

Terms and Conditions of Purchase

1. General – Applicability

- (1) The following General Terms and Conditions of Purchase apply to all orders and purchases of the Kosmetik Konzept GmbH for suppliers.
- (2) Our General Terms and Conditions of Purchase apply exclusively. We do not recognize conflicting, divergent or supplementary terms and conditions of suppliers, unless we explicitly consented to their validity in writing.
- (3) Silence regarding diverging terms and conditions reported by suppliers does not represent consent. Our General Terms and Conditions of Purchase apply even if we unconditionally accept order confirmations and/or deliveries or make payments despite knowledge of conflicting or diverging terms and conditions of the supplier.
- (4) Our General Terms and Conditions of Purchase only apply to business transactions with companies according to Section 310(1) of the German Civil Code [Bürgerliches Gesetzbuch, BGB].

2. Order

- (1) Contractual agreements between us and the supplier on prices, services and payment conditions always refer exclusively to the specifically concluded contract and do not apply to subsequent contracts.
- (2) Orders and acceptance as well as changes and supplements must be issued in written form. Verbal side agreements made during contract conclusion are only effective if confirmed by us in writing. The same applies to any contractual changes after contract conclusion.
- (3) The supplier must confirm orders/changes in writing without delay. If the supplier does not accept an order/change through orderly confirmation within 10 days of receipt, we will be entitled to cancellation. This will depend on when the confirmation is received by us. Claims of the supplier cannot be derived from cancellations.
- (4) The complete or partial transfer or sub-transfer of commissioned deliveries or services to third parties requires our prior written consent.
- (5) We will not bear costs for goods insurance, especially freight forwarders liability insurance.
- (6) The supplier must ensure compliance with our General Terms and Conditions of Purchase by third parties commissioned by him. Our suppliers must issue copies of our General Terms and Conditions to third parties.

3. Delivery – Transfer of Risk

- (1) Specific delivery dates and classifications are determined by us in coordination with the supplier. Advance and partial deliveries require our consent.
- (2) Agreed delivery dates are binding. Unless agreed otherwise, dates and deadlines will be invoiced as of the date of receipt of our invoice by the supplier.
- (3) The timeliness of deliveries and services are dependent on the receipt of the goods at the specified shipping address and their acceptability is equally dependent on the condition of the goods
- (4) Conditions that threaten or make it impossible to meet agreed delivery dates must be reported in writing immediately and must include the reason and projected duration of the delay. If delivery dates are not met by the supplier, we may exercise the rights granted to us by law.
- (5) Suppliers must comply with the security, environmental protection and fire safety notices for externals on our business premises.
- (6) The values determined by our incoming goods inspections for the measure, quantity and quality of delivery objects apply. If kilo prices have been agreed, prices will be determined based on official railway or our determined weight.
- (7) For deliveries ex works, risk will be transferred to us when the contractual delivery is handed over and accepted as agreed at the place of fulfillment.
- (8) Order quantities may not be exceeded by more than 5%. Incomplete deliveries will not be accepted.
- (9) Kosmetik Konzept may return deliveries made prior to the agreed delivery date at the supplier's expense or invoice the corresponding warehouse costs.

Terms and Conditions of Purchase

(10) Work interruptions (strikes, lockouts), operational disruptions and restrictions and similar cases that may result in the reduction of consumption of ordered goods release Kosmetik Konzept from acceptance obligations for the duration and extent of their applicability.

4. Packaging – Shipping – Goods Labeling

(1) Delivery objects must be labeled according to our specifications and packaged and sent properly. Packaging and shipping regulations must be observed. Goods with damaged primary and/or secondary packaging will not be accepted and may be returned to the supplier (at the supplier's expense).

(2) Deliveries must be made on flawless bright European palettes [undamaged, clean, new/like new (1A quality), no blue European palettes]. Palettes must be packaged and secured in a manner safe for traffic.

(3) Deliveries must include delivery notes with the following information: Content descriptions based on the type and quantity – our order number – our article number – our article description.

(4) Palette notes must be attached to each narrow side of the palettes (2 per palette).

(5) Shipping notices must be submitted to us, at the latest, by the shipping date.

5. Prices – Invoicing – Payment – Assignment Prohibition

(1) Prices stated in our order are binding. Unless agreed otherwise, the prices are applicable as "free home delivery" including packaging and shipping costs.

(2) Invoices must be prepared without delay following the shipping of the goods and must include the following: Delivery note number – our order number – our article number – our article name – your article name – packaging unit. VAT must be stated separately.

(3) Payments must be made under the conditions specified in the order. Unless agreed otherwise, we will settle invoice amounts within 60 days net – in conformity to the contractual delivery date and receipt of a verifiable invoice.

(4) All payments must be made under contractual conditions and price and mathematical accuracy. Granted a defect under contract guarantee is detected, we may retain payment until fulfillment of the guarantee obligation.

(5) The supplier may not assign or have claims against us collected by third parties without our written consent. This does not apply in case of an effective agreement for extended retention of title by the supplier.

6. Quality Assurance – Product Liability

(1) The supplier must ensure that his deliveries and services comply with environmental protection/accident protection and other work safety regulations, technical security regulations and all legal requirements of the Federal Republic of Germany. The supplier must note special, not generally known treatment and disposal requirements for each such delivery.

(2) Goods to be delivered must correspond exactly to the documents, such as drawings, descriptions, samples, specifications, etc., on which the order is based.

(3) If we request initial or outturn samples for a product, the supplier may not commence corresponding serial production without our express written approval.

(4) The supplier must always follow the latest state of technology for the quality of products to be delivered and must note any potential improvements, technical advances and changes to specifications or security data sheets and must submit the respectively current version to us without solicitation. Furthermore, updated specifications and security data sheets must be submitted without solicitation at latest after two years. Any planned changes to the delivery object compared to previously performed equivalent deliveries or services must be reported to us in writing in advance and require our prior written consent.

(5) Security defects recognized subsequently through product observations must be reported to us without solicitation after the expiration of the guarantee period.

(6) On first request, the supplier must release us from any third-party claims caused by defects, infringements on third-party rights or product damages of his delivery for which he bears a share of the responsibility.

(7) The supplier must note any existing patents of the supplier or of third parties to us.

Terms and Conditions of Purchase

(8) Apart from that, legal regulations apply to the supplier's product liability. The supplier will be liable for damage prevention measures (e.g., recall campaigns) to the legally required extent. The supplier must assure that he will conclude adequate product liability insurance.

(9) Suppliers must allow Kosmetik Konzept GmbH to conduct audits on site.

7. Defect Reports – Defect Claims – Damage Compensation – Limitation

(1) We must report obvious defects within 14 days of delivery. For hidden defects not recognizable through ordinary examination, the reporting period lasts 14 days from discovery of the defect. In both cases, the deadline will be met if the report is sent on time. The stated deadlines do not apply in case of fraudulent concealment of a defect by the supplier. Kosmetik Konzept will not waive legitimate guarantee claims through the acceptance or toleration of submitted samples.

(2) We are entitled to warranty claims.

(3) The previously stated examination periods will start anew with the delivery of the replacement or repaired goods if supplementary obligations are carried out by the supplier.

(4) We expressly reserve the exercise of rights to damage compensation, including to damage compensation instead of service to the full amount as provided by law for every degree of culpability.

(5) Transport damage risk will be borne by the supplier.

(6) The limitation period for defect claims lasts 36 months starting from the transfer of risk. Longer legally required limitation periods and further legal regulations on expiry suspension, interruption and recommencement of limitation periods will remain unaffected.

8. Production Material – Provided Objects

(1) Production material, such as specifications, gauges models, samples, tools, drawings, print documents, etc., provided to the supplier by us must be returned to us without delay upon request.

(2) Production material provided to the supplier or produced according to our specifications may not be reproduced, sold, provided as collateral, pledged or transferred or used by third parties in any form without our express written consent. The same applies to products produced using these production materials.

(3) Objects of any kind provided to the supplier will remain our property. They may only be used to perform the commissioned deliveries and services.

(4) Production material produced or procured by the supplier must be kept available by the supplier for 10 years as of the last production in case of need for replacement.

(5) If the supplier processes or converts objects provided by us into new movable objects, we will be considered to be the producer. In case of a combination or inseparable mixing with other objects, we will acquire co-ownership of the new object for the ratio of the value of the objects at the time of the combining or mixing. If the combining or mixing is performed in such a manner that the objects of the supplier must be considered the main object, it shall be agreed that the supplier must transfer proportional co-ownership to us; the supplier must store the object to which we have co-ownership for us.

9. Confidentiality

The supplier must maintain secrecy over not generally known commercial and technical information and documents of which he learns through his business relationship with us and must treat them confidentially and may only use them for performance of the deliveries and services commissioned by us. Any sub-suppliers must be subjected to the same requirements.

10. Place of Fulfillment – Place of Jurisdiction – Applicable Law

(1) Unless stated otherwise in the contract, the place of fulfillment and of payment is our registered office.

(2) If the supplier is a merchant, the competent court for our registered office will remain the exclusive place of jurisdiction—including for checks and bill proceedings. The same place of jurisdiction applies if the supplier has no general place of jurisdiction in the Federal Republic of Germany during the introduction of court proceedings. However, we may sue at any other competent court.

(3) The law of the Federal Republic of Germany applies under exclusion of UN sales law.

Terms and Conditions of Purchase

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

Valid: 22 November 2018