

## **ECSA: GENERAL SALES AND SUPPLY CONDITIONS**

### 1. Validity and closure of the GCC and the Contract

- 1.1 The following General Contract Conditions (GCC) govern the modalities and conditions of sales and supply of products sold by Emanuele Centonze SA, Balerna (hereinafter the "Seller") and constitute an integral part of the sales and supply contract (hereinafter "Contract") finalised with the client (hereinafter "Buyer"). The version of GCC applicable to the Contract are those in force at the date of the order itself.
- 1.2 These GCC are binding in the event they are declared applicable in the offer or in the order confirmation. Buyer Conditions with different content are valid only if accepted by the Seller.
- 1.3 The Contract shall be considered stipulated once the Seller, after an order arrives, has confirmed the acceptance in writing or once an invoice has been issued.
- 1.4 The Contract replaces any previous offer, correspondence, declaration of intent, or any other form of written or oral communication.
- 1.5 The written consent of the parties is necessary for any amendments made to this Contract. Consent may also be given by electronic transmission (i.e. telefax, documents scanned and sent by e-mail) of the amendment to the Contract accompanied by a legally valid signature.

### 2. Object of supply

- 2.1 With regards to the object of supply, the order confirmation is decisive. Services not mentioned in the order confirmation shall be calculated separately.
- 2.2 The weight measured on the Seller's premises shall be considered the determining weight of the merchandise object of the Contract.
- 2.3 Special conditions and delivery terms must be agreed upon in advance by the two parties and accepted in writing by the Seller.

### 3. Prescriptions of usage

Usage of supplied merchandise is beyond the Seller's control and in any event is the exclusive responsibility of the Buyer.

### 4. Price

- 4.1 Prices shall be considered net, inclusive of packaging, of all ancillary costs such as carriage, insurance, import and export authorisation, if not otherwise specified in writing.
- 4.2 Expenses for transportation, duty, levy and taxes are the responsibility of the Buyer.

## 5. Terms of payment

- 5.1 When not otherwise specified by the Contract, price becomes collectable with the transmission of possession of the object sold to the Buyer.
- 5.2 Obligation to pay is fulfilled when the amount of the invoice is made available in the Buyer's account, without any deduction. Bank commissions shall be charged to the Buyer.
- 5.3 Stipulated payment deadlines must be honoured, even in the case foreseen by art. 11 of this Contract. Compensation on the part of the Buyer is excluded.
- 5.4 In the event that payment deadlines are exceeded, the sale price will become interest-bearing without further notice. Arrears interest per year will be requested at 4% greater than the Swiss National Bank's rate of discount, and in any event not lower than 8%.
- 5.5 When the sold item is delivered prior to payment, and the Buyer is in arrears with payment of the sale price, the Seller may back out of the Contract.
- 5.6 In the event of default of payment, the Seller is authorised to withhold further supplies and to request further guaranties the Seller deems appropriate, including advance payment. Furthermore, all the Seller's rights derived from the business relationship become immediately collectable. For all other affairs, all the Seller's rights are expressly reserved. If the Buyer is in arrears with payment, the Seller is authorised to back out of the contract even without conceding deferment of payment.

## 6. Retention of ownership

- 6.1 The Seller reserves the right of ownership of supplied merchandise up to total payment of the merchandise.
- 6.2 The Buyer authorises the Seller to proceed, at the expense of the applicant, with registration of the retention of ownership in the appropriate public register.
- 6.3 In compliance with all regulations protecting the Seller's property, the Buyer is required to immediately communicate to the Seller any change in domicile or legal residence.

## 7. Terms of delivery

- 7.1 Terms of delivery commence as soon as the Contract is stipulated, and the Seller has the merchandise on premises and all official formalities have been fulfilled such as import authorisation, payment, etc.
- 7.2 The Buyer has no right to be awarded damages or the annulment of the Contract due to delays in supply.

## 8. Profits and risks

- 8.1 Profits and risks are transferred to the Buyer when the merchandise reaches the Buyer at the latest.
- 8.2 Should shipment be delayed or become impossible due to causes chargeable to the Buyer, the merchandise shall be stored at the responsibility, risk and expense of the Buyer.

## 9. Complaints

- 9.1 The Buyer must verify that the delivered merchandise is in perfect condition and suitable to the foreseen use.
- 9.2 Complaints regarding quality, quantity and price must be presented in writing to the Seller immediately, within 8 days from receiving the merchandise at the latest.
- 9.3 If the Buyer neglects to inspect the condition of the merchandise or notify immediately the Seller regarding any defects, the sold item shall be considered accepted even with respect to said defects, relieving the Seller of any responsibility.
- 9.4 In the event of well-founded and regularly presented complaints, the Seller shall, at its discretion, replace the merchandise that has proven to be defective or rectify the defect as soon as possible. The replaced merchandise becomes the Seller's property.
- 9.5 The entity of claims for damages due to defects, lacking quantities or unintentional violation of ancillary obligations, are limited to the value of the supplied merchandise. Other claims are to be excluded, in particular with regards to further indirect damages not caused by the merchandise itself (third party liability insurance for products).

## 10. Force Majeure

The Seller shall not respond for non-fulfilment of contractual obligations due to events of force majeure. Force majeure refers to obstacles beyond the Seller's control, regardless of whether they occur on the premises of the Seller, the Buyer or a third party. Said obstacles include epidemics, mobilizations, wars, uprising, accidents, labour unrest, delay or incorrect supplies of necessary merchandise, shortage of raw materials, measures taken by the authorities, natural events.

## 11. Privacy

From the moment of your approval, the data that is necessary for stipulation or handling of a contract could be exchanged with public authorities or companies, if and to the extent it is indispensable for credit information or the dispatching of the contract.

## 12. Partial invalidity

Should single clauses of these GCC be completely or partially invalid, it does not compromise the effectiveness of the remaining clauses, or rather the remaining parts of said clauses and the contract's validity. The invalid rule is considered replaced by the valid rule that is as close as possible to the economic goals and significance of the invalid rule.

## 13. Place of performance, competent court and applicable law

- 13.1 All legal relationships existing between Buyer and Seller are subject to **Swiss law**.
- 13.2 The place of performance and exclusive competent court for all types of proceedings, as well as place of execution (the latter only for customers with foreign residence) is **Mendrisio** (Switzerland). However, the Seller has the right to summon the Buyer to the competent court of his place of residence, or to any other competent court of his choosing.

Balerna, May 2010