

GENERAL TERMS AND CONDITIONS OF PETROPLASTVINORA AG



July 2010

1. Scope of application

By accepting our offer or in the absence of a response to our confirmation of order, you agree to the following General Terms and Conditions. Said Terms and Conditions form an integral component of the contract between yourselves and PetroplastVinora. Ancillary agreements, reservations, amendments and additions must be in the written form in order to be binding. We furthermore reserve the right to modify the present General Terms and Conditions at any time without prior notice. We deliver solely on the basis of our own General Terms and Conditions. We cannot accept our customers' general purchasing conditions or terms and conditions of business, etc., unless we explicitly acknowledge same in writing.

2. Offers and purchase orders

Our offers and the prices indicated therein are without engagement unless a period of validity is stated therein in writing. Your orders, including purchase orders, shall only become binding on issuance of our confirmation of order. You may cancel a confirmed order up to two weeks prior to commencement of production, in return for compensation in respect of the loss incurred due to such cancellation. Said compensation shall amount to at least 15% of the order value plus the costs of tools already procured or ordered, and other starting materials required for your order (e.g. semi-finished products, special raw materials, additives for raw materials and the like). As a general rule, cancellations are not possible after this date.

3. Prices

Unless agreed otherwise, the offered and confirmed prices are always net prices exclusive of VAT, ex factory. For orders with a value of CHF 5'000.00 or more, we deliver free of charge to the buyer's address («free domicile») within Switzerland (excluding LSVA [Swiss Heavy Vehicles Fee] surcharge, customs duties, etc.). Customs duties for shipments outside of Switzerland shall be paid by yourselves.

4. Adjustments to orders and prices

As a general rule, the order shall be executed as confirmed. If you wish to modify your purchase order subsequently, please contact your client advisor. We shall endeavor to meet any requests for modifications as best we can, but we reserve the right to keep to the confirmed order. In case of modifications to an order instigated by yourselves subsequent to the confirmation of order (e.g. changes to the order, quantities, subject or printing, adjustment or revision of print masters or copy), or of deadline postponements caused by yourselves (e.g. due to delivery of faulty documents, missing documents, or delivery of unsuitable documents for reproduction), we shall in all cases be entitled to recalculate our prices. If an amendment to an order requested by yourselves results in a reduction of the total sale value for the order, compensation for the loss incurred shall be due. Such compensation shall be at least 15% of the lost turnover plus the costs of any tools procured and ordered, and of other starting materials required for your order (e.g. semi-finished products, special raw materials, additives for raw materials and the like) which become useless due to the amendment to the order. If the key cost factors (in particular for materials, energy or human resources) change by more than 5% between issuance of a firm offer or confirmation of order and completion of order, we shall be entitled to pass this increase in production costs on to you to the extent of at least 85% of the order value. We reserve the right to furnish proof of a higher percentage of production costs in the relevant order.

5. Terms of payment

Payment of the invoice amount must be made within 30 days of submission of invoice, with no deductions, unless stated otherwise in the confirmation of order. On expiration of the payment period, default interest at the rate of 7% shall become due. Goods delivered shall remain our property until receipt of full payment therefor. It is not permitted to reduce or withhold payments on account of

complaints, credits not yet issued or counter-claims not acknowledged by ourselves. Moreover, you are not entitled to offset your claims against our claims, unless such claims are undisputed or have been established with legally binding effect.

6. Delivery date

As a general rule, we are not bound by the notified delivery dates unless the delivery date has been explicitly confirmed by ourselves in writing as a fixed date. In this case, the delivery shall be due on the confirmed date. Default shall commence on receipt of a written warning from yourselves. These fixed deadlines shall only be valid if you are able to deliver the documents required for the order (e.g. artwork masters and text copy) and the print approval by the agreed time and date.

7. Short and surplus shipments

We reserve the right to reduce or increase shipments as follows due to technical manufacturing reasons: for order volumes up to 500 kg +/- 30%, above 500 kg +/- 10%. Invoicing shall be based on the volume actually delivered.

8. Delivery on call

Deliveries on call must be explicitly agreed in writing and shall be subject to the short and surplus shipments clause. The complete quantity of goods must be taken no later than 6 months after the first delivery. On expiration of this period, we shall deliver the goods which you have not taken and shall invoice you for same.

9. Transport/packaging

Goods are transported to your company's registered office at our risk (Incoterms 2000). Our liability for damage during transportation is limited to the value of the goods, subject to a maximum of CHF 15/kg of goods. Goods can be delivered to several different locations or to a location other than your company's registered office, and the frequency of deliveries can be increased, in return for an additional charge and subject to mandatory and explicit agreement. Special surcharges are levied for special and express transportation. The costs of standard packaging are borne by ourselves; packaging to your special requirements is possible in return for a surcharge. For deliveries within Switzerland, pallets are exchanged or are invoiced at cost price unless they are sent back within 4 weeks of receipt of the consignment, in good condition and with charges prepaid. Deliveries outside Switzerland are made on non-returnable pallets.

10. Delayed acceptance

If you fail to accept the goods at the agreed location at the agreed time/on the agreed date, we shall be entitled to invoice the shipment and to store the goods ourselves

or at an external location, for your account and at your risk.

11. Return of goods

Items produced individually to customers' specifications which are free of defects cannot be returned. Standard articles which have already been delivered may be returned by agreement, provided that the materials and packaging are free of defects and you deliver the goods to us «free domicile». Reimbursement shall be agreed in advance. We reserve the right to deduct at least 25% of the selling price in order to cover our overheads.

12. Tools and printing/die plates

The costs of manufacturing tools and printing/die plates shall be invoiced separately at the agreed prices. Applications beyond this scope (e.g. additional proofs or PDF files) shall be charged in addition. Ownership of printing/die plates and tools shall be transferred to you after payment in full. We shall keep printing/die plates procured specifically for yourselves – and also other tools, by special agreement – on our premises at our cost and at your risk for 2 years. After this period, you will be contacted in writing. Unless you respond within 10 days, we shall destroy your tools and printing/die plates at our expense. A period of 45 minutes is generally stipulated for printing approval. We shall invoice any time in excess of this period according to outlay. We are entitled to renew worn tools and printing/die plates after consulting you, and to invoice you for same.

13. Industrial property rights

When your patterns and print masters are used, you are responsible for ensuring that no copyrights and/or industrial property rights of third parties are violated. We shall draw your attention to any such rights which are known to us, but we are not obliged to carry out our own searches. In this regard, you must indemnify us in respect of all third-party claims. If industrial property rights come into being on our part due to the development and execution of an order, such rights shall not be transferred on sale of the item in question.

14. Warranties

We warrant you that our products shall have a minimum shelf life of 12 months from the date of production provided that they are stored correctly, with the exception of films with UV protection, films with antifog coating and applications for the pharmaceutical sector, for which no minimum shelf life can be guaranteed. We furthermore warrant you that the goods manufactured by ourselves shall have the characteristics as agreed in the confirmation of order. Unless warranted otherwise in writing, we do not provide a guarantee in respect of negligible

loss of value or suitability of the goods, special color or film properties (such as light-fastness, safety for use with food, permeability to gas and steam, suitability for use with alkalis, suitability for pharmaceutical use, etc.), color shades, transparency, opacity, gliding characteristics or antistatic properties of the goods. Moreover, we provide no guarantee of linguistic quality, grammar or syntax in the print copy that you deliver to us. We deem the following standard deviations to be immaterial defects and we exclude any warranty claims in respect thereof:

- + /- 22% to 30 my material thickness
- + /- 15% to 50 my material thickness
- + /- 13% for material thickness above 50 my
- + /- 5% dimensional tolerance
- max. 1% rejects for unprinted goods
- max. 3% rejects for printed goods.

You are obliged to inspect our goods on receipt and to notify us of any defects immediately in writing. In case of latent defects, the complaint must be lodged immediately after the discovery of such defects. In both cases, all claims in respect of defects shall lapse 12 months after the transfer of risk, unless agreed otherwise.

In case of justified complaints regarding defects, we are free either to deliver a substitute within an appropriate period, to rectify the defect by reworking or to grant an appropriate reduction in price. Cancellation of the contract is excluded.

15. General liability limitations

We are only liable for loss or damage which we cause due to gross negligence or intent. Without prejudice to mandatory statutory provisions, any liability for direct or indirect damage or loss (including, in particular, damages consequential to defects and damages due to delayed performance) in excess of the value of the respective purchase order is excluded.

16. Force majeure

Events due to force majeure entitle us to postpone delivery by the duration of the hindrance plus an appropriate start-up time. If the hindrance does not cease within one month of the delivery deadline, both contracting parties shall have the right to withdraw from the contract. The following in particular are deemed to constitute force majeure: strike, quarantine, natural disasters, serious malfunction of our machines, closure imposed by authorities and non-availability of raw materials. We shall notify you immediately if a case of force majeure occurs.

17. Applicable law / Place of performance / Place of jurisdiction

Material Swiss law shall be applicable to the legal relationships between the contracting parties in respect of the agreed deliveries and performance, to the exclusion

of the United Nations Convention on Contracts for the International Sale of Goods (CISG). The place of performance for deliveries and payments is the location of our supplying factory, unless agreed otherwise. The sole place of jurisdiction for all disputes arising from the contractual relationship between the contracting parties on which the present delivery and performance is based shall be St. Gallen. If any provision of these General Terms and Conditions should be wholly or partially ineffective, the validity of the remaining provisions shall not be affected thereby. The invalid provision shall be replaced by that regulation which most closely approximates to the intended economic purpose in a legally effective manner.