

General Terms and Conditions of Sale and Delivery

I. Scope

- 1 These General Terms and Conditions rule the relationship between Folien Fischer AG (the **vendor**) and any buyer of materials and/or services.
- 2 Any changes of these General Terms and Conditions or amendments are only binding if the vendor has given its written agreement thereto.
- 3 These General Terms and Conditions shall also remain binding if any individual parts hereof are ineffective for any reason whatever.
- 4 General terms and conditions of the buyer or third parties which differ from these General Terms and Conditions or from special agreements are not binding upon the vendor even if the buyer has referred thereto and the vendor has not expressly rejected them.

II. Offer and acceptance

- 1 In the event of a composite offer, there shall be no obligation to supply part thereof at a corresponding fraction of the price quoted for the whole.
- 2 Purchase orders are only binding for the vendor after having sent a written order confirmation to the buyer.

III. Industrial property rights

- 1 Printed documents and other data supplied by the vendor as well as designs, drawings, blocks, films, printing cylinders and plates, etc. remain the vendor's full property even if the buyer has paid a proportion of their costs.
- 2 The buyer alone shall be liable for verifying the reproduction rights and also the copyrights in documents and other data entrusted to it. Accordingly, it shall indemnify and protect the vendor against all third parties' claims.

IV. Delivery

- 1 The delivery date is determined in the vendor's order confirmation.
- 2 If the order is subsequently amended, the vendor shall no longer be bound by the originally promised and confirmed lead time.
- 3 In the event of *force majeure* in the sense of natural disaster, measures taken by public authorities, shortage of materials, stoppages, transport problems, strikes, machine failures, lockouts and other interruptions of operations, the vendor may, at its own discretion, suitably extend the agreed lead time or withdraw from the contract. There is no obligation of the vendor to reimburse the buyer or any third parties for any costs or further damage resulting out of force majeure.
- 4 If the goods are not delivered after the expiry of the agreed lead time, before annulling the order the buyer must by registered letter fix a grace period of 14 working days. The order shall not be deemed to have been annulled until the expiry of that grace period. There is no obligation of Vendor to reimburse the buyer or any third parties for any costs or damage resulting out of late delivery, if not explicitly agreed in writing by the vendor.
- 5 The buyer is obliged to thoroughly examine the materials and/or services at the date of delivery and to report any defects immediately to the vendor in writing. If the buyer fails to obey these obligations, the materials and/or services are deemed to be fully accepted by the buyer at the date of delivery what excludes any warranty claims under number VIII hereunder.

V. Packaging

- 1 The vendor shall be liable for correct packaging in accordance with standard trade practices.
- 2 If the price of the goods is determined by weight, the price shall be charged in accordance with the gross weight when paper and envelopes are used for packaging.
- 3 Special non-standard packaging shall be invoiced.

VI. Tolerances

The tolerances stated on the confirmation of order shall apply.

- Tolerances on weight
- Tolerances on dimensions
- Tolerances on quantity

VII. Reservation of title

- 1 The vendor retain all titles to the supplied materials and/or services as well as to new items created from any reprocessing until full payment is received from the buyer or checks and bills have been redeemed.
- 2 The buyer is allowed to make use of the supplied materials and/or services in the normal course of business and, in particular, may process and sell them. If the supplied materials and/or services are re-sold before final payment, the claim to the purchase price shall automatically be transferred to the vendor without any special assignment.
- 3 Exceptional disposal, such as pledging, assignment as surety, etc., is permissible only with the vendor's written consent. The buyer shall immediately inform the vendor of third parties' attachment of the retained goods (e.g. seizure by another creditor).

VIII. Warranty and liability

- 1 Vendor warrants that the materials and/or services are, at the time of delivery, free of defects in materials and workmanship, provided that the buyer undertakes comprehensive testings before starting any processing and/or use, processes the materials correctly with appropriate materials and on appropriate equipment, and stays within the product's intended use. Defective materials and or services shall be repaired or replaced free of charge at the vendor's own discretion; they shall be stored carefully until vendor's further instructions. The vendor shall have no liability for defects caused by the buyer or any third parties due to incorrect handling, overloading of the material or inadequate clarification before placing the order. This applies particularly to defects which could have been prevented with a more detailed project arrangement by the buyer.
- 2 The warranty period expires 6 months after delivery ex works Dottikon. An additional warranty period of 3 months, resulting in a total warranty period of 9 months from delivery ex works Dottikon, applies to materials further processed by the buyer or its customers, if the materials are handled and stored correctly. For materials not produced by the vendor itself (trading goods), it is at the buyer's own discretion to contact directly the manufacturer according to applicable product liability rules for any longer warranty term.
- 3 Complaints of defects shall be sent to the vendor by fax and/or registered letter immediately after they are discovered but in any case within the above mentioned warranty period. The warranty shall expire prematurely if the buyer does not immediately take suitable steps to reduce the prejudice when a defect occurs and does not give the vendor an opportunity to remedy the defect.
- 4 **In no case may compensation exceed the sales price of the supplied goods invoiced by the vendor.**
- 5 **No compensation shall be payable for consequential damage.**
- 6 In case of materials produced and/or services rendered in accordance with the buyer's specifications, the buyer shall have full responsibility for ensuring that no intellectual property or other rights of third parties are infringed. Same applies to any further processing of vendor's materials.
- 7 The buyer shall protect the vendor from third parties' claims to compensation for prejudice caused by unskilled or incorrect use, processing or working of the goods or parts thereof supplied by the vendor. The buyer shall insure itself against such claims by third parties.

IX. Product liability

In relation to product liability, the vendor accepts no claims from the buyer which exceed the warranty defined in Clause VIII above. In so far as the law permits and with validity for the vendor too, the buyer shall exclude claims from its customers deriving from product liability and other contractual and non-contractual claims. The buyer shall immediately inform the vendor of all specific claims which a customer has based or could base upon product liability. The buyer may not recognise any product liability without prior discussion and agreement with the vendor.

X. Payment

- 1 Payments shall be deemed to have been made within the stipulated period if the vendor receives the bank's credit notice within 30 days from submitting the invoice.
- 2 If the payment period is exceeded, the buyer shall be in default without a prior warning being required. Without prejudice to other rights, the vendor may charge default interest.
- 3 Bills and checks are accepted only with a view to performance. Payment by bills requires a special agreement. The buyer shall bear and immediately pay in cash the interests and costs for discounting or collecting bills and checks.

XI. Place of performance, jurisdiction and applicable law

The place of performance for deliveries, services and payments shall be the vendor's domicile in Dottikon (Switzerland). The relationship between the vendor and the buyer shall be governed in all respects by the substantive law of Switzerland without regard to conflicts of laws principles. **It is expressly agreed that the competent courts at the legal domicile of Folien Fischer AG, i.e. for the time being Dottikon (Switzerland), shall be the only place of jurisdiction** for any disputes arising from the relationship between the vendor and the buyer. The vendor may at its own discretion also take legal action at the location of its subsidiary or at the buyer's domicile.

Dated July 26, 2010