

**General terms of payment and delivery concerning the
book and periodical distribution sector of
Hogrefe & Huber Publishers GmbH**

The following general terms and conditions shall apply to both business conducted between merchants as well as to contracts entered into between businessman and consumer in the sense of the distance selling directive (Fernabsatzgesetz). Any diverging agreements, in particular contradictory general terms and conditions by the purchaser, are subject to the Publisher's express written agreement.

I. General Terms

Prices in Germany are quoted in EURO, including value-added tax, unless otherwise stipulated. For shipments from Germany to foreign countries prices are quoted in EURO, excluding value-added tax.

Quotations and services as well as any other statements or agreements shall be binding for the Publisher only if made in writing or confirmed by the Publisher.

Prices agreed apply to the respective contract only in accordance with regulations for the control of prices.

Part shipments are allowed, whereby the respective dispatch cost rate incurred in each case will be charged.

Claims concerning goods delivered and received damaged shall be made known in writing by the purchaser within 8 days from receipt of shipment. Any claim to include the date, type of delivery of goods and the relevant invoice.

II. Terms of Payment

Barring any other agreement, all deliveries are against cash payment. Should goods be supplied on account payment for such shipment is due immediately, without deduction and free of expense, on receipt, payable to our bank account.

Period of payment shall be considered adhered to if the money is available to the Publisher within the time limit stipulated. The Publisher may also decide to offset payments against any other accounts still outstanding.

Cheques and drafts, insofar as payment by draft has been arranged, will be accepted as payment. The purchaser shall immediately refund to the Publisher any discounts and collecting fees both for cheques and drafts as well as interest.

Offsetting or retention by the purchaser is not permitted unless such offsetting or retention is undisputed or its validity has been established. The Publisher shall be entitled to prevent the execution of right of retention by lodging of security, including guaranty.

Should the purchaser be in default, wholly or in part and irrespective of any other rights of the Publisher, he shall be liable to pay interest on arrears amounting to 5% per annum over and above the discount rate of the European Central Bank as per § 1 of the Discount Rate Transference Act (Diskontsatz-Überleitungsgesetz), insofar as the Publisher is unable to prove greater loss.

Deductions for postage and shipping are not allowed. Payments free of expense and with the effect of a full discharge may only be made to the Publisher to one of the bank accounts stipulated. Should the purchaser suspend payment, or in the event of excessive debt or else insolvency proceedings be applied for or if the purchaser is in default with a draft, in such an event the Publisher's total claim shall be due immediately. In such events the Publisher shall be entitled to demand adequate provision of security or to terminate the contract.

III. Retention of Ownership

All goods supplied shall remain the property of the Publisher until such time as any claims against the purchaser have been met in full. Pledging or assignment as security of the conditional commodity is not permissible.

In the event of resale of conditional commodity, admissible within the scope of regular business activities, the purchaser hereby assigns to the Publisher as security any future claims against his customer which he incurs from resale or leasing until full settlements of any claims by the Publisher, without the need for further special declarations. The assignment shall cover any account balances resulting from an existing open account relationship or from termination of such relationship between the purchaser and his customer. Should the conditional commodity be sold or leased together with other items, without a unit price having been agreed for the conditional commodity, the purchaser shall assign to the supplier in priority to the remaining debts such portion of the total price, respectively the total lease price, equivalent to the value of the conditional commodity invoiced by the Publisher. Until revoked, the purchaser shall be entitled to collect the assigned claims resulting from resale or leasing. However, he shall not be entitled to dispose of these in any other manner, e.g. by assignment. On demand of the Publisher the purchaser shall be obliged to

advise of the assignment and to submit the necessary documents to the Publisher, e.g. invoices and necessary information, proving his claims against the customer. The purchaser shall be responsible for any collection charges and possible interventions. Should the purchaser receive drafts based on the authorisation conferred upon him to collect the assigned claims resulting from resale, ownership of such documents with vested title shall devolve as security to the Publisher. Delivery of the drafts will be replaced by the agreement that the purchaser agrees to take these into safe custody on behalf of the supplier and in turn delivers same endorsed and without delay to the Publisher. Should the purchaser or his bank receive cheques covering the counter value of the claims assigned to the Publisher, the purchaser shall immediately advise of such receipt of payments and pay over such amounts. Ownership of the cheques together with vested title shall pass to the Publisher as soon as these have been received by the purchaser. Delivery of the documents shall be replaced by the agreement that the purchaser will retain the documents on behalf of the supplier and will deliver the endorsed documents to the Publisher without delay.

Should the purchaser, totally or in part, be in default of his obligation to pay or in the payment of a draft or cheque or in the event of excessive debt or suspension of payment or if a voluntary petition in bankruptcy or insolvency proceedings has been filed the Publisher shall be entitled to repossess any goods still subject to retention of ownership. In addition, he may immediately assert further rights pertaining to retention of ownership. The same shall apply to any other significant worsening of the purchaser's financial situation. In such an event the purchaser shall grant the Publisher or his representatives access to his entire business premises during business hours. Demanding return or repossession of goods does not constitute rescission of contract. The Publisher shall be entitled to use the conditional commodity with the appropriate care of a sound businessman and to satisfy any of the outstanding claims from the sale of such goods.

Should the value of the security overall exceed the Publisher's claims against the purchaser in the current business relations by more than 20%, the Publisher shall be obliged, on demand of the purchaser, to release the securities to which he is entitled at his discretion.

IV. Warranty

If the purchase is a commercial deal for both parties the purchaser shall check the goods immediately on receipt, insofar as is practical according to proper business operations, and in the event of defect report this without delay to the Publisher

In the absence of any such report the goods shall be deemed accepted unless it is a defect which was not discernible at the time of checking the goods. Otherwise §§ 377 ff, HGB (German Commercial Code) shall apply to the commercial sector.

It is at the Publisher's discretion to limit any warranty claims to either rectification or replacement of goods. Should such rectification or replacement fail the purchaser shall be entitled to demand, at his discretion, reduction of compensation or cancellation of contract.

Shipping costs are charged ex works, respectively ex warehouse.

V. Additional Terms

Periodical subscriptions will be renewed for a further 12 months unless cancelled 8 weeks before the end of the current year of subscription.

Returns not authorised by the Publisher shall be returned at purchaser's expense and risk or – at the discretion of the Publisher – will be credited at a 10% increased discount. Any returns shall be sent free house by the purchaser. Return shipments will then be made at the expense and risk of purchaser/customer.

If the purchaser is a consumer in the sense of the distance selling directive (Fernabsatzgesetz) he shall be entitled to cancel the order within 14 days following delivery. Such cancellation may be made without stating any reasons but shall be made in writing on a permanent data medium or by returning the goods to Hogrefe & Huber Publishers GmbH, Robert-Bosch-Breite 25, 37079 Göttingen. To observe the deadline the timely posting of the cancellation or return of the goods shall be deemed sufficient (date of postmark). Any goods valued at less than 40 EURO and returned due to cancellation shall be sent at the expense of the purchaser.

VI. Place of Fulfilment and Jurisdiction

If the purchaser is a merchant, Göttingen is exclusive place of jurisdiction including for proceedings concerning cheques and drafts. The same place of jurisdiction shall apply if the purchaser at the time of initiating legal proceedings does not maintain a general place of jurisdiction in Germany. However, the purchaser shall be entitled to call upon any court applicable.

The law of the Federal Republic of Germany shall apply. The Hague Convention of 01.07.1964 concerning uniform laws governing international sales and the United Nations' Agreement of 11.04.1980 re agreements concerning international sales of movable objects do not apply.

As at 01.08.2001