

General Purchasing Conditions of PAWI Packaging AG and PAWI Design AG (GPC) As of June 2017

1. General Conditions

- 1.1. The following General Purchasing Conditions (GPC) apply to all contractual relations between PAWI Packaging AG and/or PAWI Design AG (known together as PAWI) and their suppliers. Upon acceptance of the order by the supplier, the GPC are deemed accepted. All modifications or amendments require a written agreement.
- 1.2. General terms and conditions of business, sales or delivery of the suppliers are explicitly rejected and do not apply, even if they are not explicitly contradicted.

2. Orders and Order Confirmations

- 2.1. Only written and electronic orders are valid. Verbal agreements and additions or changes to orders must be confirmed in writing or electronically by PAWI.
- 2.2. Every order has to be confirmed in writing or electronically by the supplier. If PAWI does not receive any written or electronic statements from the supplier within 5 working days following the order, the order is deemed accepted by the supplier according to the conditions stated in the order.

3. Prices

- 3.1. The prices are understood as fixed prices and are binding. They shall include all agreed services and ancillary costs (e.g., packaging, transport costs free of charge to the place of performance specified by PAWI) and shall apply irrespective of the place of performance.

4. Delivery Time and Delays

- 4.1. In the event that the supplier anticipates any difficulty in complying with any delivery date or any of its other obligations, the supplier shall promptly notify PAWI in writing, stating the reasons and the presumed duration of the delay. At the same time, he shall present PAWI with a proposal for further action, whereby PAWI expressly reserves the right to withdraw from the contract (clause 7). All of the costs incurred by PAWI due to the delayed delivery (e.g., transport costs, additional costs related to an order with another supplier) or loss of profits shall be borne by the supplier.
- 4.2. Deliveries by installments and premature deliveries shall only be permitted with the express consent by PAWI.

5. Transport, Risk Assumption, Insurance and Packaging

- 5.1. Unless otherwise agreed, DDP deliveries (Incoterms 2010) shall be made to the place of performance. Special transport modes and routes shall be agreed upon separately.
- 5.2. The transfer of benefits and risks shall be made after delivery at the place of performance.
- 5.3. Contracting transport insurance is the responsibility of the supplier.
- 5.4. The supplier bears the full responsibility for the adequate packaging of the delivered goods. The hygiene requirements of the BRC must specifically be complied with. Special attention is to be paid to the cleanliness of the pallets (palletising rules) as well as appropriate hygiene of the loading bridges of the transport vehicles. Any damage to the delivered goods, resulting from inadequate or unsuitable packaging, as well as PAWI resulting damages, loss of profits or additional costs shall be borne in full by the supplier. The supplier shall provide precise instructions and draw attention to PAWI to any special care in the removal of auxiliary constructions and the like or will otherwise be fully indebted to PAWI for any damages whatsoever.
- 5.5. PAWI order number, article number and description, as well as the quantities, must be confirmed on the packaging and on all documents (delivery notes, invoice). If labels are to be applied to delivered goods, PAWI defines the layout and content. Prior to delivery, the supplier shall submit the labels to PAWI for approval. If the goods are not released by PAWI, the delivery items shall not be delivered.
- 5.6. The supplier shall guarantee compliance with all relevant shipping and declaration regulations, as well as possible export and import modalities. The supplier shall be responsible and liable for any damages or loss arising due to the non-compliance with these regulations and modalities.

6. Warranty/Hiring of suppliers/Subcontractors

- 6.1. The supplier shall guarantee that the delivered goods do not have any physical or legal defects which would impair their value or their suitability for the intended use, that the delivered goods have the agreed upon and assured characteristics, are free from third-party rights and correspond to the statutory services and specifications. The supplier specifically guarantees that the delivered goods used for the packaging of foods are also suitable for contact with foods, and that such contact does not have any negative effect on the foods. The supplier undertakes to carry out the appropriate quality controls on a regular basis.
 - 6.2. The warranty period corresponds to 24 months following delivery of the delivered goods at the place of performance.
 - 6.3. The immediate obligation for PAWI to inspect and notify any damages (OR Art. 201) shall be waived. PAWI may lodge a complaint during the entire warranty period. If, during the warranty period, the delivered goods are defective (see section 6.1.), PAWI is entitled to request that rectifications of the defects be done in a timely manner, or that a free subsequent delivery be done by the supplier, to apply a rebate to the price corresponding to the defect or lack of remedies (Article 7). If the supplier does not carry out the required rectification or replacement delivery despite a possible grace period, PAWI shall be entitled to rectify the defects or to obtain replacement at the expense of the supplier. In any case, PAWI can fully assert further damages including consequential damages.
 - 6.4. The supplier shall not be entitled to use any supplier/subcontractors for the performance of the contract without prior written consent from PAWI. The supplier is responsible and liable for suppliers/subcontractors as well as for their own services.
 - 6.5. The supplier is liable for repairs and replaced goods to the same extent as to the original deliveries.
- 7. Withdrawal from Contract**
- 7.1. If the supplier is in default with respect to the delivery (clause 4.1.) or the warranty work (clause 6.3.), and if an additional period of grace has also been completed without success, PAWI may withdraw from the contract and waive the delivery without any incurring costs to PAWI.
 - 7.2. If, prior to the delivery date, the supplier exceeds this limit, PAWI can likewise withdraw from the contract and waive the delivery without any incurring costs to PAWI.
 - 7.3. The right of withdrawal shall also be valid in the event that, during the course of the manufacturing of the delivery items, it can be safely foreseen that the delivery items will not be suitable.
 - 7.4. PAWI's claims shall be subject to full damage compensation including the replacement of consequential damages.

8. Liability, Third Party Rights, Retention of Title

- 8.1. The supplier bears full liability for the delivery items and is liable for any damages, including consequential damages due to the defectiveness of the delivered goods to PAWI or to third parties. This also includes the consequential costs for product recalls.
- 8.2. The supplier shall warrant that the delivery and the use of the delivered goods and PAWI services do not infringe any intellectual property rights or the intellectual property of third parties (e.g., patents, samples, models, etc.). Otherwise, he shall indemnify PAWI in full.
- 8.3. The supplier confirms and undertakes to maintain a product and operational liability insurance (including a call-back risk) during the entire contractual relationship (until expiry of the limitation period of all claims which may result from the contractual relationship), with sufficient coverage for personal goods and financial losses (at least CHF 5'000'000 per claim). Upon request of PAWI, the supplier shall provide evidence of such insurance in writing.
- 8.4. A retention of title of the supplier on the delivered goods is excluded.

9. Confidentiality

- 9.1. All rights to information, documents, drawings, etc. made available by PAWI to the supplier remain with PAWI and these may not be used for other purposes, copied or made accessible to third parties. Upon request, PAWI

shall forthwith issue all documents together with all copies or duplications. In the event of non-delivery, the supplier shall immediately hand over all documents without request.

- 9.2. The supplier shall handle the request, the order and the related work or supplies in a confidential manner, and instruct his employees accordingly.
 - 9.3. Technical documents of the supplier or his suppliers/subcontractors are treated confidentially by PAWI. They remain the intellectual property of the supplier or of the supplier/subcontractors of the supplier.
 - 9.4. Goods supplied by the supplier on the basis of instructions, drawings or technical specifications of PAWI may not be offered, sold, delivered or made known to third parties without the prior written consent of PAWI.
- 10. Invoicing and Payment Terms**
- 10.1. Unless otherwise agreed, invoicing shall be made separately for each order, specifying the order number.
 - 10.2. Unless otherwise agreed, the payment is made within 14 days with a 2% discount or within 30 days after receipt of the invoice. In the event of a defective delivery, PAWI shall be entitled to withhold payment up to the due date.
 - 10.3. Without the prior written consent of PAWI, the supplier shall not be entitled to assign or otherwise dispose of its claims, in whole or in part, against PAWI.

11. Force Majeure

- 11.1. The parties to the contract are not liable for the non-fulfillment of the contractual obligations caused by unforeseen events of «force majeure». The term «force majeure» shall be understood to mean, after the conclusion of the contract, non-predictable and objectively unavoidable conditions occur. A strike is explicitly excluded as «force majeure».
 - 11.2. The contractual partner referring to reasons of «force majeure» is obliged to notify the other contractual partner without delay of the occurrence and the anticipated duration of the delay or its prevention. If this notification is omitted or delayed, the affected contractual party shall be liable to the other party for the additional costs and financial consequences resulting therefrom.
 - 11.3. Upon request, the supplier shall provide PAWI with a certified confirmation of the circumstances which he considers to be a «force majeure».
- 12. Place of Performance, Applicable Law and Jurisdiction**
- 12.1. The place of performance for the delivery is the agreed delivery address. The place of performance for the payment is Winterthur.
 - 12.2. Only Swiss law is applicable, to the exclusion of the conflict of law rules and to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).
 - 12.3. The court of jurisdiction is Winterthur. PAWI expressly reserves the right to bring an action before the court at the place of performance or at the place of residence of the customer.

The German text is authoritative.