

General Terms and Conditions of Sale

December 13, 2011

1. Scope and Terms

- 1.1 "GTC" refers to the present General Terms and Conditions of sale of the respective company of the Domaco-Holding (hereinafter referred to as "DOMACO").
- 1.2 All offers, agreements and deliveries, including those arising from future contractual relationships with the same contractual partner ("customer") are subject to these GTC. They are accepted by the customer upon placement of an order with DOMACO, however, no later than at the time of acceptance of a delivery from DOMACO.
- 1.3 Any terms and conditions on the part of the customer are deemed to be rejected by DOMACO and are only valid if they have been expressly accepted in writing by DOMACO. In particular, the provision of deliveries or services on the part of DOMACO does not indicate the acceptance of the customer's terms and conditions.
- 1.4 Amendments or modifications to these GTC are only valid if they have been made in writing. In cases of discrepancies or contradictions, the written provisions resulting from specific understandings supersede those in these GTC.
- 1.5 Should individual provisions of these GTC be or become void or invalid, this in no way affects the applicability or validity of the remaining provisions of these GTC and/or the contractual relationship.
- 1.6 Unless otherwise agreed upon in writing in individual agreements, the respective legal seat of "DOMACO" is deemed to be the place of performance.
- 1.7 The current and binding General Terms and Conditions are always posted on the Internet at: www.domaco.com.

2. Business Principles

- 2.1 In all of its business relationships, DOMACO holds to the principles of good faith and expects its customers to reciprocate.
- 2.2 Ethical principles such as the individual rights of third parties, safeguarding human rights, the prohibition against child labor, protection of the environment, etc. are strictly observed by DOMACO and its customers.

3. Offers, Orders, Manufacturing and Delivery

- 3.1 The information provided by DOMACO in its sales documentation is not binding.
- 3.2 Any order placed by a customer is only deemed to have been accepted by DOMACO once DOMACO has confirmed the order in writing. Offers on the part of DOMACO therefore merely represent invitations made to the customer to submit an order. Modifications to or cancellations of individual orders or the withdrawal from framework orders are only permitted with the approval of DOMACO.
- 3.3 The delivery date may be correspondingly extended if:
A) The information required in order to complete the order (e.g., customer-specific raw materials, artwork, "print ready", packaging materials, etc.) is not made available to DOMACO in a timely manner, or if any alterations are subsequently made by the ordering party; B) Payment schedules are not maintained, credit accounts are not opened in time or any required import licenses do not arrive at the customer within an adequate time period; C) Obstacles arise (refer to Provision 9) which DOMACO is unable to overcome despite due care and diligence, regardless of whether these arise at the supplier, the customer or a third party.
- 3.4 All risks with regard to the resale of ordered goods lie with the customer. DOMACO assumes no responsibility for the recommended retail price and is under no obligation to take back unsold goods from the customer or to provide the customer with marketing assistance to promote the sale of ordered goods.
- 3.5 If a framework agreement was reached with the customer and the customer subsequently fails to call the full or partial quantities within the specified call period, DOMACO may then either elect to demand payment for the as yet not called goods, for which DOMACO shall be released from its delivery obligations, or to demand reimbursement for the as yet unused, customer-specific ingredients or raw materials, the as yet unused, customer-specific packaging materials and the disposal costs, as well as compensation amounting to 30% of the value of the as yet not called goods. In any case, where framework agreements or framework delivery agreements are involved, the individual order may not exceed three times the intended minimum order without the express, written approval of DOMACO.
- 3.6 If a customer provides DOMACO with some or all ingredients or raw materials required to manufacture a product, DOMACO will become the sole owner of the product resulting from the processing of the ingredients or raw materials. The customer accepts a loss of ingredients or raw materials of 10% as a result of the processing of his ingredients or raw materials. Should this loss be larger, a written agreement between the parties is required.
- 3.7 If the products manufactured by DOMACO are to be packaged by the customer or by third parties, DOMACO can in no way be held liable for any damages to the product. In particular, the customer is responsible for the

careful selection of the packager, for proper packaging, for optimal conditions which do not damage the product during transport to the packager and during the packaging process, as well as for the irreproachable quality of the packaging material.

- 3.8 Unless otherwise agreed upon by both parties, individual orders are delivered at the place of performance. A failure to meet the delivery deadline entitles the customer to withdraw neither from the order nor to any compensation.
- 3.9 Upon delivery at the place of performance, benefits and risks with regard to the goods pass to the customer. If the customer is in arrears with respect to acceptance or assumption and/or payment, DOMACO has the right to demand a storage fee from the customer amounting to 1% of the purchase price per month; all risk related to the loss of or damage to the goods are borne by the customer.
- 3.10 Unless otherwise specified by INCOTERMS 2010 or agreement, shipping is at the customer's expense and risk, even when organized by DOMACO. The receipt and condition of the goods are described by the shipping firm on the bill of delivery.
- 3.11 In all cases the customer is obligated to store the products delivered to him under optimal conditions in accordance with the usual methods applicable to the specific product in question (e.g., storage in a locked area, repackaging of bulk materials within the specified period of time, etc.).

4. Prices

- 4.1 Unless prices have been set for a specific time period through a framework agreement with a customer, the current DOMACO price list valid at the time of order receipt applies.
- 4.2 Unless otherwise agreed on in writing, all prices are understood to be in Swiss Francs, Ex Works DOMACO, Lengnau, and suitably packaged for shipping to the respective destination. All types of taxes, charges, fees, customs duties as well as all related expenses such as those for shipping, insurance, authorizations as well as documentation are not included in the price and are to be borne by the customer unless otherwise agreed upon in writing.

5. Internet – Legal Information

- 5.1 Content: The Internet offerings of DOMACO, www.domaco.com, have been very carefully prepared. They are continuously being expanded and updated. Nonetheless, DOMACO assumes no liability for the correctness and completeness of the information.
- 5.2 Product information: The material on offer on these web pages is intended to provide the reader with general information. It is in no way intended to be a substitute for any commercial, technical or other professional advice. DOMACO assumes no responsibility for damages, injuries or losses resulting from this information.
- 5.3 Hyperlinks: The hyperlinks listed on the DOMACO web pages are in no way to be seen as representing recommendations. The accuracy and validity of the information shown there is not examined. DOMACO assumes no responsibility for damages resulting from the utilization of this information.

6. Payments by Customers

- 6.1 Unless otherwise agreed upon in writing, payment by the customer is due for each individual delivery no later than 30 days after the invoice date and without deductions for cash discounts, bank and transfer fees or similar charges. These payment deadlines must also be observed in cases where shipping, delivery or acceptance of the goods are delayed or impossible (e.g., in the case of a failure on the part of the customer to accept the delivery). In case of delay, a situation of default will be considered to exist without the need for a dunning letter, and this gives DOMACO the right to late payment interests charge a late fee of 9%.
- 6.2 In order to ensure payment DOMACO may, at any time, request a letter of credit or bank guarantee. Such letters of credit or bank guarantees are entirely at the expense of the customer.
- 6.3 Should the customer fall into arrears, DOMACO may withhold further deliveries until such time as the outstanding account has been settled and simultaneously request full payment in advance. Further, DOMACO also has the right to assert its options in accordance with Art. 107/108/109 of the Swiss Code of Obligations.
- 6.4 The customer may not set off any claims against the claims of Domaco.

7. Retention of Title

- 7.1 All goods remain the property of DOMACO until such time as all claims – including future claims – of DOMACO against the customer have been paid in full and regardless of any legal grounds, in particular claims for payment of outstanding balances for ongoing accounts, as well as until such time as the received drafts and checks have cleared (hereinafter referred to as "conditional goods").

- 7.2 The customer is obligated to assist in any required measures intended to protect the property of DOMACO. All formalities related to the substantiation and maintenance of Domaco's title to the conditional goods are performed at the customer's expense.
- 7.3 The customer may only resell the conditional goods within the context of his normal business activities. He is only entitled and authorized to resell the conditional goods under the provision that the claims arising from the resale of the conditional goods are transferred to DOMACO: Upon the customer placing an order or countersigning an order confirmation, all claims arising from the resale of the conditional goods or any insurance claims resulting from damage to or theft of the conditional goods are assigned to DOMACO. The customer is not entitled to dispose of the conditional goods in any other manner, in particular he may not pledge the conditional goods or utilize them as collateral. The customer is only entitled to enforce the claims resulting from the resale with the express approval of DOMACO.

8. Warranty

- 8.1 DOMACO warrants that the delivered products shall exhibit no faults up to the expiration date indicated on the packaging provided the products have been shipped properly, are properly employed and are properly stored.
- 8.2 Warranties regarding characteristics must have been made in writing by DOMACO and must be specifically designated as such. Unless otherwise agreed upon, product information, samples and specimens are only intended for product description and indication of suitability or as merely approximate items for examination with regard to quality, dimensions, weight, taste and color. However, even in the case of written assurance, a product may exhibit reasonable deviations when compared to the specimen.
- 8.3 Upon receipt of the goods at the place of performance, the customer is obligated to visually inspect the external appearance and take random samples for inspection. Any defects are to be immediately reported in writing. The goods are deemed to have been accepted and approved after 5 days subsequent to receipt and this includes any hidden faults. Any subsequent notification of defects cannot form the basis of a claim against DOMACO.
- 8.4 In the case of a timely notification of defect, the customer's only claim is for replacement of the goods. DOMACO, however, may elect to either deliver a replacement of the defective goods or to replace the value of the goods at the prices of DOMACO. The customer is not permitted to return the goods without the written approval of DOMACO. DOMACO assumes no other warranties; in particular, liability for consequential damages and liability for loss of income or profit are expressly excluded.

9. Force Majeure and Right of Withdrawal

- 9.1 Obstacles which lie outside the control of, DOMACO, e.g., Acts of God such as epidemics, pandemics, military mobilization, war, civil unrest, fire, natural catastrophes, strikes and lack of raw materials grant DOMACO the right to withdraw from the contract with the customer or to delay performance without the right of indemnity for the customer.
- 9.2 Alterations to the customer's financial status (e.g. delayed payment, payment difficulties, payment stoppage, death or the inception of prosecution and significant civil suits filed against the customer), which lead to the justifiable assumption that the customer will be unable to meet his obligations with respect to DOMACO in a timely manner, permit DOMACO to demand appropriate security or advance payment. If the customer fails to respond to the demand within a specified time period, DOMACO has the right to immediately withdraw from every contract with the customer and to be held harmless by the customer. In such an instance, all payments owed DOMACO immediately fall due.

10. Authorizations and Customs Tariff Numbers

- 10.1 The customer is obligated to obtain all the authorizations and customs tariff numbers (in accordance with INCOTERMS 2010) required for the importation and the resale of DOMACO products from the responsible authorities, etc.
- 10.2 In case of doubt, DOMACO's delivery obligations remain dormant until the customer has provided evidence of compliance with the respective regulations or the appropriate authorizations have been granted.
- 10.3 The customer is responsible for declaring and applying the correct customs tariff number. DOMACO assumes no liability for incorrect customs tariff numbers.

11. Confidentiality and Know-how

- 11.1 All commercial and technical information related to DOMACO or the products manufactured or to be manufactured by it to which the customer becomes privy remains the sole property of DOMACO, represents DOMACO trade secrets and is therefore to be held in strictest confidentiality. Such information may not be disclosed or made available to third parties without

the authorization of DOMACO, nor may it be utilized by the customer for his own purposes or for the purposes of others. Documents containing confidential information regarding DOMACO may not be copied and must be returned to DOMACO without the need for a request for such return.

- 11.2 All recipes with or according to which DOMACO manufactures products are the property of DOMACO and represent its know-how which must remain confidential, regardless of whether such products are manufactured to the customer's specifications and using the customer's raw materials and ingredients. Recipes are to be treated with strict confidentiality in accordance with Provision 11.1.

12. Trademark Rights

- 12.1 DOMACO acknowledges the trademark rights of customers on the products it manufactures. DOMACO will not register any customer marks in its own name without the authorization of the customer.
- 12.2 DOMACO reserves the right to register as trademarks such marks as clearly differ from the marks of its customers.

13. Applicable Law/ Jurisdiction / Valid Version

- 13.1 All legal relationships between DOMACO and a contractual partner are based solely on **Swiss Law**, under the total exclusion of the United Nations Convention on Contracts for the International Sale of Goods adopted in Vienna on April 11, 1980.
- 13.2 **The Place of Jurisdiction** for all disputes arising from an existing legal relationship between DOMACO and a contractual partner is **the legal seat of the respective company of the "Domaco-Holding" (Civil Court)**. DOMACO, however, may also pursue its claims before the court at the customer's domicile or before any other court of competent jurisdiction.
- 13.3 The German version of these general terms and conditions prevails over versions in other languages.