

General Terms of Business

1. General Provisions

These General Terms of Business shall be binding if they are applicable according to HOCHDORF's offer and/or order confirmation. The contract shall be concluded with the receipt of HOCHDORF's written confirmation that HOCHDORF accepts purchaser's order (order confirmation). Contractual party shall be HOCHDORF or HOCHDORF's affiliated company listed in the relevant order confirmation. Any deviating general terms and/or conditions of purchaser shall only be binding if they are explicitly accepted by HOCHDORF in writing. If not otherwise agreed upon in these General Terms of Business, the "Swiss Code of Obligations" (Schweizer Obligationenrecht, OR) shall apply.

2. Prices

All prices shall be net, ex works HOCHDORF without transport packaging, in discretionary Swiss Franks without any deductions and without VAT, if not otherwise agreed upon in writing. All additional expenses as e.g. freight, transport packaging, insurance, tax (VAT), (public) charges, fees and customs duty etc. shall be borne by purchaser.

HOCHDORF reserves the right to adjust prices if in the time between the offer and the fulfilment of the contract the exchange rate between the Swiss Franc and the agreed reference currency changes more than 5% or if the price for raw material or any other material changes more than 5%. In this case the price adjustment will be according to the amount of the change.

3. Payment Conditions

The purchase price shall be paid the latest 30 days after HOCHDORF's invoice by bank transfer on an account named by HOCHDORF without any deduction of taxes, expenses, charges, customs duty etc. if no other payment conditions have been agreed upon between the Parties. If purchaser falls into arrears, purchaser shall pay interest in the amount of 5% per annum starting with the agreed due date without; no reminder required. HOCHDORF has the right to ask the payment being safeguarded by a letter of credit of a first class bank in case of foreign shipment.

4. Reservation of Title

HOCHDORF shall remain sole property owner of all delivered goods until HOCHDORF has received all payments due according to the contract. Reservation of title is extended on all products deriving or evolving from processing, mingling or composing of the originally delivered goods with other products to the full value while HOCHDORF shall be deemed the manufacturer of the new product. If any third party's right of property continues to exist even after any processing, mingling or composing HOCHDORF's goods with other products, HOCHDORF shall become co-owner according to the percentage of the invoice value of the processed goods. Purchaser hereby ceases to HOCHDORF in advance all claims in total or in the amount of the co-ownership against third parties deriving from the sale of such products for the sake of safeguarding HOCHDORF's claim for the purchase price.

5. Shipment

All of HOCHDORF's deliveries and performances are listed exclusively in the order confirmation including any possible annexes. Purchaser shall point out to HOCHDORF at the latest when purchaser asks HOCHDORF to place an offer all specifications as well as all provisions and regulations with respect to execution of HOCHDORF's delivery and performance, purchaser's business as well as all provisions for accident and sickness prevention and protection of health in purchaser's country. Any agreements on dates or periods of delivery have to be in writing. HOCHDORF's obligation to deliver shall be suspended as long as purchaser is in arrears in fulfilling its contractual obligations. If HOCHDORF should not keep to an agreed delivery date HOCHDORF shall be or fall in arrears only if purchaser has granted HOCHDORF an adequate period of grace. Purchaser shall only be entitled to

ask for damages for delayed delivery if the damage was caused by HOCHDORF acting with intent or gross negligence. Any consequences of delayed delivery according to Art. 190 OR shall be explicitly excluded. The period of delivery shall be extended reasonably if any hindrances occur which HOCHDORF cannot anticipate even if HOCHDORF acts with due diligence. Such hindrances shall be amongst others, but not limited to epidemic, war, riots, serious disruption of business, accidents, strikes, belated or defective delivery of raw material semi manufactured or pre-manufactured articles or any act of God.

6. Origin of Materials

The origin of raw materials and packing materials shall on purchaser's demand be specified by HOCHDORF. In case the manufacturer or supplier specified by HOCHDORF should be unable to deliver, HOCHDORF has the right to place orders of raw materials and packing materials with other manufacturer or supplier without the acceptance of the purchaser.

7. Warranty

Purchaser shall check all deliveries within 20 days after receipt of goods at the place of destination. Additionally, purchaser shall inform HOCHDORF about any defects immediately in writing. If the Parties have not agreed on a written inspection plan, purchaser has to check the delivered goods comprehensively with respect to any defects and accordance with any guaranteed qualities. If HOCHDORF should submit a certificate of analysis, purchaser nonetheless shall have the obligation to check the goods as described above. When reprehending a defect, purchaser shall forward a prestigious example of the defective product to HOCHDORF. When receiving a notice of defect HOCHDORF shall have the right to have the reprehended product checked by employees or experts at HOCHDORF's sole discretion. HOCHDORF's obligation to grant warranty shall be limited to a replacement delivery. Any claim of redhibitory action or reduction of price shall be explicitly excluded. Purchaser's right to ask for compensation of damages (be it indirect or direct), especially for loss of image, promotion costs, loss of production, loss of effectivity, loss of orders, loss of profit shall be explicitly excluded as well. This exclusion of liability shall not apply if HOCHDORF should act with malice intend or gross negligence; nonetheless it shall apply for any actions with malice intend or gross negligence by auxiliary persons. Any claims with respect to warranty shall lapse with the expiry of the „best before date“ written on the relevant delivered product. Any warranty or liability shall be excluded for damages verifiably caused by improper treatment, faulty application or improper storage.

8. Right to Cancel the Contract

HOCHDORF shall be entitled to cancel any obligations of delivery if purchaser's financial situation has considerably worsened or if purchaser's financial situation is different than described to HOCHDORF beforehand. HOCHDORF's right to cancel the contract shall exist especially in – but not limited to – the following situations: purchaser or an affiliated person is resp. are insolvent or bankruptcy proceedings have started or the balance sheet has been lodged with a judge or if a plea for delay of estate has been made or – in general – if further payments cannot be safeguarded any longer.

9. Security Provisions

If HOCHDORF processes, uses or treats material or products provided by purchaser, purchaser shall also provide the relevant security information and data. Purchaser shall be fully responsible for keeping to the necessary local security provisions and the instruction of the personnel when HOCHDORF does a further processing of material provided by purchaser.

10. Place of Performance, Place of Jurisdiction and Applicable Law

Place of performance shall be Hochdorf/Switzerland. The Parties' legal relation including these General Terms of Business shall exclusively be governed by Swiss substantive law excluding the UN Convention on the International Sale of Goods (Vienna Convention of 1980 - CISG) and also excluding any provisions of conflict of law.

Exclusive Place of Jurisdiction for all disputes arising out of this contract shall be Hochdorf/Switzerland.