

## SALES TERMS

Our sales terms are the one defined in the " professional practice and sales terms " established by the F.F.S.P.I.I.G. (The French Federation of Printing and Graphic Arts Industries) 115, Bd St Germain, 75006 Paris and through the specific terms below notwithstanding any contrary clause under the purchasing terms of our customers.

### **I - 1- SPECIFIC TERMS TO PERSONALIZED PRINTED MATTERS FROM MAGNETIC SUPPORT (ELECTRONIC PRINTING) AND TO CONTINUOUS PRINTED MATTERS INTENDED TO DIRECT MARKETING**

#### **1 - FILE**

##### **1.1. File supplied by the customer**

The customer will supply the printer a file containing computerized data on a magnetic support, in order to realize the " Intelligent Imaging " product.

He commits to give to the printer a copy of its original file and he acknowledges :

- to enjoy the rights of its file,
- to observe the rules relative to the registered informations of the law of January 6, 1978 "Informatique - Fichiers et Liberté/Computing - Files and freedom" and its subsequent texts,
- to make the required declaration to the C.N.I.L. ( The French Commission for Computing and Freedom)

On its side, the printer agrees with the private and confidential side of the data entrusted by his customer. He commits to protect them, particularly keeping the magnetic support in a safe and fireproof store, to only use the support for the customer's order, neither to duplicate, all or part of, nor to use it any way for whoever.

The printer also commits to return the transmitted magnetic support one month after the making of the product.

##### **1.2. Rented file by the printer**

The printer, on request of the customer and acting as his representative, may rent a file. In case the printer must search the file to rent, he will tell the customer about its particulars and the identity of the rights'owner to reach to an agreement. This agreement may be written.

In that case, the printer will deny all responsibility if the file doesn't answer to the customers' requirements, to the productivity hopes and for any anomaly in the file.

#### **2 - FORMATING**

##### **2.1. Formatting run by the customer**

In case the customer gives self-formatted magnetic tapes, they will have to meet the terms and conditions standards of the printer.

##### **2.2. Formatting run by the printer**

In case the printer is in charge of computing to run printing tapes, no manufacturing will be made without the customer's agreement, formalized with a "printing order" called "computerized printing order" and embodied with a listing-test.

##### **2.3. Mistakes or omissions**

In any case, only the customer will be responsible for the personalized variable data, concerning the recipients, contained in the tapes aimed at below on 2-1 and 2-2, in case of mistakes or omissions no responsibility can be impited to the printer.

#### **3 - PROOF**

The customer will give the printer the required films and cromalin to carry out the printing.

#### **4 - DELIVERY**

##### **4.1. Delivery date**

When expected on the purchase order, the printer must get from the customer the computerized printing orders, the printed printing orders or the ultimate films, as well as the magnetic supports and all the other working documents. If the copy deadline is delayed, the printer will be released from his obligation to deliver the end product within the allotted time and may lead to charge for the initially planned working hours.

##### **4.2. Place of delivery**

The delivery of the end product is made by the printer to the customer or to a mailingservice, empowered by the customer who will get a receipt.

This delivery fully leads to the ownership and risks transfer to the customer and the printer's commitments extinguishment.

##### **4.3. Delivery to a mailing service**

Whoever, the customer or the printer, chooses the mailing service, the customer must pay directly to the mailing service the postage charges, before any dispatching and according to the professional practice.

#### **5 - QUANTITY DIFFERENTIAL WITH THE ORDER**

Prices are established according to the expected printing of the customer or to the estimated data in the rented files.

##### **5.1. Smaller quantities printed**

The former price will be adjusted according to the genuine quantity printed in accordance with the defined requirements of the order.

##### **5.2. bigger quantities printed**

The printed quantity will be equal to the order.  
Any exceed may correspond to a new order with new deadlines.

#### **6 - THE PRINTER'S COMMITMENTS**

6.1. If the printer has to act as a coordinator for a project which needs several contractors (him included), he may not be qualified as a project manager. The customer will have to approve the other contractors to whom he will directly order.

If the customer wants the printer to order to the approved contractor, he will act as a representative.

Considering the previous measures, the printer will only takes on the responsibility of his own service he will have been directly ordered for and for which he will establish a firm order.

6.2. The printer can not be responsible for any indirect damages the customer would possibly sustain, in particular the loss of profit.

### **II - SPECIFIC TERMS TO CONTINUOUS AND BUNDLE PRINTING**

#### **Art. 501 - PROOFS**

Proofs are displayed according to the choice of the printer and depending on his equipment

- either on color ink jet printer paper
- or on cromalin

Under no circumstances the printer gives for free the proofs on final paper or folding-printed proofs.

Corrections must be clear and visible on the proof. The printer is no responsible for the mistakes or the errors overlooked by the customer.

#### **Art. 502 - TOLERANCE OF LOCATING**

The precision of superimposition printing may bear a tolerance of :

- 1 m/m on the lateral side
- 1,5 m/m on the scrolling side

#### **Art. 503 - TOLERANCE OF DELIVERY**

Owing to the specific uncertainties of the continuous form printing, the tolerances of delivery are the following ones :

#### **ORDERED QUANTITIES**

Inferior or equal to 5 000 ex	± 30%
From 5 001 to 15 000 ex	± 20%
From 15 001 to 50 000 ex	± 15%
From 50 001 to 500 000 ex	± 10%
From 500 001 to 1 000 000 ex	± 5%
Superior to 1 000 001 ex	± 3%

### **III - OTHER SPECIFIC TERMS COMMON TO THE TWO CATEGORIES MENTIONNED**

#### **ABOVE (I AND II)**

1. - Whatever the sales terms, the dispatch or delivery are, our goods travel at the recipient's own risks, even when they are free of all charges. In any case of average or loss assessed when delivered, the recipient must have requisite reservations about it and to use appeals in accordance with the Article 105 of the Commercial law.

2. - Our delivery dates are given for information only, unless these dates have been specially stipulated as urgent. A delivery delay can not be a motive for a deferred payment or a suspension of payment or for compensation.

3. - In case of an order cancellation, the expenses incurred – composition, pictures, drawings, even specific equipment or specific adjustments of the machines – stay owed. The corrections to be made after the first proof will be charged to the customer.

4. - Our products are to be paid to :

#### **Paragon Identification**

#### **Les Aubépins**

#### **18410 Argent-sur-Sauldre**

All the payments will be made and transfered in Euros.

5. - The bills of exchange drawn lead neither to novations nor to derogations to this clause of jurisdiction.

6. - In case of a discount, it will be deducted from our taxed bill, the VAT being paid on debits, according to the authorization.

7. - Any bill being not paid on expiry date leads to late payment penalties, without being given notice to pay, equal to the rates applied by the B.C.E., increased by 7 points of percentage from the expiry date day.

8. - **PENALTY CLAUSE** : In case our legal department has to recover the debt, after giving notice to pay, even if the case isn't brought before the courts, the amount due will be increased by 15%.

9. - **SELLING PRICE** : Our prices are established at the current daily price of our price offer. They follow the economical and fiscal legislation in force. They will be revised if there are modifications in the expenses due to the raw materials, the manpower or other expenses of our service will be modified before the carrying out of the order or while its carrying out in case of a spreading delivery.

10. - In case of contesting, only the Court of Nevers is competent, whatever the sales terms or the means of payment are, even in the case of multiplicity of defendants or when appealing.

- **Terms of payment : 30 days net**

- **Retention of title clause :**

The ownership transfer of the products is stopped until the bill is paid in full. In case of a cheque or a bill of exchange, the payment is effected on the value date.

Notwithstanding the former measures, the safe goods and the risks pertaining to them are transfered to the customer as soon as he is delivered. The customer must allow, at any time, the identification and the demand of the goods, admitting that the goods in stock being the unpaid goods.

If there is a failure to pay all or part of the price within the required time, Paragon Identification may take back the unpaid goods by any recourse to legal proceedings, including with a warrant for payment at the request of Paragon Identification by the Presideing Judge of The Commercial Tribunal of Nevers, within 8 days following a unsuccessful formal demand.

The sum of money already paid by the customer stay Paragon Identification's property. The customer must take out an insuranceto cover the risks for the period between the goods delivery and the payment in full date and to justify the insurance premiums payment if required by Paragon Identification.

- **Signification of the sales unity codes (U.V.)**

White : price per item - % : price for one hundred - M : price for one thousand  
K : price for one million

#### **GOODS SOLD BY OUR EQUIPMENT AND SERVICES DEPARTMENT**

The sale of these goods is managed by the sales terms mentionned in the specific "price offer" concerning them.

Consequently, the "sales terms" specified above don't apply to the sale of these goods.