

---- EMPLOYEE-OWNED ----

Terms and Conditions of Printing

Following are our Terms and Conditions of sale for quotations, orders, deliveries, scheduling and other issues.

1. Client-Furnished Materials and Client's Property

Materials furnished by clients or their representative are verified by a review of delivery slips. Friesens bears no responsibility for discrepancies between delivery slips and actual shipment contents. Client-supplied paper must be delivered according to specifications furnished by Friesens. Artwork, CD's, colour separations or other materials furnished by the client must be usable by Friesens without alteration or repair. Friesens maintains fire and extended insurance coverage on property provided by the client while the property is in the Friesens' possession. Friesens' liability for this property will not exceed the amount recoverable from the insurance.

2. Telecommunications

Friesens is not responsible for any errors, omissions, or extra costs resulting from faults in the transmission.

3. Digital Asset Practices

- Archiving: Friesens archives all electronic material for a period of 7 years at no charge. However, Friesens can not guarantee that these archived files can be retrieved or used in future printing. Customers should always keep a copy of their original files.
- Versions: All files should be clearly labeled and dated with relation to their use. Old versions or unnecessary files should be deleted or erased from transportable media intended for use by Friesens. Properly sized and marked hard copies or laser proofs of those files should accompany the project. Costs incurred by the mistaken use of improperly outdated files will be the responsibility of the provider of those files.
- The setting and communicating of copyright guidelines and usage guidelines for original images or files are the responsibility of a client.
- Copies of original files given by the client to Friesens remain the property of the client.
- The amended file created by Friesens to achieve an end result or product, will remain the property of the client, provided the client's account is paid in full.

4. Personal or Economic Rights

The client also warrants that the work does not contain anything that is libelous or scandalous, or anything that threatens anyone's right to privacy or other personal or economic rights. The client will, at the client's sole expense, promptly and thoroughly defend Friesens in all legal actions on these grounds as long as Friesens promptly notifies the client of the legal action and gives the client reasonable time to undertake and conduct a defense. The client reserves the right to use his or her sole discretion in refusing to print anything he or she deems illegal, libelous, scandalous, improper, or infringing upon copyright law.

5. Outside Purchases

Unless otherwise agreed in writing, all outside purchases as requested or authorized by the client are chargeable.

6. Over-runs

In the print production process, additional books must be produced at every step of manufacturing to allow for set-up copies and spoils. Most often this results in more finished books being produced than ordered by the client. Friesens follows industry standards and bills for the actual quantity produced, which can vary up to 10% of the confirmed quantity (plus or minus). Any other client requirements, such as exact quantity, must be stated at the time a quotation is requested. It will then also be stated in the Friesens quotation letter.

If the client requires a guaranteed or exact quantity, this instruction must be sent to Friesens in writing at the time of quotation request, as guaranteed quantities will impact the unit cost of the books. The guaranteed quantity information MUST be stated in Friesens subsequent quotation letter signed off by the customer.

7. Under-runs

At times, production issues result in fewer finished books being produced than ordered. A shipment of 90% of the specified quantity is considered by industry standards as a complete and acceptable order. Friesens follows this industry standard and bills for the actual quantity produced, which can vary up to 10% of the confirmed quantity (plus or minus). If the client requires a guaranteed or exact quantity, this instruction must be sent to Friesens in writing at the time of quotation request, as guaranteed quantities will impact the unit cost of the books. The guaranteed quantity information MUST be stated in Friesens subsequent quotation letter signed off by the customer.

8. Press Proofs

Press proofs will not be furnished unless they have been required in writing in Friesens' quotation. A press sheet can be submitted for the client's approval as long as the client is present at the press during make-ready. Friesens allows 30 minutes for client approvals on press. Any additional time is chargeable. It is customary in the industry to charge for any press time lost or alterations/corrections made because of the client's delay or change of mind.

9. Storage

Friesens will store client's finished goods if the client requires that service. There is a monthly charge for storage, as well as for filling client orders from stored goods. Friesens is not liable for any loss or damage to stored material beyond what is recoverable by Friesens' Fire and Extended Insurance coverage.

10. Production Schedules

Books are custom manufactured on every order. Subsequently, Friesens can not guarantee delivery dates or production schedules. If agreed-to production schedules are not achieved, there will be no liability or penalty for delays. Furthermore, Friesens cannot maintain final delivery schedules if client's files, approved proofs or shipping instructions are delayed, for any reason, in arriving at Friesens.

11. Colour Proofing

A colour proof is used to simulate how the printed piece will look. Because of differences in equipment, paper, inks, and other conditions between colour proofing and production pressroom operations, variation in colour between proofs and completed jobs will occur. Subsequently, Friesens can not provide discounts or reprints for some colour variation. Should a significant dispute arise regarding the match of the printed product to the proof, Friesens will forward samples to the GATF for independent and expert opinion.

12. Delivery

Unless otherwise specified, the price quoted is for a single shipment, without storage, FOB Friesens loading dock (as defined by Incoterms 2010). If additional shipments are required, Friesens will charge accordingly at current rates. Charges for delivery of materials and supplies from the client to Friesens, or from the client's representative to Friesens are not included in quotations unless specified. Friesens does not insure products in transit. Shipping insurance is the responsibility of the client, regardless of FOB destination.

13. Disclaimer of Implied Warranties

Friesens warrants only that the work will conform to the description contained in the client's purchase order. Friesens maximum liability whether by negligence, contract, or otherwise, will not exceed the amount specified in the contract. Under no circumstances will Friesens be liable for specific, individual, or consequential damages, including lost profits.

14. Claims

Claims for defects, damages, or shortages must be made by the client in writing no later than 10 calendar days after delivery. If no such claim is made, Friesens and the client will understand that the job has been accepted. By accepting the job, the client acknowledges that Friesens' performance has fully satisfied all terms, conditions, and specifications. The laws of Manitoba will govern all agreements and claims.

15. Quality of Printing and Binding

Friesens strives for unsurpassed quality in everything it makes. Inherent in the printing and binding process is the mechanical nature of manufacturing. A mechanical process utilizing paper that contracts and expands with changes in humidity, thickness and temperature guarantees that books will at times have minor flaws such as hickeys, dents, bends, frayed edges, roller marks, scratches, white spots, ink spots, bubbles, broken type, marking, ghosting of images, variation in foil stamping and embossing, colour variation, etc. In almost all cases, these minor flaws do not affect the readability (or enjoyment) of the book by the end consumer. Friesens will not provide invoice credits and reprints when minor imperfections appear as a result of the high speed mechanical nature of printing and binding.

Errors that may result in invoice credits or rework would include missing pages, missing images, or pages in the incorrect order.

16. Waviness of Text Blocks / Cover Warp / Cover Curl

Paper books are affected by changes in humidity and temperature. Friesens' printing plants are humidity and temperature controlled to minimize waviness and cover warp/curl.

When books leave any controlled environment they will react to different humidity and temperature levels (higher or lower). Humidity and or temperature changes will cause paper to absorb moisture or lose moisture and at times result in waviness in the book block and/or endsheets, hardcover warp, or softcover curl.

Friesens can not control this environmental phenomenon and subsequently can not warrant that its books will not at times exhibit waviness in the book block and/or endsheets, hardcover warp, or softcover curl.

Specifically, Friesens will not compensate customers or provide a reprint when books or components of the books exhibit waviness.

17. Alterations or Corrections

Client alterations include all work performed in addition to the specifications outlined in the quotation. Friesens will charge for alterations and corrections at current rates.

18. Accuracy of Quotations and Validity

Quotations are based on the specifications provided by the client. Friesens can re-quote a job at the time of submission if the specifications or input materials do not conform to the information on which the original quotation was based. Quotations are valid for 30 days.

19. Order Acceptance

Acceptance of an order shall not be effective until acceptance by Friesens. Acceptance by Friesens may be either by notification to client or by commencing to produce work on the job. Cancelled orders require compensation for incurred cost and related obligations.

20. Content Proofs

Friesens will submit content proofs for the client's review and approval. Corrections will be returned to Friesens, together with a completed Proof Corrections sheet indicating that the job is "OK as is", "OK with changes", or "Requires proof of changes". Until the proof is returned, no additional work will be performed. Friesens will not be responsible for undetected production errors if proofs are not requested by the client, **OR** the work is printed per the client's **OK**, **OR** requests for changes are communicated orally.

21. Electronic Manuscript or Image

It is the client's responsibility to maintain a copy of the original digital file. Friesens is not responsible for accidental damage to media supplied by the client or for the accuracy of the files. Until files are evaluated by Friesens, no claims or promises are made about our ability to work with files submitted.

22. Indemnification

The client agrees to protect Friesens from economic loss and any other harmful consequences that could arise in connection with the work. This means that the client will hold Friesens harmless and save, indemnify, and otherwise defend Friesens against claims, demands, actions, and proceedings on any and all grounds. This will apply regardless of responsibility for negligence.

23. Copyrights

The client warrants that the subject matter to be printed is not copyrighted by a third party. The client also recognizes that because subject matter does not have to bear a copyright notice in order to be protected by copyright law, absence of such notice does not necessarily assure a right to reproduce. The client further warrants that no copyright notice has been removed from any material used in preparing the subject matter for reproduction. To support these warranties, the client agrees to indemnify and hold Friesens harmless for all liability, damages, and attorney fees that may be incurred in any legal action connected with copyright infringement involving the work produced or provided.

24. Security

As security for payment of any sum due or to become due under terms of any agreement, Friesens shall have: (a) a purchase money security interest in all property produced by Friesens for the client, including all work in-process and finished work and all proceeds thereof; the right to retain possession of, and shall have a lien and security interest in and on, all customer property in the printer's possession, and (b) all the rights of a secured party under *The Personal Property Security Act* (Manitoba) in addition to all rights at law. The extension of credit or the acceptance of notes, trade acceptance, or guarantee of payment shall not affect such security interests and lien.

25. Taxes

Generally books that are to be resold are exempt from provincial or state tax. For any product on which taxes apply, it is the responsibility of the client to pay such taxes. Canadian clients will be charged GST which they can claim as an input tax credit. Clients not located in Canada will be charged GST for goods and services provided and delivered within Canada. Clients located in the United States are required to provide Friesens with their IRS Number or Social Security Number.

26. Governing Law

Any acceptance will be conclusively deemed to have been made in the province of Manitoba. Any agreement resulting from acceptance by Friesens shall be governed by and construed in accordance with the laws of the province of Manitoba and its courts shall have exclusive jurisdiction over any legal proceedings pertaining to the agreement.