

# GENERAL TERMS AND CONDITIONS FOR THE SUPPLY OF GRAPHIC PRODUCTS (ALG 20)

Standard terms and conditions prepared by the Swedish Graphic Companies' Federation (Grafiska Företagens Förbund), in co-operation with the Swedish Publishers' Association (Svenska Förläggareföreningen), the Association of Swedish Advertisers (Sveriges Annonssörer), the Swedish Association of Communication Agencies (Sveriges Kommunikationsbyråer), the Swedish Magazine Publishers' Association (Sveriges Tidskrifter) and the Swedish Newspaper Publishers' Association (TU – Medier i Sverige).

ALG 20 contains proven and balanced standard terms and conditions specifically adapted for graphic product agreements. For the sake of legal clarity, it is recommended that the parties expressly refer to ALG 20 in their agreements.

**Interpretation and resolution of disputes**  
The Swedish Graphic Arts Council (Grafiska Kamraren) will, upon request, issue statements as to whether graphic products have been performed in a professional manner and, otherwise with respect to how these General Terms and Conditions should be construed.

## 1. Applicability

1.1 ALG 20 applies to agreements concerning pre-press, printing, binding, and other graphic products.

1.2 The terms and conditions contained in ALG are not mandatory, i.e. the terms and conditions contained therein apply to the extent the purchaser and the supplier have not expressly agreed otherwise. ALG does not exhaustively govern the mutual rights and obligations of the parties; it is assumed that the parties themselves will determine details with respect to supply of the product and supplement ALG with other terms and conditions as required.

## 2. Professionalism

The provision of graphic products – including inter alia components and supplementary products – shall be performed in a professional manner. The requirement of professionalism applies to both the supplier and a purchaser possessing graphics expertise. "Professionalism" means that the supplier and the purchaser shall perform their obligations pursuant to the agreement with the care required to achieve a satisfactory product.

## 3. Offer and acceptance

3.1 The supplier's offer is valid, subject to intermediate agreements, for 30 days from the offer date, unless another timeframe is specified. The purchaser's acceptance must be received by the supplier within this timeframe. The supplier has the right to withdraw the offer or withdraw from the agreement if, prior to the start of production, it becomes evident that the purchaser's financial circumstances are such that there are strong reasons to assume that payment will not be made on time.

3.2 In the offer, the supplier shall describe the contents of the product offered and the parties' obligations as fully as possible and should clearly refer therein to ALG terms and conditions and specify any supplements or amendments thereto.

## 4. Provision of materials

The supplier must clearly state in the agreement, through reference to its website or in a special document, the requirements that the purchaser's production materials must meet. If the supplier does not specify any special requirements, the purchaser may deliver the materials in the form that is normal with regard to the graphic performance.

## 5. Supplementary products

Products which are not specified in the parties' agreement and which the supplier does not normally provide in order to satisfy the requirement of professionalism (supplementary products), must be agreed separately. This shall apply to, inter alia:

- amendments and other extra work ordered by the purchaser
- unforeseen intensification of time schedule caused by late delivery of materials or other delay by the purchaser
- modifications and other measures which the supplier is forced to undertake due to the fact that the material provided by the purchaser does not allow the supplier to perform the product in a professional manner.

## 6. Price

6.1 The price offered or agreed upon does not include compensation for additional performance in accordance with item 5. If the purchaser orders the additional performance, it is the purchaser's responsibility to obtain price details from the supplier, if these are not known. If the supplier finds that an additional performance is required or recommended, the supplier must obtain the purchaser's approval before the additional work begins.

6.2 The price is exclusive of VAT and other public charges. The purchaser shall be liable therefor notwithstanding that such are determined subsequently.

6.3 Unless otherwise agreed, with the exception of return pallets, requisite transport packaging and protective packaging shall be included in the price.

## 7. Delivery and packaging

7.1 Unless otherwise agreed, deliveries shall take place free the supplier's place of manufacture or storage.

7.2 In conjunction with delivery, the product shall be covered in packaging which protects against foreseeable damage during transportation to, and appropriate storage at, the purchaser.

## 8. Passing of risk and apportionment of costs

8.1 The supplier shall bear the risk of the product or any entrusted production material being destroyed or damaged prior to the delivery date or, if a delivery date has not been determined, the delivery date of which the purchaser is duly advised. Thereafter, risk shall pass to the purchaser.

8.2 The allocation of liability pursuant to section 8.1 above shall also apply to transportation and costs for, e.g. care, storage, and insurance of the product and entrusted production material.

## 9. Liability for reproduction rights

9.1 The purchaser and the supplier mutually warrant that they are entitled to use the software required for the graphic products supplied, including for further processing.

9.2 The purchaser warrants to the supplier that there are no legal impediments to the production of reproduction and print media, from originals provided by the purchaser, or against reproducing or duplicating material provided by the purchaser.

9.3 The liability pursuant to sections 9.1 and 9.2 entails that the purchaser and the supplier are obliged to take the legal and other measures on behalf of the other party which are necessary following a claim of infringement by any third party and shall be liable for any damages which may be payable to such third party.

## 10. Subcontractors

10.1 Unless the purchaser has expressly requested that the supplier supply the products, or such is otherwise evident from the circumstances, the supplier shall be entitled to delegate production of the product, either wholly or in part, to a subcontractor.

10.2 Where the purchaser or the supplier retains a subcontractor, the retaining party shall be primarily liable to the other party for the performance by subcontractor, as well as the retaining party's other obligations.

## 11. Confidentiality

11.1 The supplier shall be obliged to observe confidentiality in accordance with the requirements imposed by generally accepted business standards with respect to its business relations with the purchaser and the factual contents of the agreed product. The supplier shall satisfy itself, through appropriate measures, that its own personnel, subcontractors, and the personnel thereof, and third

parties which obtain information regarding the operations, comply with the duty of confidentiality.

11.2 Upon request by the purchaser, the supplier shall take the measures to prevent unauthorized third parties from observing the production of the product. In such context, the supplier shall be entitled to compensation for additional costs incurred as a result of such measures, e.g. special procedures or protective devices.

## 12. Offer material

The supplier shall be entitled to material in digital or other form which the supplier, on its own initiative, has produced and used for the purpose of offers. Unless otherwise agreed, the offeree shall not be entitled, without authorisation, to utilise or cause a third party to obtain such material and shall be obliged, upon request, to return the material to the supplier.

## 13. Return and taking back of production material

13.1 Following delivery of the product, the supplier shall:

- return to the purchaser production material which the purchaser has placed at the supplier's disposal.
- deliver to the purchaser production material which the supplier has produced or caused to be produced, provided that the parties have agreed in advance as to the form for delivery, and the terms and conditions thereof.

13.2 Following the delivery date, the supplier shall continue to stock production material as referred to in section 13.1 on behalf of the purchaser for a period of three months, unless otherwise agreed.

## 14. Waste copies

Any party which further processes a graphic work shall be provided with a sufficient number of extra copies in order to cover normal wastage in conjunction with the processing. Unless otherwise agreed, the party undertaking further processing shall be supplied with extra copies in accordance with the basis for calculation of authorised additional copies set forth in section 24.1, save that a further 100 copies shall be supplied in addition to such calculation norms where editions of less than 3,000 copies are ordered.

## 15. Compulsory and archival copies

Printers have a statutory obligation under Swedish Law to retain compulsory and archival copies at the expense of the purchaser. If the product supplied by the printer does not constitute the final product, the purchaser is obliged, without having been requested to do so, and without delay, to furnish the printer, free of charge, with the copies in the number and form described in the relevant legislation.

## 16. Payment

16.1 Payment must be made within 30 days from the invoice date, unless a shorter timeframe has been agreed or a longer timeframe is stated in the invoice.

16.2 In the event of late payment, penalty interest on arrears shall be levied. This shall exceed by 8 percentage points the Riksbanken's reference rate at any given time, unless otherwise agreed.

## 17. Fear of breach of contract

If the other party's conduct or financial circumstances indicate that there are strong reasons to assume that the other party will not fulfil a significant part of its obligations, the party has the right to suspend performance and withhold its performance pending the provision of satisfactory security by the other party (right to stop). If the other party fails to do so without delay, the party may terminate the agreement. The party shall immediately notify the other party that the right to stop has been exercised. If the party does not do so, the other party is entitled to compensation for the damage caused by such notice not being given in time.

## **18. Lien**

The supplier, as security for performance of the purchaser's obligations, shall have a lien in the product and in all property belonging to the purchaser which the supplier has in its possession. If the purchaser fails to perform its obligations in accordance with this agreement, the supplier shall be entitled to sell the purchaser's property in an appropriate manner, subject to any impediments arising pursuant to law or pursuant to the ALG terms and conditions, and to recover its claim from the sum obtained from the sale.

## **19. Agreements until further notice**

Agreements until further notice concerning regular or periodically recurring delivery of products which tie-up production and other resources of the supplier, shall be subject to a 3 month period of notice of termination in conjunction with monthly and quarterly work, and subject to a 6 month period of notice of termination in conjunction with weekly and 14 day work, calculated from the end of the calendar month in which notice of termination was given.

## **20. Delay and sanctions**

**20.1** In the event the product is not supplied in due time and the delay is not attributable to the purchaser, the purchaser shall be entitled to compensation for direct costs incurred as a result of the delay. The purchaser also has the right to terminate the agreement or any part thereof if  
a) the purchaser made it clear to the supplier at the time of entering into the agreement that delivery must be made punctually on the agreed date; or  
b) it is clear from the agreement, or other circumstances of which the supplier is aware that the product is of no use to the purchaser after a certain date and that delivery has not been made prior thereto.

**20.2** In the event the purchaser fails to provide materials or fails to perform any other measures agreed upon in due time, the supplier shall be entitled to compensation for direct costs incurred as a result of the delay. In the event the delay results in significant inconvenience for the supplier, the supplier shall also be entitled to annul the agreement.

**20.3** The purchaser shall be notified immediately in the event the supplier considers that it is probable that the time for delivery cannot be met. The notice shall state the reason for the anticipated delay and the date upon which delivery can take place. In the event the delay results in the product being of no use to the purchaser, the purchaser shall be entitled to annul the agreement in accordance with section 20.1.

**20.4** The aforesaid notice obligation shall apply to the purchaser with respect to anticipated delays in the supply of materials or performance of other measures. In the event the delay results in significant inconvenience for the supplier, the supplier shall be entitled to annul the agreement in accordance with section 20.2.

## **21. Quality defects**

**21.1** Quality defects means deviations and variations relating to the nature of the product and the qualities thereof which, according to a professional assessment, do not merely constitute minor deviations or minor variations from samples, originals, or suchlike, or from the agreement between the parties, including the ALG terms and conditions, or which may otherwise be deemed to have been agreed, taking into consideration the type and nature of the product.

**21.2** The following shall not be deemed to constitute quality defects:

- deviations which are due to the purchaser's failure to perform its obligations pursuant to the agreement, e.g. the supply of erroneous material or failure to order modifications or rectifications
- that the final product contains defective copies of less than 0.5 per cent of the number ordered as regards printing, and 0.5 per cent as regards further processing.

## **22. Remedies in the event of quality defects**

**22.1** The supplier shall rectify defects in the product through repair or re-delivery. Rectification shall take place with the urgency demanded by the circumstances. In addition, the purchaser shall be entitled to compensation for direct costs.

**22.2** In the event the product can be used for its purpose notwithstanding the defect (minor defect), the supplier shall be entitled, instead of rectification, to make a price reduction which corresponds to the significance of the defect, provided the costs of rectification clearly exceed the significance of the defect.

**22.3** In the event the product cannot be used for its purpose due to the defect (serious defect) and rectification of the defect would result in a delay which would render the product of no use to the purchaser, the purchaser shall be entitled to annul the agreement with immediate effect instead of demanding rectification and shall thereupon be entitled to compensation pursuant to section 20.1.

**22.4** When assessing whether a defect is of a minor or serious nature, the graphic nature and character of the product including, inter alia, the quality level, design and execution, and the intended use and value will be specifically taken into account.

## **23. Further processing defects**

In the event a defect occurs during the further processing of a product at a supplier, the party that ordered the further processing shall be entitled, vis-à-vis said supplier, to claim for the consequences of such defects pursuant to sections 22.1-3 as regards the entire product, provided, however, that said consequences shall be modified to the extent the purchaser or any third party for which the purchaser is liable is jointly liable for the defect.

## **24. Quantity deviations**

**24.1** Unless otherwise agreed, shortage in the quantity supplied to the final purchaser shall be deemed to constitute a defect. Unless otherwise agreed, overs of 8 per cent for quantities less than 20,000, of 4 per cent for 20,000-50,000, and of 2 per cent for quantities exceeding 50,000, shall be accepted.

**24.2** The price offered by the supplier for run on 1,000 copies shall apply to authorised overs. No payment shall be made for unauthorised overs exceeding the amount agreed upon.

## **25. Remedies in the event of shortage**

In the event of shortage not agreed to, the provisions of section 22.1 concerning the supplier's rectification obligation shall apply. In the event of minor shortage, the provisions of section 22.2 concerning price reduction shall apply, whereupon the reduction shall be made on the basis of the price offered by the supplier for run on 1,000 copies. In the event of serious shortage, the provisions concerning annulment in section 22.3 and compensation in section 20.1 shall apply.

**26.** The supplier's right of rectification  
In conjunction with quality defects and quantity deviations, the supplier shall be entitled, at its own expense, to remedy the defect or deficiency, provided such can occur without serious inconvenience for the purchaser. The party undertaking further processing shall possess a corresponding right of rectification.

## **27. Liability for defects in production material**

**27.1** The purchaser shall be liable for quality defects and quantity deviations which are caused by defects in production material supplied by the purchaser or which arise during the transfer of such material.

**27.2** Where the supplier, in the course of a professional check of production material supplied by the purchaser prior to or during production, discovers that said production material is defective or cannot be used for its intended purpose, the supplier shall inform the purchaser thereof without delay and request the purchaser's instructions. The purchaser is obliged to remain available throughout the production period,

which will be agreed between the supplier and the purchaser. If the supplier has failed to discharge its obligation to provide information, the purchaser shall be entitled to compensation pursuant to section 20.1 in the event of a delay and section 22.1 in the event of defects in the product.

**27.3** In the event the supplier discovers that the product is defective or cannot be used for its intended purpose as referred to in section 27.2, the supplier shall be entitled to suspend production immediately and to compensation for direct costs resulting from the suspension.

**27.4** The supplier shall be liable for damage caused to the purchaser's material during the production. The purchaser shall be liable in a corresponding manner for damage to the supplier's materials.

## **28. Complaints**

**28.1** Complaints about invoices shall be made without unreasonable delay following receipt.

**28.2** Complaints about errors in the performance shall be made without unreasonable delay following receipt. The question of what constitutes an unreasonable delay must be assessed with regard to the nature and scope of the performance.

**28.3** The notification pursuant to items 28.1-2 shall contain information about what the complaint pertains to. The purchaser must then follow up with its requirements within a reasonable timeframe.

**28.4** Claims due to delays shall be made without delay as soon as the purchaser becomes aware that delivery has taken place. If the supplier has fulfilled its notification obligation in accordance with item 20.3, the right of cancellation must be exercised without delay following the notification.

## **29. Force majeure**

Where performance cannot be carried out in accordance with the agreement as a consequence of circumstance outside the supplier's control, which the supplier could not reasonably have foreseen at the time of entering into the agreement, the supplier will be discharged from liability for compensation and other remedies. The same applies, mutatis mutandis, to the purchaser. If performance is prevented for more than two months, the supplier and the purchaser respectively shall be entitled to terminate the agreement by written notice.

## **30. Limitation of liability and damage**

**30.1** The supplier's obligation to compensate the purchaser shall only apply to direct losses, unless the supplier has been grossly negligent. With the exception of the provisions of section 23, the compensation amount shall be limited to the price of the product. These limitations of liability apply to all types of claims for damages, including those based on something other than breach of contract.

**30.2** Direct loss for the purchaser includes, inter alia, costs for examination of the product, extra storage and transportation costs, additional travelling expenses, repairs costs and other rectification measures, price differences upon the purchase of replacement goods from other suppliers, costs for overtime work, and costs for services provided by independent companies.

**30.3** The purchaser's obligation to compensate the supplier shall be subject to the same limitations as for the supplier's corresponding obligation pursuant to section 30.1.

**30.4** Direct loss for the supplier includes, inter alia, costs for examining defects in materials supplied by the purchaser, additional travelling expenses, costs for overtime work, costs for additional manpower, and costs for services procured from other companies.

## **31. Limitation**

If the purchaser wishes to bring an action against the supplier for errors or delays in the performance, the action must be brought in the district court within one year after receipt of the performance.