

GENERAL TERMS AND CONDITIONS (GTC)

1. General Provisions

These General Terms and Conditions (GTC) apply to the supply of products from HOCHDORF. A contract shall be concluded upon receipt of HOCHDORF's confirmation that HOCHDORF accepts purchaser's order. The respective order confirmation shall be submitted to the purchaser in writing or other readable form such as email, however in case of doubt the order confirmation shall be submitted to the purchaser on the channel the respective purchase order was received. Any deviating general terms and/or conditions of the purchaser shall apply if they are explicitly accepted by HOCHDORF in writing. HOCHDORF reserves the right to amend these GTC at any time. Any amendments on these GTC shall be considered to be accepted by the purchaser unless he objects within 14 calendar days in writing. Any objection will be considered as termination of the respective contract within a notice period of six (6) months. If not otherwise agreed upon in these GTC, the "Swiss Code of Obligations" (Schweizer Obligationenrecht, OR) shall apply.

2. Prices

All prices shall be net, ex works warehouse HOCHDORF without transport packaging, in discretionary Swiss Francs without any deductions and without VAT, if not otherwise agreed upon in writing or other readable form. 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 resp. conclusion of the contract and the fulfilment of the contract, and if the fulfilment is scheduled on different dates for each fulfilment, the exchange rate between the Swiss Franc and the agreed reference currency changes more than 5% or if the price for energy (including but not limited to gas, oil, electricity), raw material with the exemption of milk, whey and their derivatives or any other material changes more than 5%. However, this threshold to price changes of 5% shall not apply to price changes for milk, whey and their derivatives. In any case however 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 «cash-to-order»

prepayment agreement or 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 and Fulfilment

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 or other readable form. Place of fulfilment shall be the place of HOCHDORF's indicated warehouse. HOCHDORF's obligation to deliver shall be suspended as long as the purchaser is in arrears in fulfilling its contractual obligations. If, in the case of loose goods (such as milk powder), the delivery of a total quantity within a certain period of time has been agreed (contract quantity), HOCHDORF has the right to exceed or fall short of the agreed total quantity (contract quantity) or any corresponding partial delivery from a delivery call-off by up to 10% without giving rise to any claims against HOCHDORF. 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 pandemics, epidemics, war, riots, serious disruptions of business, operating restrictions, shut-

downs, or other requirements imposed by public authorities for reasons not attributable to HOCHDORF, 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 14 calendar days after receipt of goods at the place of destination. Additionally, the purchaser shall inform HOCHDORF about any defects immediately, but in any case no later than within 14 calendar days and 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 rephending 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 rephended 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“ indicated on the relevant delivered product. Any warranty or liability shall be excluded for damages verifiably caused by improper treatment (including transport), faulty application or improper storage.

8. Right to Cancel or Terminate 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 follow-

ing 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 of the purchaser cannot be safeguarded any longer. The latter shall be deemed fulfilled in any case if the purchaser does not meet his payment obligations for more than 60 days. In the case of contracts concluded for an indefinite period (in particular framework agreements), the parties shall have an ordinary termination with a notice period of six (6) months from receipt of the corresponding notification, unless otherwise agreed in writing or in another legible form in the individual case. In the case of fixed-term contracts with a term of more than three (3) years, HOCHDORF shall have the same termination right. In any case however, the extraordinary right of termination remains reserved in the event that the continuation of the business relationship cannot be reasonably expected for the non-breaching party due to multiple and significant breaches of contract. In the event of extraordinary termination, the notice period shall be three (3) months from receipt of the corresponding notification.

9. Security Provisions

If HOCHDORF processes, uses or treats material or products provided by the purchaser (without the material being in HOCHDORF's property; in German: «beigestellte Ware»), purchaser shall also provide the relevant security information and data (e.g. certificates of analysis). 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 Jurisdiction and Applicable Law

The Parties' legal relation including these GTC shall exclusively be governed by the substantive laws of Switzerland excluding the UN Convention on the International Sale of Goods (Vienna Convention of 1980 – CISG) and also excluding any provisions of conflict of law (IPRG).

Exclusive Place of Jurisdiction for all disputes shall be Hochdorf/Switzerland.

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