



General Terms and Conditions

Zurich, July 1st 2010

1. SCOPE AND VALIDITY

1.1 The present "General Terms and Conditions" (hereinafter referred to as "GTC") govern the rights and obligations between On AG (hereinafter referred to as "On") and its customers. They apply to all sales and deliveries of Products (as defined in clause 1.6 below) and the supply of services, unless otherwise agreed by the Parties in writing.

1.2 Customer's General Terms and Conditions shall only apply if, and to the extent, explicitly accepted by On in writing.

1.3 All ancillary agreements, modifications, amendments and legally relevant declarations must be made in writing.

1.4 If any provision of these GTC is or becomes ineffective or invalid, the remaining provisions shall not be affected and shall remain in full force and effect. The invalid clause shall be replaced by another provision which will as closely as possible reflect the original intention of the Parties or interpreted accordingly.

1.5 On reserves the right to modify these GTC from time to time. The GTC in force at the time the contract is concluded, i.e. the date when On confirms customer's order, shall apply.

1.6 "Products" shall mean the goods and services offered and sold by On, in particular running shoes.

2. ORDERS, SHIPMENT, PRODUCT DELIVERY

2.1 The display of the Products and the indications of prices in the web shop do not constitute legally binding offers but are only invitations to submit a binding offer; the Products and prices are subject to change. On does not issue acceptances of orders but only confirms the entry of customer's order. On's actual delivery shall constitute On's acceptance and shall determine the relevant subject matter and extent of the contract between the parties, also in cases of advance payment by the customer, i.e. also if On debits customer's credit card account indicated by the customer. On reserves the right to refuse customer's offer and not to deliver the ordered Products if they are not available from On's suppliers and/or manufacturers. The publication of specifications, scopes of delivery etc. in the web shop shall by no means be legally binding; only the Products manufacturer's actual specifications and the actual scope of delivery at the time of delivery to On shall be relevant. If On cannot deliver the ordered Products to the customer in accordance with customer's order (price and Product specifications) On refunds received advance payments to the customer.

2.2 Unless explicitly stipulated in writing by On, the delivery dates indicated by On shall only be non-binding reference points even though they are given to the best of On's knowledge. This applies in particular if the manufacturer has delivery problems. Should a delivery be delayed beyond the date explicitly confirmed by On in writing, the customer may set a period of grace of at least three weeks and thereafter put On in default by reminding it in writing and



setting another reasonable grace period; the customer may withdraw from the respective order after expiry of the latter term. Further claims are excluded.

2.3 On shall be entitled to cancel or not to carry out respectively confirmed orders at any time, especially if On's suppliers do not supply Products to On. The customer acknowledges in particular that the Product's sales prices are subject to change, e.g. that prices may be increased between the date of an order and the date of delivery by On in which case the customer may refuse the delivery of such Products. In such instances, On shall repay the purchase price, if paid (also in cases where customer's credit card account, indicated by the customer, has been debited), for the Products which have not been delivered; further claims are excluded.

2.4 Modifications of the order or cancellations required by the customer are only valid if confirmed by On in writing. Costs already incurred to On may be charged to the customer.

2.5 On shall be entitled to partial deliveries, and the customer accepts partial deliveries.

2.6 No warranty is being given for all technical data and information regarding the scope of delivery, i.e. On shall not be liable for any damage which might arise because of deviations thereof.

3. TAKING DELIVERY AND INSPECTION

3.1 The customer shall inspect the delivered Products of, and services rendered by On regarding completeness and correctness immediately after receipt and shall complain in writing immediately after discovery of a deviation but no later than five (5) days after receipt. The following applies to such complaints: Packaging and everything what has been delivered must be stored by the customer at its/his/her own account and can only be disposed of after having been directed in writing by On to do so.

3.2 If, without On's prior written approval, customer disposes of or destroys the packaging or what has been delivered, or parts thereof, the customer shall be deemed to have accepted the delivery as being complete and in accordance with the contract. In such a case, the customer forfeits all claims against On, in particular also because of wrong or incomplete delivery.

4. PASSING OF BENEFIT AND RISK

4.1 Benefit and risk shall pass to the customer upon delivery of the Products to the carrier.

4.2 The customer shall immediately report damages to the Products occurred during shipment and shall assert its/his/her rights against the carrier.

5. RETURN OF PRODUCTS

5.1 Product returns by the customer require the prior written consent of On and are made at customer's risk and expense. The Product must be returned in the original packaging and shall contain a detailed description of the failures and/or defects as well as the proof of purchase.



5.2 On reserves the right to return, at customer's costs and risk, returned Products with missing, defect or marked original packaging or Products which are no longer flawless. If the customer returns a Product to On and does not include a description of the defect(s), On may search the defect(s) at customer's expense (at least one hours' work will be invoiced).

5.3 Generally, On does not accept returns of Products, in particular Products which the customer has ordered based on wrong assumptions or by mistake.

6. PRICES

6.1 All quoted prices of On's Products and services to be delivered within Switzerland and in the EU are prices in the indicated currency, including value-added tax, cleared and ex On's distribution centre. For deliveries in third countries, the quoted prices are net prices in the indicated currency, excluding value-added tax and without customs duties ex On's distribution centre. Additional charges, such as, but not limited to, costs for packaging and shipment/delivery (freight/transport) are not included in the prices; depending on the payment method, On may invoice freight charges as a separate position.

6.2 The prices of the Products and the additional charges are generally calculated based on the relevant prices at the time of dispatch. The customer acknowledges that On is entitled to modify the prices until dispatch of the Products. In case of a price increase between order and dispatch, the customer shall have the right to cancel its/his/her order (see clause 2.3 above).

7. TERMS OF PAYMENT

7.1 In case of default in payment, On shall be entitled to suspend all, or parts of, further deliveries to the customer without further notice until payment has been received or secured. The customer shall bear all consequences of such a suspension.

7.2 If the customer still does not pay or secure payment within a period of grace set by On, On shall be entitled to claim damages and shall have any other right granted by the Swiss Code of Obligations.

8. SET-OFF / RIGHT OF RETENTION

8.1 The customer shall not be entitled to offset payments due against any claims it/he/she may have against On.

8.2 Any right of retention or withholding granted to the customer by law is herewith fully waived.

9. RESERVATION OF TITLE

9.1 On retains title in all delivered Products until it has received full payment in accordance with the contract. On shall be entitled to register such retention of title in the public register of the competent authority at customer's domicile or seat. When requested by On, the



customer shall immediately execute all necessary documents and/or make all necessary statements for the registration of this right.

9.2 Until full payment is received, the customer shall keep the Product in good condition, handle it with care and insure it against all usual risks.

10. WARRANTY

10.1 The customer and the recipient of the Products, i.e. the end customer, shall be responsible for the selection, configuration and use of the Products as well as for the results achieved. The customer takes note and accepts that On does not carry out a receiving inspection of the Products delivered from its manufacturers or suppliers. Should a delivery to the customer be incomplete, On delivers the missing parts as soon as possible. A complaint for whatever reason shall not release the customer from paying the invoice within the agreed term of payment. If the customer is exceptionally (e.g. based on a special agreement with On) entitled to return a Product, it/he/she is only entitled to a refund of the purchase price if the Products reach On in the original packaging and are fit for re-sale.

10.2 On's warranty obligations for defective Products shall be limited to rectification or replacement of the Products. Rescission of the contract or a reduction of the purchase price are excluded. Excluded from any warranty claims are particularly natural hazards, damages due to damp, normal wear and tear, damages due to external hazards and modifications of the Product.

11. LIABILITY

11.1 On shall only be liable for direct damages and only if the customer may prove that On, its auxiliary persons or third parties instructed by On have acted with gross negligence or with unlawful intent. In any event, On's liability shall be limited to the (purchase) prices of the delivery/service in question.

11.2 Any further liability for any damages of any kind of On, its auxiliary persons or third parties instructed by On shall be excluded. In particular, the customer shall not be entitled to claim compensation for damages not caused to the Product itself, such as loss of production, loss of use, loss of orders, loss of profits or any other indirect or consequential damage.

12. PATENTS AND OTHER PROPERTY RIGHTS

The customer shall immediately inform On in writing if a third party makes a claim on, or lodges a lawsuit against, the customer and/or its/his/her end-customer because a delivered Product or a Product on its/his/her site allegedly breaches a patent, a copyright or another industrial property right. It is agreed that the customer waives any claims against On in this regard.



13. DATA PROTECTION

All collected data are being processed confidentially and in accordance with the principle of good faith. By accepting these GTC, the customer explicitly agrees that On may use its/his/her data for marketing and statistical purposes etc.

14. APPLICABLE LAW AND JURISDICTION

14.1 Individual contracts and these GTC shall exclusively be governed by **Swiss law** to the exclusion of international treaties, particularly the United Nations' Convention on Contracts for the International Sale of Goods of 11 April 1980 (the Vienna Convention).

14.2 The court of jurisdiction for all conflicts arising, directly or indirectly, out of the contractual relationship between the parties shall be the one in **Zurich, Switzerland**. On shall be entitled to sue the customer at the general court of jurisdiction at its/his/her seat/domicile.