

## GENERAL TERMS & CONDITIONS

Our sales terms are defined in the «professional practice and sales terms» established by the "Fédération de l'imprimerie et de la Communication Graphique" (The French Federation of Printing and Graphic Arts Industries) 715, Bd St Germain, 75006 Paris and the specific terms below notwithstanding any contrary clause under the purchasing terms of our customers.

### I - SPECIFIC TERMS FOR PERSONALISED PRINTED PRODUCTS FROM A DIGITAL FILE PROVIDED BY THE CUSTOMER.

#### 1 - DIGITAL FILE

##### 1.1 - Digital file provided by the customer

The customer will provide a file with all digital data he considers necessary for production. He commits to give the printer a copy of the original file and he acknowledges:

- to benefit from the right of use,
  - to enforce the January, the 6th 1978 Law "Informatique - Fichiers et Libertés" on digital freedom and subsequent acts regarding the user persona! Data
  - to have declared all information required to the "Commission Nationale de l'informatique et des Libertés" (French information commissioner's office C.N.I.L).
- The printer acknowledges the confidential nature of the data provided by his customer. He agrees to protect this data, to use it exclusively for the customer's order, not to reproduce it, to dispose of it in any ways for whoever, even partly.
- The printer also agrees to return all the provided supports, within a month upon the end of the production.

#### 2 - FORMATING

##### 2.1 - The formatting process is realised by the customer

If the customer gives self-formatted files, they will have to meet the standard terms and conditions of the printer.

##### 2.2 - Formatting run by the printer

If the printer is in charge of computing and publishing, the customer's agreement formalised in a proof (imprimatur) digital file is required to start production.

##### 2.3 - Mistakes or omissions

The customer will be considered responsible for the personalised end user variable data contained in the aforementioned files (points 2-1 and 2-2), the printer shall not be considered responsible.

The customer is responsible for the content and format of the documents or products to deliver; especially the products which shall comply with the postal industry regulations and to general to laws and regulations.

#### 3 - DELIVERY

##### 3.1 - Delivery date

The printer must receive the proof (imprimatur) digital file from the customer, printed material or final films, along with the data and any other document necessary for production when this clause is mentioned on the purchase order. If the deadline is delayed for the delivery of this copy, the printer will be released from his obligation to deliver the end product within the initial time of delivery and may charge the customer for the working hours.

##### 3.2 - Place of delivery

The end product is delivered by the printer to the customer. This delivery fully transfers the ownership and risks to the customer and discharges the printer's from this responsibility.

##### 3.3 - Delivery to a mailing service

- If a mailing service different from Paragon Identification's is chosen by the customer: The product will be delivered by the printer to the mailing service appointed by the customer. According to professional use, the mailing service appointed by the customer that delivers will have to pay directly for the franking cost to the mailing service prior to any postal delivery.

- If the customer appoints Paragon Identification as mailing service, the company is allowed to receive the payment for franking costs. For any delivery, the estimated amount for franking is subject to an advance on costs that should be paid to Paragon by cheque (portable) or bank transfer before the start of the job or at least 8 calendar days before the estimated delivery date. Otherwise, the delivery of the order shall be suspended until the required payment. This advance on costs can be permanent if the jobs are recurrent.

#### 4 - DIFFERENCE BETWEEN VOLUME ORDERED AND VOLUME DELIVERED

The prices are established according to the volume required by the customer or to volume of data included in the customer files.

#### 5 - PRINTER RESPONSIBILITY

5.1 - If the printer has to manage a project requiring several providers (including the printer), he cannot be considered as a supervisor. The customer must place directly his orders to the other providers.

If the customer asks the printer to place an order to an authorised provider, the printer will act on the behalf of the customer as his representative. According to the previous provisions, the printer will only be considered responsible for the service the customer directly ordered and confirmed.

5.2 - The printer shall not be considered responsible for any indirect damage suffered by the customer and specifically for any profit loss he suffered from.

5.3 - The printer responsibility shall incur liability in the means and in no case in the outcome of the service he supplied.

As instance, the printer shall not be considered responsible for the impact on sales of the service he performed for the customer. The printing service is considered achieved as soon as the goods are delivered to a Post Office or to a carrier. He shall not be considered responsible for the possible delays in delivery or partial dispatch and for the possible economic consequences due to a downgrade of the postage priority.

### II - SPECIFIC TERMS RELATED TO LABELS AND TICKETS

#### 1 - PROOFS (IMPRIMATUR)

Proofs are presented according to the type of proof the printer provides and the equipment he uses.

- either on color ink jet printer paper
- or on cramain®.

Under no circumstances shall the printer give the proofs on final paper or folding-printed proofs free of charge.

Corrections must be clear and visible on the proof. The printer shall not be considered responsible for the mistakes or the errors overlooked by the customer.

The customer is responsible for the supply of a digital file of his model.

#### 2 - "READY FOR PRESS"

If he already accepted the legal validity of the proof, the customer shall supply it within the agreed period. It shall be supplied electronically via an email, an online ordering website or a server the customer will be able to access with a persona! login and password interface given by Paragon and that he shall keep confidential.

#### 3 - DELIVERY TOLERANCE

The tolerance of delivery in case of production delays are the following:

#### 4 - ORDER QUANTITIES

Less than 5000 units	± 30%
Between 5.001 and 15.000 units	± 20%
Between 15.001 and 50.000 units	± 15%
Between 50.001 and 500.000 units	± 10%
Between 500.001 and 1.000.000 units	± 5%
> 1.000.001 units	± 3%

### III - OTHER SPECIFIC TERMS

1. Our goods are shipped at the recipient's own risks, even for post free goods, whatever the sales, dispatch or delivery terms. In case of average or loss assessed on delivery, the recipient shall do all necessary reservations and actions according to the article 133.3 of the Commercial law.
2. Our delivery dates are given for information purpose, unless these dates have been specially declared as urgent. A delay in delivery shall not be considered as a motive for a deferred payment, a suspended payment or for compensation claims. Any additional delivery or urgent delivery regardless of the initial terms of order will be charged.
3. In case of order cancellation, the expenses for proof preparation, pictures, printing plates, machine adjustments or specific tools if necessary, will be charged. Any modification further to the first proof will be charged to the customer.
4. Our products must be paid to:  
**Paragon Identification - ZA Les Aubépins 18410 Argent-sur-Sauldre (FRANCE)**  
All the payments will be made and transferred in Euros.
5. The bills of exchange drawn lead neither to renewal nor to derogations to this clause of jurisdiction.
6. In case of a discount, this will be deducted from our taxed bill, the VAT being paid on debits, according to the authorisation.
7. Any unpaid invoice on expiry date leads to late payment penalties, without prior notice of payment, equal to the rates applied by the European Central Bank, increased by 7 % from the expiry date.
8. **PENALTIES:** in case late payment, the customer is debtor of a legal allowance of minimum 40 € (art L.441 -6 C.Com). The penalties applied for delays are based on the rate applied by the European Central Bank at its most recent refinancing operation increased by 10 %, with minimum 3 times the legal interest rate value (loi LME 4/08/2008). In case of notification of late payment, and after 2 reminders, the owed sums, including matured or non-matured, will be payable.
9. **PENALTY CLAUSE:** If our legal department has to recover the debt, after giving notice to pay, even without legal claim, the bill will be increased by 15%.
10. **SELLING PRICE:** Our prices are based on the current daily price. They enforce the current economic and fiscal legislation. They will be revised in case of modifications in the expenses due to the materials used for production, the labour cost 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.
11. In case of products entrusted by the customer and stored by the printer in his premises or warehouses, if a transporter unpaid by the customer decides to demand to Paragon the due amount of money as the final receiver of the goods according to the Loi Gayssot, the customer commits to repay Paragon as promptly as possible in order to prevent any financial loss.
12. In case of dispute, the Tribunal de Commerce de Bourges will be the only qualified court whatever the means of payment accepted, even in the case of several defendants or for a warranty claim.
13. **COPYRIGHT:** If Paragon Identification has to perform any kind of service implying a creation, the copyright including the reproduction right, this work will remain Paragon Identification exclusive property. Any drawing, model, compositions and films designed and produced by Paragon Identification cannot be claimed for or patented as an industrial property or artistic property by the customer or on its behalf.
14. **Terms of payment: 30 days end of the month with no discount**
15. **"Reservation 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 transferred to the customer as soon as delivered. The customer must allow, at any time, the identification and the demand of the goods, admitting that the goods in stock are unpaid. In case of payment failure, all or part of the price within the required time, Paragon Identification may take back the unpaid goods by any legal action, including an order of payment notified by the President of the Tribunal de Commerce de Bourges upon request of Paragon Identification, within 8 days following an unsuccessful formal demand. The amount paid by the customer remains Paragon Identification's property. The customer must take out an insurance to 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.  
In case of unpaid charge for postage, unpaid advance payment or unpaid invoice for previous service upon request, the order will be suspended.
16. **Signification of the sales unit codes (U.V.)**  
Unit: Unit Price      1000: Price per 1000 units

### GOODS SOLD BY OUR EQUIPMENT AND SERVICES DEPARTMENT

The sale of these goods is managed by the sales terms mentioned in the specific "price offer concerning them. Consequently, the aforementioned "sales terms" don't concern these goods.