

Terms and Conditions of Purchase

1. Generalities - Scope of validity

- (1) The following Standard Terms and Conditions of Purchase apply for all contracts, purchase orders and procurements placed by Kosmetik Konzept GmbH with suppliers.
- (2) Our Standard Terms and Conditions of Purchase apply exclusively. We do not recognise the supplier's contrary, alternative or supplementary terms and conditions, unless we have expressly agreed to the validity of these in writing.
- (3) Our silence in response to alternative conditions communicated by the supplier does not constitute agreement on our part. Our Standard Terms and Conditions of Purchase continue to apply even if, without reservation, we accept order confirmations and/or deliveries or pay for these whilst in the knowledge of the supplier's contrary or alternative conditions.
- (4) Our Standard Terms and Conditions of Purchase only apply to business transactions in relation to "entrepreneurs" within the definition of Section 310 (1) German Civil Code (BGB).

2. Purchase order

- (1) Contractual agreements between us and the supplier in relation to prices, services and payment conditions only ever apply to the specific contract concluded in each case and shall not be valid in relation to any subsequent contracts.
- (2) The purchase order and its acceptance as well as any amendments and additions thereto must be made in writing. Oral additional agreements made upon conclusion of the contract shall only be enforceable if confirmed by us in writing. The same applies for contractual amendments following the conclusion of contract.
- (3) The supplier is required to promptly confirm purchase orders/amendments in writing. We shall be entitled to cancel if the supplier fails to accept the purchase order/amendment by duly issuing its confirmation within 10 days of receipt. Compliance with this time period will be assessed according to the time that we receive said confirmation. The supplier cannot derive any claims from such a cancellation.
- (4) Our prior written consent is required for the full or partial assignment of the ordered supplies or services to third parties or the subcontracting of same.
- (5) We shall not assume the costs of insuring the goods, particularly against transport damage.

3. Delivery - Transfer of risk

- (1) We shall define the specific delivery dates and split deliveries in consultation with the supplier. Advance and part deliveries are only permissible with our consent.
- (2) Agreed delivery dates are binding. If nothing to the contrary is agreed, dates and time periods will be calculated from the day our purchase order is received by the supplier.
- (3) The timeliness of supplies and services shall be determined according to the time that the goods are received at the designated shipping address. The goods are made available once they are in a state ready for acceptance.
- (4) We must be promptly notified in writing of circumstances that jeopardise or frustrate compliance with the agreed delivery dates. The notification must explain the reasons and set out the foreseeable duration of the delay. We shall be entitled to exercise our statutory rights in the event that the supplier fails to fulfil the delivery dates.
- (5) The supplier is obliged to observe the safety, environmental and fire protection notices for non-company personnel that apply on our company premises.
- (6) The values in relation to dimensions, quantity and quality as determined by our incoming goods inspection shall be authoritative. If kilo prices have been agreed, the calculation of the price will be based on the weight officially determined by the rail transport company or alternatively by us.
- (7) In the case of deliveries ex works the risk shall pass to us if the contractual delivery is handed over and accepted at the place of performance in accordance with the contract.

4. Packaging - Shipment - Labelling of goods

- (1) The delivery items must be labelled, properly packed and dispatched in accordance with our instructions. Packaging and shipping regulations must be observed.
- (2) The delivery must be made using flawless light-coloured Euro pallets (undamaged, clean, new/as good as new insofar as possible, no blue Euro pallets). The pallets must be packed and secured ready for transport.
- (3) Every delivery shall be accompanied by delivery notes containing the following information: description of the contents according to type and quantity - our order number - our article number - our article description.
- (4) We must be provided with a notification of shipment no later than by the day of dispatch.

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5. Prices - Invoice – Payment - Prohibition on assignment

- (1) The price indicated in our purchase order is binding. Unless otherwise agreed, prices are "carriage paid", and shall include packing and shipment.
- (2) Invoices must be issued promptly following shipment of the goods and must contain the following information: delivery note number - our purchase order number - our article number - our article description - your article designation – packing unit. VAT must be listed separately.
- (3) Payments shall be made according to the conditions in the purchase order. Unless otherwise agreed, we shall pay the invoice total within 14 days - starting from the contractually compliant delivery and receipt of an auditable invoice - with a 3% early payment discount or within 30 days net. Early payment discount is also permissible in the case of an offset or retention in the case of defects.
- (4) All payments are made subject to contractually compliant delivery and the accuracy of the prices and calculations applied. In the event that a fault covered by warranty is identified, we shall be entitled to withhold payment until fulfilment of the warranty obligations.
- (5) Unless it has our consent, the supplier is not entitled to assign its claims against us, nor may it arrange for these to be collected by third parties. This does not apply if there is an effective agreement for an extended retention of title in favour of the supplier.

6. Quality assurance - Product liability

- (1) The supplier is responsible for ensuring that its supplies and services satisfy the environmental protection, accident prevention and other occupational health and safety regulations as well as all legal requirements applicable within the Federal Republic of Germany. The supplier is obliged to indicate any special, non-standard handling and disposal requirements with every delivery.
- (2) The goods for delivery must precisely correspond with the documentation underlying the purchase order, e.g. drawings, descriptions, samples and specifications etc.
- (3) In the event that we have requested an initial and reference sample of a product, the supplier is not authorised to commence the corresponding series production without our explicit written approval.
- (4) With regard to the quality of the products for delivery, the supplier must always orientate itself towards the latest state-of-the-art and indicate to us any possible improvements, technical innovations and changes to specifications. We must be promptly notified in advance of all planned modifications to the delivered goods compared to similar type supplies or services delivered to date, which in every case will be dependent on our prior written consent.
- (5) Safety-relevant defects that are subsequently identified by way of product monitoring must be voluntarily disclosed to us, including after the warranty period has expired.
- (6) Upon first demand, the supplier shall indemnify us in respect of all third-party claims raised by way of defects, the infringement of third-party industrial property rights or product damage caused by its delivery due to its contribution to the cause.
- (7) The supplier's product liability is otherwise determined by the statutory provisions. In so far as it is obligated, the supplier is responsible for implementing measures to avert damage (e.g. recall campaigns). The supplier shall ensure that it arranges suitable product liability insurance.
- (8) Suppliers of medical devices and services in relation to medical devices shall afford Kosmetik Konzept GmbH the opportunity to perform on-site audits.

7. Defect complaints - Claims for defects – Damages – Limitation

- (1) We are required to report obvious defects within 14 days of the delivery. For hidden defects, which cannot be detected by way of a properly performed inspection, the objection period is 14 days following the discovery of the defect.
- (2) We are fully entitled to exercise our statutory claims for defects.
- (3) We expressly reserve the right to claim damages to the fullest amount, including damages in lieu of performance, for every degree of negligence in accordance with the statutory provisions.
- (4) The supplier bears the risk for damage during shipment.
- (5) The limitation period for defect claims is 36 months, commencing from the time of the transfer of risk. Longer statutory limitation periods remain unaffected as do farther-reaching statutory provisions concerning the suspension of expiry or the suspension or recommencement of time periods.

8. Production resources – items provided

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- (1) Production resources such as specifications, templates, models, samples, tools, drawings, printing documents etc. provided by us to the supplier must be returned upon demand without delay.
- (2) The production resources provided to the supplier or produced according to our information may not be reproduced, disposed of, used as collateral, made the subject of a lien or passed on or in any way used for third parties unless we have given our express written consent. The same applies for the products made with these production resources.
- (3) The items of whatever type provided to the supplier shall remain our property. These may only be used for delivering the supplies and services as ordered.
- (4) We shall be deemed to be the manufacturer in the event that items provided by us to the supplier are processed or transformed into a new chattel (item of moveable property). In the event of any connection or inseparable mixing with other articles, we shall acquire co-ownership of the new article in proportion to the value that the items had at the time of combination or mixing. If the combination or mixing is performed in such a way that the supplier's article is to be deemed the main article, it is hereby agreed that the supplier will assign us proportionate co-ownership. The supplier shall keep safe custody of the co-ownership on our behalf.

9. Non-disclosure

The supplier undertakes to refrain from disclosing commercial and technical information and documentation not in the public domain and made known to it by way of the business relationship. It shall treat this information in a strictly confidential manner and only use it for the delivery of the supplies and services ordered. Any relevant sub-suppliers must be enjoined to a corresponding duty.

10. Place of performance - Legal venue - Applicable law

- (1) Unless defined otherwise within the contract, the place of performance and payment is our registered business address.
- (2) If the supplier is a merchant, the sole competent legal venue - including for proceedings concerning cheques and bills of exchange – is that court with jurisdiction for the place where we have our registered business address. The same legal venue applies in the event that the supplier is not covered by a legal venue within the Federal Republic of Germany at the time the court proceedings are initiated. We are however entitled to pursue actions at any other legally competent court.
- (3) The law of the Federal Republic of Germany applies to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods.

valid as of: June 2014