or 'customer' in the following) in a newspaper or magazine for the purpose of distribution.
2. A 'contract' means an agreement to print several ads, observing the discounts granted to the advertiser according to the rate card, whereby the publication of the individual ads occurs upon the request of the customer. Discounts are not granted to companies whose business consists of, among other things, placing advertisement orders for different advertisers in order to claim a group discount. If a contract includes the right to request publication of individual ads, the order must be completed within one year after the appearance of the first ad, provided that the first ad is requested and published within one year after the completion of contract.
3. If one or more parts of an order remain unfilled through circumstances for which the publishers are not responsible, the customer must - notwithstanding any further legal obligations - refund to the publishers the difference between the discount granted and the discount corresponding to the amount of space actually purchased. Unless otherwise specified, the customer is entitled to the discount for the actual number of ads purchased within one year retrospectively.
4. Orders for ads which are expressly for publication only in certain issues, in certain numbers of issues, or only in certain positions in publications must be received by the publishers in sufficient time for the latter to inform the customer before ad copy deadline if the order cannot be carried out as requested. Classified ads will be printed in the appropriate section without the need for any specific agreement to this effect.
5. Textual ads are ads which border on the text - and not on other ads - on at least three sides. Ads which are not recognizable as such because of the visual resemblance to editorial matter will be clearly marked 'advertisement' by the publishers.
6. The publishers reserve the right to reject orders for ads - or individual requests for ads within the framework of a contract - if
  - their content contravenes the law or official regulations or
  - their content was subject to objections in an appeals proceeding of the

- German Advertising Council or
- it is unreasonable to expect the publishers to publish an ad on the grounds of content, origin or technical characteristics or
- it contains an ad by or for a third party.

Orders for inserts are binding for the publishers only after a sample has been submitted and approved.

Ads containing advertisement by or for a third party (association advertising) require in each individual case previous written acceptance by the publishers. This entitles the publishers to raise an association surcharge. The customer will be notified immediately of the refusal of an order.

7. The customer is solely responsible for the punctual delivery and required quality of suitable artwork or other advertising materials. In case of delivery of digital printing files, the customer must provide suitable files in good time before insertion of the advertisement, which must in particular conform to the format or the technical specifications of the publisher.

Costs incurred by the publisher for changes to artwork required or caused by the customer must be borne by the customer. Agreed is the customary composition of copy material for advertisements or other advertising media according to the binding technical specifications contained in the DUON-Portal ([www.duon-portal.de](http://www.duon-portal.de)) for the publications booked and corresponding to the Advertising Rate Card and the Order Confirmation. This applies only provided that the customer observes the specifications of the publisher for the production and provision of print materials.

8. Printer's copy or digital data will be returned to the customer by special request only. The publishers' obligation to store the copy or data ends three months after the first circulation of the ad.
9. In the event that the published ad does not comply in quality or form as stipulated in the contract, the customer is entitled to claim a reduced rate or to demand flawless repeat advertising or repeat publication of an insert, but only to the extent that the effectiveness of the ad or insert was impaired. The publishers are entitled to refuse repeat advertising or repeat publication of an insert if
  - this requires expense that is grossly disproportionate to the customer's performance interest, taking into consideration the content of the contractual obligation and the dictum of good faith, or
  - this would only be possible for the publishers at unusual expense.

If the publishers allow a suitable deadline set for the repeat advertising or repeat insert publication to pass without complying, or if the repeat ad or insert is once again imperfect, the customer is entitled to a reduced rate or to a cancellation of the order. Order cancellation due to insignificant flaws in the ad

or insert is not possible. Claims to damages arising from unobvious flaws must be made within one year of the legal begin of the statute of limitations.

The publishers are liable for all damages arising from breach of contract or from unlawful acts according to the following stipulations: in the case of gross negligence liability is limited in commercial dealings to compensation of the typically foreseeable damage; this does not apply to damages caused by the publishers' legal representatives, agents or managing employees. The publishers are liable for negligence only if a significant contractual obligation is breached. In such cases liability is limited to the typical foreseeable damage.

The publishers are liable for claims under the Product Liability Law as well as for harm to life, body or health as dictated by law. Claims - except in the case of flaws which are not obvious - must be lodged within four weeks after receipt of invoice and voucher.

All claims arising from breach of contract are limited to one year from the legal begin of the statute of limitations, in so far as they are not based on premeditated actions.

10. Proofs will be supplied only when expressly requested. The customer is responsible for the correctness of returned proofs. The publishers will take into account all error corrections passed on to them by the ad closing date or the deadline that is set when the proofs are supplied.
11. If no particular size specifications are made, calculations will be based on the actual advertisement height that is standard for the type of ad in question.
12. The invoice must be paid after receipt within the period stated on the rate card, unless a different term of payment or payment in advance has been agreed upon in writing in the individual case. Any discounts for payment before due date will be granted as stated on the rate card.
13. In the case of delayed or deferred payment, normal bank interest rates as well as collection costs will be charged. In the case of delayed payment, the publishers can postpone further fulfillment of the current order until payment has been received and can demand advance payment for the remaining ads.

If there is reason to doubt the customer's ability to pay, the publishers are entitled to make the publication of further ads conditional to prepayment of the amount concerned before ad closing date and upon the settlement of outstanding invoices, even for a current advertising contract and regardless of any period for payment originally agreed upon.

14. The publishers will provide a voucher copy with the invoice if requested. Depending upon the nature and scale of the order, cuttings, tear sheets or

complete voucher copies will be supplied. If it is no longer possible to supply a voucher, the publishers will provide in its place a legally valid affirmation of the publication and circulation of the ad.

- 15.a A decrease in circulation can - subject to the regulation in Paragraph 16b - according to sentence 2 justify a claim for price reduction in a contract for several ads if within the calendar year the average circulation of ad copies falls below the guaranteed circulation. A decrease in circulation is a valid claim for price reduction only if it amounts to at least

20% for a guaranteed circulation up to	50,000 copies
15% for a guaranteed circulation up to	100,000 copies
10% for a guaranteed circulation up to	500,000 copies
5% for a guaranteed circulation over	500,000 copies

A decrease in circulation as stated in Paragraph 23 cannot be taken into account. As valid guaranteed circulation is that stated on the rate card or otherwise stated average circulation or, if a circulation is not stated, the average circulation sold (in the case of professional magazines the average actually distributed circulation) during the previous calendar year.

Furthermore, claims for price reduction are excluded from contracts if the publishers have informed the customer of falling circulation so far in advance that he can withdraw from the contract before the ad is published.

- 15.b Special regulation in the case of a decrease in circulation for magazines that publish circulation data.

Variant to Paragraph 15a, a decrease in circulation for magazines that publish circulation data justifies a price reduction only if and when decrease in circulation exceeds 10% for a guaranteed circulation up to 500,000 copies and 5% for a guaranteed circulation over 500,000 copies.

A decrease in circulation as stated in Paragraph 22 cannot be taken into account. The guaranteed circulation is the total sold circulation defined by the IVW. The calculation for the contractual year is based on the average circulation in the four quarters prior to the contractual year in so far as the publishers have not guaranteed an absolute circulation figure on the respective ad rate card.

Prerequisite for a claim to a price reduction is a contract for at least three issues with a discount based on volume.

Price reduction is calculated according to order per company in so far as it was not agreed to invoice according to trademarks that must be defined upon order placement.

A possible decrease in circulation is calculated as the balance of circulation

overruns and under runs of the issues booked with the contractual year.

Reimbursement is rendered at the end of the campaign as a credit note in kind based on the customer's net and taking the agency fees already granted into consideration or, if this is no longer possible, then as remuneration. A claim for reimbursement can only be made if the sum amounts to at least \$ 2,500.

16. Replies to box number ads are held and forwarded in proper time by the publishers with due business care. Registered and express letters received in reply to box number ads are forwarded as ordinary mail only. Replies for box number ads are held for four weeks. Replies which have not been collected within that time will be destroyed. The publishers will return any documents of apparent value without obligation to do so.

In the customer's interest and for his protection, the publishers reserve the right to open incoming replies for inspection purposes in order to prevent abuse of the box number service. Letters that exceed the standard DIN A 4 format (weight ...g) as well as merchandise, books, catalogues and parcels will not be accepted nor forwarded. However, an exception can be made if the customer agrees to pay the postage/handling fees for forwarding such materials.

17. Place of performance is the publishers' registered headquarters. In business dealings with traders, bodies corporate in public law or in the case of special public law funds, the court of jurisdiction is the city in which the publishers' headquarters are located. Where claims by the publishers are not asserted via debt collection proceedings, the court of jurisdiction in the case of non-traders is determined by their place of residence.

If the customer's residence or customary abode - also in the case of non-traders - is unknown at the time when legal proceedings are begun, or if the customer has moved his place of residence or customary abode outside the purview of the law after conclusion of the contract, the court of jurisdiction shall be where the publishers' headquarters are located.

18. Advertising contractors and agencies are obligated to adhere to the publishers' ad rates in their offers, contracts and settlements with advertisers.
19. New rates for ad bookings are effective if the publishers inform the customer at least one month before publication of the ad or insert. In the case of a price increase the customer is entitled to the right of cancellation which must be exercised in writing within 14 days after receipt of the notification of the price increase.
20. Should affiliated companies claim a group discount, written proof of the advertisers' company status is required. Under these terms and conditions,

affiliated companies are required to have a capital share of at least 50%.

The company status of a corporation must be confirmed by a chartered auditor or by submitting the latest statement of account; private companies must submit an extract from the trade register.

This proof must be submitted by the end of the contractual year at the very latest. Later submissions cannot be recognized on a backdated basis.

In all cases, company discounts require explicit, written confirmation from the publishers.

Company discounts are granted solely for the term of affiliation. Termination of this affiliation must be immediately reported. Company discount also ends with the termination of affiliation.

21. The customer guarantees that he owns all the required rights to place an ad. The customer bears sole responsibility for the content and legal permissibility of the textual and pictorial material submitted for advertising or insertion. When placing an order the customer releases the publishers from all claims made by third parties which could arise from the violation of legal regulations. Furthermore, the publishers are not obligated to carry the costs of necessary legal defense. The customer is obligated in loyalty and good faith to support the publishers with information and materials for defense in lawsuits filed by third parties.

The customer signs over to the publishers all required copyrights, rights of use, performance and other rights, the right for the use in advertising in every type of print and on-line media including the Internet, in particular the right for reproduction, distribution, transmission, broadcast, introduction to the public, and extraction from data banks, in the time and content scope necessary for carrying out the order. In all cases the aforementioned rights will be signed over with no limitations to locality.

22. In the case of stoppages or in cases of force majeure, industrial dispute, illegal confiscation, traffic disturbances, general raw material or energy shortage and the like - in both the publishers' plant and external plants used by the publishers to fulfill their obligations - the publishers are entitled to demand full payment for the published ads, provided that 80% of the average circulation of the publication sold in the last four IVW quarters has been delivered by the publishers. In the case of lower output by the publishers the invoice amount is to be reduced in direct proportion to the extent to which the guaranteed sold circulation has been reduced.