

GENERAL CONDITIONS OF SALE

1. GENERAL PROVISIONS

- 1.1 Any alterations to these conditions are subject to written approval by Herrmann AG.
- 1.2 General purchase conditions of CUSTOMER attached to purchase orders or to which a reference is made in such purchase orders are not accepted by Herrmann AG and are therefore not valid. In such case, Herrmann AG general conditions of sale are available at www.herrmann.ag, except if expressly rejected by CUSTOMER.
- 1.3 In case special written agreement is concluded with the CUSTOMER which provisions are in conflict with these conditions, the provisions of special agreement shall prevail.
- 1.4 In case any of the following provisions are in conflict with any agreed Incoterms, the provisions of the Incoterms shall prevail.
- 1.5 The entire business transaction shall be subject to Swiss law. The United Nations Conventions on Contracts for the International Sale of Goods shall not be applicable.

2. OFFERS

- 2.1 All Herrmann AG offers and price-lists are not binding unless expressly stated.
- 2.2 Herrmann AG shall be legally bound by its written offers (including those made per e-mail and telefax) if accepted by CUSTOMER in writing (including e-mail and telefax) within 10 business days.
- 2.3 Offers of Herrmann AG are conditional upon correct and timely deliveries of suppliers of Herrmann AG.
- 2.4 All documents and information submitted by Herrmann AG shall be used exclusively for the purpose of this transaction, shall be treated by CUSTOMER as confidential information and shall be returned after completion of this transaction on demand of Herrmann AG.

3. CONDITIONS OF PAYMENT

- 3.1 "Payment" shall mean the receipt of full invoice amount at Herrmann AG.
- 3.2 If CUSTOMER or one of its affiliates is in delay with its payments, Herrmann AG will have the right to cancel any deliveries to such CUSTOMER even if based on confirmed orders.
- 3.3 Herrmann AG shall be entitled to compensate any amounts due to CUSTOMER with amounts due to Herrmann AG or any of its affiliated companies without any further agreement.
- 3.4 CUSTOMER shall pay the invoice within 30 days after the invoice date, even in case of counterclaims (e.g. for allegedly defective merchandise, etc.). CUSTOMER shall expressly waive its right to retain the purchase price or parts thereof.
- 3.5 If CUSTOMER is in delay with its payments, Herrmann AG shall have the right to claim interest of 4 % above the then current 3-months EURIBOR.
- 3.6 Herrmann AG accepts checks, bills of exchange, promissory notes, transfer of claims against third persons, etc. as credit for payment only and not as payment. CUSTOMER shall be liable for the full invoice value in the currency specified. All expenses, disagios, etc. especially for conversion of foreign currencies shall be borne by CUSTOMER.

4. CONDITIONS OF DELIVERY

- 4.1 Unless otherwise defined by the Incoterms agreed between the parties, Herrmann AG will in no case be liable for any risks after the merchandise has left its factory.
- 4.2 Herrmann AG shall choose the means of transportation for all shipments which are not sold and invoiced EXW (Incoterms, 2000).
- 4.3 Returns are not accepted by Herrmann AG, except in case of recall, due to Herrmann AG fault or justified claim for defects, according to Article 6.2. of these conditions.

5. RESERVATION OF PROPERTY

- 5.1 Herrmann AG reserves its property until full payment up to the invoice value has been received, however understood that the CUSTOMER shall bear all risks with respect to the merchandise from the date of delivery.
- 5.2 During such reservation of title CUSTOMER may only use or sell the merchandise in its ordinary course of business. CUSTOMER may in no case pawn the merchandise or give third persons any rights to the merchandise, especially not for the purpose of securing credits, etc.
- 5.3 If CUSTOMER uses or sells the merchandise in the ordinary course of its business, the property right of the newly manufactured products and/or the sales value of these products and/of the merchandise for sales to third persons shall be reserved for Herrmann AG.

6. WARRANTY AND LIABILITY

- 6.1 Herrmann AG warrants that the products have been produced in accordance with all applicable laws (including GMP, if applicable) and are free from any defect.
- 6.2 CUSTOMER may claim any open defect within 30 days after receipt of products and hidden defects within 30 days after detection. In case of justified claims for defects Herrmann AG shall compensate at its option in kind or cash.
- 6.3 Claims (including claims for warranties) shall never exceed the invoice value of the merchandise in question.
- 6.4 Unless expressly agreed in writing CUSTOMER shall observe all applicable laws in the country of destination of the merchandise, especially in respect to public health registrations and patents. Herrmann AG will not assume any liability in this respect except when granted expressly in writing.

7. PLACE OF PERFORMANCE AND JURISDICTION

- 7.1 Place of performance for both parties is Walzenhausen/Switzerland.
- 7.2 Place of jurisdiction for the whole business transaction shall be Walzenhausen/Switzerland. However, each party may sue the other party at the legal domicile of said other party.