

MOORE WALLACE NORTH AMERICA, INC. STANDARD TERMS AND CONDITIONS

- 1. Prior Acceptance of Goods.** Purchaser has agreed to purchase from Moore Wallace North America, Inc. ("MWNA") the products and services ("Goods") described on the face of this Invoice. MWNA's acceptance of the Purchase Order was expressly conditioned upon Purchaser's assent to the terms and conditions set forth in the Order Acknowledgment, if applicable, and this Invoice.
- 2. Terms and Conditions Applicable.** The terms and conditions set forth herein, as modified by the terms of any written quotation or proposal made by MWNA, are the only terms and conditions applicable to the purchase of the Goods described on the face of this Invoice. Any changes or modifications in the terms and conditions must be specifically agreed to in writing by an authorized MWNA representative.
- 3. Prices; Taxes; Payment Terms.** (a) Purchaser shall pay the purchase price quoted. The prices in this Invoice cover solely the Goods described in this Invoice and do not cover rework or reruns due to any Purchaser error or other error that is not wholly the fault of MWNA. If any price is omitted, the price shall be MWNA's list price in effect at the date of shipment. If any of the Goods are scheduled to be shipped more than sixty (60) days from the date hereof, MWNA may change the price applicable to such Goods by notifying the Purchaser not less than thirty (30) days prior to shipment. (b) Any taxes or fees imposed by any federal, state, municipal, or other governmental authority that may be applicable to the production, sale, use, storage, delivery, or transportation of the Goods, together with all duties, tariffs, and brokerage charges, shall be added to the price and paid by Purchaser, except where Purchaser shall have provided a proper certificate of exemption therefrom. Purchaser shall be responsible for the payment of such taxes and fees upon demand even if all or any part thereof has not been added to the Invoice price and notwithstanding that responsibility for collection of such taxes, duties and other governmental charges may be imposed by law on MWNA. (c) All invoices will be due upon receipt. (d) Purchaser agrees and acknowledges that any partial payment sent to MWNA that includes an inscription or comment intended to discharge the entire outstanding balance (i.e., "Payment In Full") will NOT be sent to MWNA's remittance lockbox address. Any such payment is to be directed to Moore Wallace North America, Inc., 2275 Cabot Drive, Lisle, Illinois 60532. Attention: OPERATIONS MANAGER, ACCOUNTS RECEIVABLE DEPARTMENT. Failure to comply with this dispatch requirement will prevent any accord and satisfaction from taking place whatsoever. (e) The Purchaser shall be responsible for all payment and obligations hereunder regardless of the fact that Purchaser may be acting as an agent, broker, or other intermediary and whether or not the principals are disclosed to MWNA.
- 4. Errors.** MWNA reserves the right to correct any inadvertent errors made in specifications and prices quoted.
- 5. Quantities.** Except as otherwise provided on the face hereof, the quantities of any Goods to be delivered may exceed or be less than the specified quantities by up to 10 percent thereof; provided, however, that quantity variations may exceed 10 percent for Goods manufactured to the Purchaser's specifications.
- 6. Partial Orders & Single Lot Shipments.** This Invoice and the prices quoted, are based upon the purchase of all of the Goods. Orders for less than all of the Goods are not acceptable unless specifically provided for on the face hereof or by written consent of MWNA. In addition, and unless otherwise specified, such prices are based upon single shipment, single destination. If more than one shipment to more than one destination is requested by Purchaser or is required due to the quantity of Goods, the price shall be adjusted to reflect any increase in MWNA's cost occasioned by any such additional shipments, including but not limited to costs for handling and storage.
- 7. Cancellations and Requests by Purchaser for Delays.** Once accepted by MWNA, an Order may be cancelled or delayed by Purchaser only upon prior written consent by a duly authorized representative of MWNA. If MWNA consents to any cancellation or delay, Purchaser may be required to pay any such amount as MWNA, in its sole discretion, shall determine will fully indemnify it against any and all loss and provide MWNA with a reasonable profit.
- 8. Packaging.** The cost of normal packaging for the Goods for domestic shipment is included in the total price, the method of packaging being determined solely by MWNA. If Purchaser shall specify any special packaging or handling or if the Goods are to be exported, the additional cost thereof shall be added to the total price, unless it is specifically stated herein that such costs were included in calculating the total price quoted.
- 9. Shipment; Title; Risk of Loss.** (a) Unless otherwise specified on the face hereof, all shipments shall be F.O.B. point of shipment. All shipping dates are approximate and MWNA does not guarantee the date of shipment. (b) Risk of loss shall pass to Purchaser as soon as the Goods have been delivered to the carrier for shipment to Purchaser or when the Goods are ready for delivery if delivery has been delayed by Purchaser. Title to custom manufactured Goods passes to Purchaser at MWNA's factory immediately upon completion of manufacture; title to stock Goods passed to Purchaser upon acceptance by MWNA of the offer to purchase. Passage of title and/or risk of loss shall not be affected by delivery terms, shipping instructions, or storage on Purchaser's behalf in MWNA's warehouse facilities. (c) MWNA shall not be liable for any delay in delivery or any other default due to occurrences or contingencies, including, but not limited to, fire, flood, embargo, strike, failure to secure materials or labor from usual sources of supply, governmental restrictions, conditions considered "force majeure", delays occasioned by any subcontractors, or any other circumstances beyond MWNA's control which shall prevent MWNA from performing in the normal and usual course of its business.
- 10. Inspection and Rejection.** Purchaser acknowledges that, prior to use, it will fully inspect all Goods delivered. In the event that such inspection and testing reveals any damage, error, shortage, or deficiency in quality standards, Purchaser shall notify MWNA within fifteen (15) days of the date of delivery. If Purchaser fails to make any claim within such time or uses the Goods, such failure or such use, as the case may be, shall constitute irrevocable acceptance of the Goods and the waiver of any and all claims including warranty claims with respect thereto. If Purchaser properly, within the terms of this Invoice, rejects or revokes acceptance of any of the Goods tendered by MWNA, Purchaser shall immediately notify MWNA in writing, specifying all claimed shortages, errors, defects, and non-conformities. No Goods shall be returned by Purchaser unless authorized in writing by MWNA.
- 11. Security Procedures for Certain Instruments.** With respect to any Goods which the face of this Invoice indicates are instruments which are or may become readily negotiable, transferable, or convertible (including signature imprinted checks and drafts, money orders, travelers' checks, auto licenses and titles, lottery tickets, warrants, bonds, contest and game cards, gasoline requisition forms and the like), MWNA shall institute and maintain its standard security procedures to safeguard the Goods during manufacture, storage, and until the risk of loss has passed to Purchaser. A copy of the standard security procedures is available from MWNA upon request. MWNA shall have no other or further responsibility to safeguard the Goods unless MWNA has agreed in writing to institute and maintain specific additional or substitute procedural safeguards and Purchaser has fully paid the additional charges attributable thereto.
- 12. Warranties.** (a) MWNA warrants for a period of six (6) months from the date of manufacture that the Goods are free from defect in materials and workmanship and conform substantially to any specifications that are a part hereof, except that it does not warrant consistency, color of paper or ink, or matching of typography. Further, MWNA does not warrant that the Goods are fit, legally or otherwise, for their intended purpose or use. The sole and exclusive obligation of MWNA under this warranty is limited, at MWNA's option, to the replacement or reworking of the defective Goods or the return of that portion of the purchase price applicable to the defective Goods. (b) If MWNA provides any computer services hereunder, MWNA agrees to use reasonable efforts to timely provide such services in accordance with generally accepted data processing procedures. MWNA shall not, however, be responsible for errors or omissions resulting from the inaccuracy or defect in any customer supplied data, or for improper input and output data controls and procedures used by Purchaser. If the services are interrupted or delayed, MWNA's sole responsibility shall be to resume the services as promptly as reasonably practical. In the event of errors or omissions in the services provided by MWNA, MWNA shall (i) correct any errors with respect to which MWNA received timely notice, or (ii) where correction is not practicable, Purchaser shall be entitled to an equitable refund of that portion of the services which produced erroneous results. MWNA shall not be responsible for loss or destruction of the Purchaser data base, including Purchaser furnished material and MWNA developed data, unless due to the negligence of MWNA, and MWNA's liability shall be limited to restoring the lost, destroyed, or damaged material provided such restoration can be reasonably performed by MWNA and Purchaser provides MWNA with all source data in readable form for such restoration, it being presumed conclusively that any source data delivered to MWNA has been backed up by duplicate material retained by Purchaser. (c) THE ABOVE WARRANTIES ARE GIVEN IN LIEU OF ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AND INCLUDING, BUT LIMITED TO, THE IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
- 13. Limitation of Liabilities.** The sole and exclusive remedies of Purchaser shall be those specifically set forth in the Warranties section hereof. MWNA's maximum liability for any and all claims arising directly or indirectly from the performance of its obligations hereunder, whether resulting from MWNA's negligence or otherwise, shall not in the aggregate exceed the purchase price of the Goods affected. If MWNA is required to safeguard certain Goods under Section 11 hereof and its failure to do so results in the unauthorized manufacture or theft and misuse of such Goods, MWNA's sole and exclusive obligation shall be to reimburse Purchaser for its direct and unrecoverable losses caused thereby, not to exceed a maximum aggregate for all occurrences of Five Hundred Dollars (\$500). UNDER NO CIRCUMSTANCES SHALL MWNA BE LIABLE TO PURCHASER OR ANY THIRD PARTY FOR LOSS OF BUSINESS OR PROFIT OR ANY OTHER ECONOMIC LOSS, OR ANY INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, OR CONSEQUENTIAL DAMAGES.
- 14. Indemnification.** (a) Purchaser acknowledges that MWNA has no control over, and is not responsible for, the manner in which the Goods will be used or otherwise dealt with by Purchaser. Purchaser therefore agrees to assume all responsibility for any and all sums which MWNA and/or Purchaser become obligated to pay because of bodily injury or property damage caused by or resulting directly or indirectly from the use of the Goods. Purchaser shall indemnify and hold MWNA harmless from and against any and all actions, claims, and demands arising out of or in any way connected with the use of the Goods. (b) If the Goods sold hereunder are manufactured in accordance with any specifications provided by Purchaser, Purchaser shall indemnify and hold MWNA harmless against any claims or liability alleging that the manufacture, sale, or use of the Goods violates any state or federal law, including any safety or environmental laws or regulations, or infringes any patent, trademark, copyright, or other proprietary right of a third party. (c) Except as set forth in paragraph (b) above, MWNA warrants that the Goods manufactured by it do not infringe any U.S. letters patent except that no warranty is given with respect to process or product patents unless expressly stated in the specifications. Subject to the further limitations set forth in Section 13 hereof, MWNA's liability under this warranty shall be to indemnify Purchaser against any money judgment recovered against Purchaser. If Purchaser is permanently enjoined against using the Goods other than Goods that have been manufactured per Purchaser's specifications, MWNA shall, at its option, (i) modify the Goods to avoid the infringement, (ii) replace the infringing Goods or parts with non-infringing Goods or parts that will fulfill substantially the same function, (iii) obtain a license permitting the use of the infringing Goods or parts, or (iv) repurchase the affected Goods at their original purchase price. This warranty applies only to the original Purchaser and is not transferable. All Goods supplied hereunder that are not manufactured by MWNA are sold exclusively under the warranty that the manufacturer has given to MWNA against infringement and only to the extent enforceable by MWNA. MWNA's liability under this warranty is conditioned upon Purchaser giving prompt notice of any claim of infringement, providing full information and assistance reasonably necessary to settle or defend any action for infringement, and permitting MWNA at its option to undertake the defense of any such action.
- 15. Proprietary Rights.** All materials, artwork, negatives, plates, designs, plans and drawings, software programs, equipment, machinery, and all other materials used by MWNA to provide the Goods and any products and services, except if already owned by and provided by Purchaser to MWNA, shall be and remain the exclusive property of MWNA. Purchaser acknowledges that it obtains no right in or to such property of MWNA nor does it have a license to use any such property of MWNA. Purchaser shall not make any copies of such materials unless prior written permission is obtained from MWNA and agrees not to permit any third party to have access to MWNA's property without the prior written consent of MWNA. MWNA shall have the exclusive right to copyright, trademark, patent, or otherwise protect its property rights in such materials and may use it in any way it shall determine fit.
- 16. Security Interest.** Until full payment of the purchase price for any Goods ordered pursuant to this Invoice is received, MWNA shall retain a security interest in the Goods and may, at its option and without further agreement or signature by Purchaser, file evidence of such security interest pursuant to the Uniform Commercial Code. So long as MWNA has a security interest, Purchaser shall keep the Goods in good condition and free from any other liens or encumbrances.
- 17. Assurances of Performance.** If, in the judgment of MWNA, the financial condition of Purchaser at any time does not justify continuation of production or shipment on the terms of payment originally specified, MWNA may require full or partial payment in advance and, in the event of the bankruptcy or insolvency of Purchaser or in the event any proceeding is brought by or against Purchaser under the bankruptcy or insolvency laws, MWNA may be entitled to cancel any order then outstanding, without liability whatsoever, and shall receive reimbursement for its cancellation charges.
- 18. Nonpayment.** (a) If the purchase price is not paid in full within fifteen (15) days from the due date, MWNA reserves the right to charge the lesser of one and one-half percent (1.5%) or the maximum legal rate on all such sums from the date due until paid. (b) In the event of nonpayment, MWNA shall have and may exercise all rights and remedies under the Uniform Commercial Code. Purchaser shall also be liable to MWNA for all costs of collection, including reasonable attorneys fees and costs, incurred by MWNA upon the default by Purchaser.
- 19. Credit.** MWNA reserves the right at any time to alter or suspend credit or to change any credit terms when, in its sole discretion, the financial condition of Purchaser so warrants. In any such case, MWNA may require cash payment or additional security from Purchaser before shipment, may accelerate the date of any payment, and may withhold any shipment or further shipments and cancel any unfilled orders.
- 20. MWNA Imprint.** MWNA shall have the right to imprint its name and any applicable copyright, trademark, or patent information upon the Goods, except that Purchaser may, prior to the manufacture of special order goods, request that the imprint only be deleted.
- 21. Additional Warehouse Terms and Conditions.** Upon request by Purchaser and MWNA's acceptance thereof, MWNA shall store in its warehouse the Goods or such portion of them as Purchaser may request upon the terms set forth in this Invoice and the following additional terms: (a) MWNA shall select from among its presently existing storage facilities and store the Goods at a location of its choice. (b) The charges for this warehouse service and the terms of payment are set forth on the face hereof or the order for the particular Goods being stored. The term of storage for any such Goods shall be for a maximum period of six (6) months. Upon Goods reaching six (6) months of storage from the date first entered into the warehouse, MWNA shall either (i) ship Goods to Purchaser designated location; or (ii) destroy Goods at Purchaser's expense. Emergency shipments during closed hours will incur MWNA's current flat charge per hour with a minimum charge to be billed. The amount and condition of repayment of all warehouse storage charges which Purchaser requests to be billed as shipped shall be governed by the laws of the State of Illinois, wherein MWNA's financial headquarters are located. (c) MWNA shall report the Goods stored to the appropriate taxing authorities, and Purchaser shall file any declaration of value which may thereafter be required. Purchaser shall be liable for taxes assessed with respect to stored Goods. (d) MWNA shall maintain fire and extended coverage insurance on all Goods stored in its warehouse, which premium is included in the purchase price described on the face of this Invoice. (e) Liability for loss of or damage to stored Goods shall be limited to the cost of replacement of such Goods. (f) If the stored Goods are instruments to which the security procedures of Section 11 apply, MWNA's responsibilities and liabilities shall be limited to those set forth in Section 13. (g) Upon receipt of Purchaser's requisition order, MWNA shall deliver stored Goods in full carton quantities or any multiples thereof, except that no Goods shall be released from storage until all amounts then due with respect to the stored Goods have been paid.
- 22. Proofs.** Copy proofs of the Goods will be submitted to the Purchaser with the original copy of the Goods, and Purchaser will be able to obtain an inspection copy of the Goods at the time of make-ready if a representative of Purchaser is present at the MWNA facility at which the Goods are being manufactured; however, unless press proofs are expressly provided for in this Invoice, no press proofs will be provided to Purchaser. MWNA shall have no responsibility for errors in any Goods that are performed in accordance with Purchaser's "O.K." or for errors in any Goods that result from corrections or changes requested by Purchaser. MWNA shall also have no responsibility for errors in the event that Purchaser authorized MWNA to proceed without proofs, or Purchaser fails to accept, review or return proofs, or Purchaser fails to indicate all requested corrections and changes on returned proofs, or Purchaser communicates corrections or changes orally. Some variation in color between press proofs and finished Goods and variations in shade, finish, strength, weight, and cleanliness of paper shall not be deemed to be a defect in the Goods and shall be considered acceptable performance.
- 23. Additional Terms and Conditions.** (a) **Assignment.** Purchaser may not assign this contract, in whole or in part, without the prior written consent of MWNA, and any attempted assignment or delegation by Purchaser shall be void and ineffective for all purposes. MWNA reserves the right to transfer or assign, in whole or in part, and without recourse by Purchaser against MWNA, its rights, liabilities, and obligations herein arising to a third party without prior written notice, and such assignment shall operate to release MWNA from any and all of its obligations hereunder. Such transfer or assignment shall not create a right in Purchaser to demand assurances from the assignee. (b) **Set-Off.** MWNA shall have the right to credit toward the payment of any monies that may become due MWNA hereunder any sums which may now or hereafter be owed to Purchaser by MWNA or by any subsidiary or other affiliate of MWNA. (c) **Waiver.** Waiver by MWNA of any breach of any of the terms and conditions set forth herein shall not be construed as a waiver of any other breach, and the failure of MWNA to exercise any right arising from any default of Purchaser hereunder shall not be deemed to be a waiver of such right, which may be exercised at any subsequent time. (d) **Invalidity.** If any of the provisions or portions hereof are invalid under any applicable statute or rule of law, they are to that extent to be deemed omitted, and the remainder shall continue in full force and effect. (e) **Choice of Law.** This Agreement shall be governed by the laws of the State of Illinois, as applied to contracts entered into and to be performed in Illinois.