

Terms and Conditions of Purchase

1. General - Scope

- (1) The following General Terms and Conditions of Purchase apply to all commissions, orders, and purchases by Kosmetik Konzept GmbH at suppliers.
- (2) Our General Terms and Conditions of Purchase apply exclusively. Contradictory, deviating or supplementary terms of the supplier are not recognised, unless we have expressly agreed to their validity in writing.
- (3) Silence on our part on divergent terms communicated by the supplier does not constitute approval. Our General Terms and Conditions of Purchase shall also apply if we unconditionally accept or pay order confirmations and/or deliveries in the knowledge of contradictory or deviating terms and conditions of the supplier.
- (4) Our General Terms and Conditions of Purchase are only valid in business dealings with business entities in the sense of § 310 Para. 1 of the German Civil Code.

2. Orders

- (1) Contractual agreements between us and the supplier regarding prices, services and terms of payment always only refer to the respective contract and are not valid for subsequent contracts.
- (2) Orders and their acceptance as well as their changes and additions must be made in writing. Verbal collateral agreements on conclusion of contract are only effective if they have been confirmed by us in writing. The same applies to contract changes after the conclusion of the contract.
- (3) The supplier must confirm orders/changes immediately in writing. If the supplier does not accept the order/change after proper confirmation of its receipt within 10 days, we are then entitled to revocation. The time of our receipt of the confirmation is relevant. Claims by the supplier cannot be derived from the revocation.
- (4) The complete or partial transfer or subcontracting of the commissioned deliveries and services to third parties requires our prior written consent.
- (5) Costs of insurance of the goods, in particular a forwarding insurance, will not be borne by us.
- (6) The supplier undertakes to ensure that our terms of purchase are also adhered to by the third party commissioned by the supplier. For this purpose, a copy of our terms of purchase shall be given to the third party by our supplier.

3. Delivery - Transfer of risk

- (1) The specification of the specific delivery dates and schedules shall be determined by us in consultation with the supplier. Advance and partial deliveries are only permitted with our consent.
- (2) Agreed upon delivery dates are binding. Unless otherwise agreed, dates and deadlines will be calculated from the date of receipt of our order by the supplier.
- (3) For the timeliness of deliveries and services, the receipt of the goods at the specified shipping address is relevant. Their provision in a condition ready for acceptance shall be decisive.
- (4) Circumstances which jeopardize or make the fulfilment of agreed delivery dates impossible shall be reported to us in writing without delay, stating the reason for the delay and its expected duration. In case of non-compliance with the delivery dates by the supplier, we are entitled to the statutory provisions.
- (5) The supplier is obliged to adhere to the instructions on safety, environmental protection and fire protection for external parties on our premises.
- (6) The figures regarding dimensions, quantity and quality of the delivery items determined by our incoming goods inspection and quality inspection shall be decisive. If kilo prices have been agreed upon, the calculation of the prices shall be based on the cargo weight or, alternatively, the weight determined with us.
- (7) In the case of deliveries ex works, the risk shall pass to us if the contractual delivery at the place of performance has been submitted and accepted as agreed.
- (8) The order quantity may be delivered in excess at a maximum of 5%. Short deliveries will not be accepted.
- (9) Kosmetik Konzept is entitled to return deliveries made before the agreed date at the expense of the supplier or to charge corresponding storage costs.
- (10) Labour stoppages (strikes, lockouts), breakdowns and operational restrictions and similar cases, which result in a reduction of the consumption of the ordered goods, release Kosmetik Konzept from accepting the goods for the duration of the disruption and to the extent of its effect.

Terms and Conditions of Purchase

4. Packaging - Shipping - Labelling

- (1) The delivery items shall be marked according to our specifications, packed and shipped properly. Packaging and shipping instructions must be observed. Goods with a damaged primary and/or secondary packaging will not be accepted in principle and will be returned to the supplier for a fee (costs borne by the supplier).
- (2) The delivery must be made on flawless light-coloured Euro pallets [undamaged, clean, in near-new/new condition (1A quality), no blue Euro pallets]. The pallets must be securely packed and secured for traffic.
- (3) Each delivery must be accompanied by delivery notes which must contain the following information: Name of the content by type and quantity - our order number - our article number - our article name.
- (4) Pallet notes must be placed on each narrow side of the pallets (2 per pallet).
- (5) At the latest on the day of shipping, a shipping notice must be sent to us.

5. Pricing - Invoicing - Payment - Prohibition of assignment

- (1) The price stated in our order is binding. Unless otherwise agreed, the prices stated are “free delivery”, including packaging and shipping costs.
- (2) Invoices are to be made immediately after the goods have been dispatched and must contain the following information: Delivery note number - our order number - our article number - our article name - your article name - packaging unit. The value added tax is to be shown separately.
- (3) Payments are made on the terms as per the order. Unless otherwise agreed, we will pay the invoice amount within 60 days net - calculated from the contractual delivery and receipt of a verifiable invoice.
- (4) All payments are made under the proviso of delivery in accordance with the contract as well as in terms of price and accounting accuracy. If a warranty defect is found, we are entitled to withhold the payment until the fulfilment of the warranty obligation.
- (5) The supplier is not entitled to assign his claims against us without our written consent or to have them collected by third parties. This does not apply to the effective agreement of a prolonged retention of title by the supplier.

6. Quality assurance - Product liability

- (1) The supplier shall ensure that his deliveries and services comply with the environmental protection/accident prevention and other occupational safety regulations, as well as the safety rules and all legal requirements applicable in the Federal Republic of Germany. The supplier is obliged to point out special, not generally known treatment and disposal requirements for each delivery.
- (2) The goods to be delivered shall comply exactly with the documents underlying the respective order, such as drawings, descriptions, samples, specification, etc.
- (3) If we have requested initial and proof samples of a product, the supplier is not authorised to commence mass production without our express written approval.
- (4) The supplier shall always follow the state-of-the-art in the quality of the delivered products and inform us of possible improvements, technical innovations and specification changes. However, all planned changes to the delivery item in relation to similar deliveries or services previously provided must be notified to us in writing without delay and in any case require our prior written consent.
- (5) Defective safety-related defects on the basis of product observations subsequently recognized must be reported to us unsolicited even after expiry of the warranty period.
- (6) The supplier indemnifies us on first request against all claims of third parties which are raised due to defects, infringement of third-party property rights or product damage of its delivery due to its share of responsibility.
- (7) The statutory provisions for the product liability of the supplier shall also apply. For damage prevention measures (for example, recall campaigns), the supplier is liable insofar as he or she is legally obliged. The supplier assures the conclusion of an appropriate product liability insurance.
- (8) Suppliers grant Kosmetik Konzept GmbH the opportunity to perform on-site audits.

7. Notice of defects - Claims for defects - Damages - Limitation of liability

- (1) Defects are to be reported by us within 14 days from delivery. In the case of hidden defects which cannot be identified by proper inspection, the period of notice shall be 14 days from discovery of the defect. In both cases the punctual sending of the notice is sufficient for the observance of the deadline. The specified deadlines do not apply in case of fraudulent concealment of a defect on the part of the supplier. By accepting

Terms and Conditions of Purchase

or approving the submitted samples or proofs, Kosmetik Konzept does not waive any legitimate warranty claims.

(2) We are fully entitled to the statutory warranty claims.

(3) In the case of a supplementary performance carried out by the supplier, the aforementioned notice periods begin with the delivery of the replacement goods or the repaired goods.

(4) We expressly reserve the right to claim damages, including damages instead of performance, for any degree of culpability in the full amount according to the statutory provisions.

(5) The risk for transport damages shall be borne by the supplier.

(6) The period for the limitation of claims for defects is 36 months, beginning from the transfer of risk. Longer statutory limitation periods remain unaffected, as well as further legal provisions on the suspension of expiration, and the suspension and the setting of new deadlines.

8. Production materials - Leased items

(1) Production materials, such as specifications, gauges, models, samples, tools, drawings, printing materials and the like, which have been made available to the supplier by us, must be returned to us immediately upon request.

(2) The means of production provided to the supplier or manufactured in accordance with our instructions may not be duplicated, sold, leased, pledged or passed on in any way for any third party without our express written consent. The same applies to the products produced with these production methods.

(3) All kinds of goods entrusted to the supplier remain our property. They may only be used to provide the commissioned goods and services.

(4) Production materials produced or procured by the supplier are to be kept ready for use for replacement part requirements for a period of 10 years from the time of last production.

(5) Insofar as any items provided by us are processed or transformed by the supplier into a new movable item, we shall be deemed to be the manufacturer. In the case of a connection or inseparable mixing with other objects, we acquire co-ownership of the new thing in proportion to the value that the objects had at the time of joining or mixing. If the connection or mixing takes place in such a way that the items of the supplier are to be regarded as the main item, it shall be deemed agreed that the supplier shall transfer pro rata co-ownership to us; the supplier shall hold our co-ownership in trust.

9. Confidentiality

The supplier undertakes to keep secret commercial and technical information and documents which become known to him as a result of the business relationship with us, to treat them with strict confidentiality and to use them exclusively for the purpose of providing the ordered deliveries and services. Any subcontractors must be bound accordingly.

10. Place of performance - Jurisdiction - Applicable law

(1) Unless otherwise stated in the contract, place of performance and place of payment is our place of business.

(2) If the supplier is a merchant, the exclusive place of jurisdiction - also for procedures involving checks and bills of exchange - is the same as the exclusive place of jurisdiction for our place of business. The same place of jurisdiction applies if the supplier does not have a general place of jurisdiction in the Federal Republic of Germany at the time of the initiation of legal proceedings. However, we are entitled to call upon any other court having jurisdiction.

(3) The law of the Federal Republic of Germany shall apply, excluding the UN Sales Convention.

(4) Should any provision of our Terms and Conditions of Purchase be invalid for any reason, the validity of the remaining provisions shall remain unaffected.

Version: 20/02/2018