Regulation for Exporting Milk Powder
Appendix III: Terms of Sale

Exporting full-cream and skimmed milk powder is supposed to serve as a market adjustment tool, i.e. only milk powder that cannot be absorbed by the domestic market is exported. The quantity of milk powder for exports varies greatly, both during the course of the year and from one year to another. EXPORTPOOL is entitled to sell milk powder on behalf and for account of the Swiss Milk Powder Plants according to the following terms:

1. Products, Quality and Specifications
   – As a general rule full-cream milk powder or skimmed milk powder ADPI Extra Grade are exported.
   – The detailed specifications can be found at the following website address:
     http://www.swiss-milkpowder.ch/expo/specifications.asp?rnd={B6BBA0DD8-FDC3-4571-B359-21D7903A639C}
   – With the consent of EXPORTPOOL and the producer these specifications may be modified.
   – Samples of up to 2 kg from a specific supplier plant may be ordered free of charge. The supply plants (vendor) shall guarantee for the quality agreed upon of the goods.

2. Price /Incoterms
   The price shall be negotiated in Swiss Francs (CHF) exclusively. Shipping shall be done ex plant warehouse. The purchasing parity of the goods shall be the place of loading; FCA. From this point in time any insurance taken out shall be the buyer’s responsibility.

3. Terms of Payment
   • Net payment within 30 (thirty) days after delivery
   • After conclusion of the contract supplementary provisions pertaining to a credit redemption (e.g. delivery with a banker’s guarantee) may be stipulated between the buyer and the vendor via EXPORTPOOL. Any costs incurring from such an agreement must be borne by the supplier.
   • For buyers located within the customs area of Switzerland, the procedures and terms related to the regulations for subsidies shall apply after award of contract and sale, respectively such buyers shall be obliged to contractually cede any export subsidies to the vendor via EXPORTPOOL (cedation).

4. Offers
   Purchasing offers for full-cream or skimmed milk powder may be sent to the following address:

   Beat Stierli
   Exportpool, c/o Swiss Milk Powder Association
   Brunnmattstrasse 21, CH-3007 Berne, Switzerland
   Phone    +41 (0)31 359 53 15
   Fax      +41 (0)31 382 37 12
   E-mail: beat.stierli@swiss-milkpowder.ch / info@swiss-milkpowder.ch
5. Shipping
Shipping shall be done by truck. Train shipping is possible provided EXPORTPOOL and vendor, respectively, have been consulted in advance. The containers for shipment by train shall be made available by the buyer at the train stations defined by the vendor. Depending on the supply plant and the product the shippable weight with 20-feet containers is between 14 and 16 tons. Exception: roll dried full-cream milk powder produced in Sulgen. The 40-feet containers can hold 25 tons.

6. Palletising
The milk powder shall be delivered in bags of 25 kg net weight on EURO exchange pallets. The net weight of the pallet is 750 kg. Exception: 20 kg / bag for roll dried full-cream milk powder from the Sulgen plant; 600 kg per pallet.

Pallets for which there are no exchange pallets or which are non-conformant to the exchange standard or one-way pallets shall be charged at CHF 10.00 per item.

7. Packaging
5-layer paper bags with inside bag of 80-micron polyethylene sealed, or 4-layer paper bags with inside bags of 100-micron polyethylene, sealed.

8. Labelling
The bags of the production plants shall bear the information specified in the following table at a minimum, and such data is to be printed or affixed on the bags by means of labels. Additional tagging of the pallets with self-adhesive film shall be permitted at the expense of the vendor after consultation with the supply plant. Such tags may be affixed at no costs provided that the contract has been concluded prior to the production of the milk powder, and that the kind of tagging has been specified prior to the production, and that tagging may be affixed in the course of the bagging process. Further costs accruing from additional tags which have to be affixed after the milk powder bagging shall be charged on a time and material (T&M) basis and at the expense of the vendor as follows:

- CHF 14.00 per ton for affixing tags delivered by the buyer
- CHF 18.00 per ton for affixing tags delivered by the vendor

9. Export Documents
The documents available can be accessed and downloaded here: http://www.swiss-milkpowder.ch/expo/certificates.asp?rnd={166E8B32-032E-46BB-8B19-9C7AE0C83557}. Each delivery comes with 1 (one) set of standard export documents (veterinary and health certificate, plus certificate of origin) at no charge. The same applies to partial deliveries for 2 destinations per contract.

Additional original copies of the standard certificates and optional further certificates and analyses of different wording may only be issued after prior consent of EXPORTPOOL or the supply plant, respectively. The expenses for any such document shall be borne by the buyer and charged as follows:

- Veterinary Certificate: CHF 40.00
- Health Certificate: CHF 40.00
- Radioactivity Certificate without specific analysis: CHF 40.00
- Radioactivity Certificate with specific analysis: on T&M basis
- Request of Authentication by embassies: on T&M basis
- Authentication by Federal or Cantonal Chancellery: CHF 25.00 per document
- Request of Authentication by Chamber of Commerce: on T&M basis
- Certificate of Origin with Authentication by Chamber of Commerce: on T&M basis
- Further customer-tailored authentications: on T&M basis
10. Value-Added Tax
Buyers located abroad shall pay net prices, buyers located in Switzerland shall have to pay value-added tax on the intervention price.

11. Export Obligation and Storage Costs
The goods must have been exported by the date agreed upon at the latest (custom duty mark). Both buyer and vendor shall agree on the pick-up date at least 10 (ten) days in advance. In case this date cannot be complied with, EXPORTPOOL must be notified immediately. The export deadline may be prolonged after consultation with EXPORTPOOL; the expenses for storing the goods as a result of such a prolongation shall be credited to the vendor at CHF 0.40 per ton and day. In case any export subsidies are reduced as a result of the delayed export, the buyer shall have to bear the loss thereof.

12. Sales Confirmation / Contract
After sales have been agreed upon, EXPORTPOOL shall confirm to both buyer and supply plant (vendor) the conclusion of contract with the terms agreed upon (product and particular specifications if applicable, export deadline, price, pick-up site and any possibly incurring costs thereof). The terms of sales present herein shall form an integral part of the contract.

13. Procedure
As soon as the confirmations of sales and the signed contracts are at the disposal of both parties involved, the order shall be processed (invoice issuing, export documents, delivery date) directly between the buyer and the supply plant.

14. Complaints
Complaints pertaining to goods supplied may only be filed if the deviating characteristics of a delivery have been listed in the specification on the website, or if they refer to elements deviating from the characteristics in the specification listed on the website which have been agreed upon in writing in advance. Both buyer and vendor shall – with the consent of Exportpool – determine the sampling procedure. The samples of the delivery complained about shall be compared to the reference samples (a minimum of 500g per production lot and charge, respectively) in the supply plant.

In case the vendor and buyer cannot come to an agreement based on those results, EXPORTPOOL shall commission the accredited laboratory of AGROSCOPE LIEBEFELD POSIEUX (ALP) or another laboratory accepted by the two parties involved with the analysis of the characteristics complained about.

The analytical results determined by the reference laboratory shall be accepted by both parties and cannot be contested. In case of any quality defect and in case the two parties involved cannot come to an agreement as to the costs incurred thereby, EXPORTPOOL shall settle the argument in a final and irrevocable arbitration between the parties.

15. Applicable Law
Swiss laws shall apply and Berne shall be the place of jurisdiction.

16. Final Clause
The appendix present herein pertaining to the regulation for exporting milk powder was approved in a circulatory decision-making process at the general assembly of EXPORTPOOL of 14th November 2005; it shall become effective retroactively as of 1st November 2005 and shall replace the previous version dated 17th October 2003.
Appendix:

Table 1: Bag labelling

<table>
<thead>
<tr>
<th>Vollmilchpulver 26%</th>
<th>poudre de lait entier 26%</th>
<th>Whole milk powder 26%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sprüh</td>
<td>&quot;spray&quot;</td>
<td>Spray</td>
</tr>
<tr>
<td>ADPI: Extra Grade</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Antioxidantien</td>
<td>antioxydants (E300, E304, E331)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Magermilchpulver</th>
<th>Poudre de lait écrémée</th>
<th>Skimmed milk powder</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sprüh</td>
<td>&quot;spray&quot;</td>
<td>Spray</td>
</tr>
<tr>
<td>ADPI: Extra Grade</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

General tags (for SMP & WMP)

<table>
<thead>
<tr>
<th>Herkunft: Schweiz</th>
<th>pays d'origine: Suisse</th>
<th>Origin: Switzerland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lagerung: Kühl, trocken</td>
<td>Entreposage : Dans un endroit frais et sec</td>
<td>Storage: store in a cool, dry place</td>
</tr>
<tr>
<td>« Prod. date »</td>
<td>« Exp. date »</td>
<td></td>
</tr>
<tr>
<td>Charge/Lot/Batch</td>
<td>25 kg net</td>
<td></td>
</tr>
<tr>
<td>Marke(n) &amp; Adresse des Herstellers/ Brand(s) &amp; address of supplier</td>
<td>EU-Zulassungsnummer / EU authorisation number « »</td>
<td></td>
</tr>
</tbody>
</table>