

Terms and conditions

1. General – scope

- (1) All orders, deliveries, and other services of LPC Label Pool Cosmetics GmbH are performed under the following conditions.
- (2) Our General Terms and Conditions apply exclusively. We do not recognize conditions of the Client that contradict or deviate from our General Terms and Conditions, unless we expressly agree to their validity in writing.
- (3) Our General Terms and Conditions also apply if we make deliveries to customers without reservations while aware of customer conditions that contradict or deviate from these General Terms and Conditions.
- (4) Our General Terms and Conditions apply only to companies as defined in § 310 Para. 1 BGB [Civil Code].

2. Offer – contract conclusion - contract implementation

- (1) Our offers and/or cost estimates are always non-binding.
- (2) All contractual agreements and changes, amendments, and supplementary agreements must be in written form. Price and service specifications as well as other declarations or assurances are binding for us only if we provided or confirmed them in writing.
- (3) We reserve the right to make production changes as part of the technical development of a product unless the changes are significant and not reasonable for the Client.
- (4) Specifications of dimensions or weights, designs, samples, etc. are non-binding for the implementation and only represent approximate values, unless they were expressly confirmed to be binding by us in writing. The client is solely responsible for the correctness of the documentation he is required to supply, such as drawings, samples, etc.
- (5) The ownership and the copyrights for all designs, samples, technical and other documentation remains solely with us. Third parties may not be given access to this documentation without our express written consent. The documentation must be returned to us immediately upon request.

3. Prices

- (1) Unless otherwise agreed, our prices are ex stock or - in case of shipping from the manufacturer factory – ex factory, not including packaging, insurance, freight, postage, and other shipping costs. This also applies to partial deliveries and express items, unless otherwise agreed. We may demand reimbursements from the Client for expenses paid.
- (2) The prices are plus VAT as valid on the invoice day.
- (3) The agreed prices apply only to the respective concluded order.
- (4) We are entitled to demand a down payment of up to 50% of the purchase price at contract conclusion.
- (5) Preparatory work which we perform at the request of the Client before performing an assignment, such as sample creation, product development, graphic design etc. are billed in every case, even if the order is not implemented in the end. Development costs and fees for tests that are necessary for the implementation of the assigned order may be billed separately.
- (6) If goods are delivered successively at the request of the buyer, the shipper may charge the Client separately for any incurred storage costs and the costs for insurance that is concluded for the protection of the goods.
- (7) If the price increases for orders, with a planned delivery period of more than 4 months after order confirmation and before delivery, due to unexpected changes of material / raw material costs, salary costs, transportation costs etc., we are entitled to adjust the price accordingly. If the increased price is

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more than 5% above the agreed price, the Client has the right to withdraw from the contract. This right must be enforced immediately after the notification of the increased price.

4. Payment conditions

(1) Unless expressly agreed otherwise, payments shall be made after delivery or preparation of the goods and receipt of the invoice within 14 days.

Payment deadlines are met if we can dispose of the funds before the deadline.

(2) Payments can also be applied to other, still outstanding payment claims at our discretion.

(3) Payments may be made to our employees and other subcontractors only if they are able to produce a valid collection authority.

(4) Bills of exchange are only accepted after special agreement and as payment. Discount and bill of exchange charges, as well as interest are carried by the Client and are payable immediately. Bills of exchange are accepted without guarantee for proper presentation and protest. Credits for bills of exchange and checks are contingent upon the receipt minus expenses with valuation on the day on which we are able to access the exchange value.

(5) If the Client stops his payments, if he has submitted a statutory declaration in accordance with § 807 ZPO, if a petition for insolvency proceedings was filed regarding his assets or if the insolvency proceedings were refused for lack of assets, we are entitled to withdraw from the contract or demand sufficient collateral. The same applies in the case of any other significant deterioration of the economic situation of the customer.

(6) Other than this, the legal regulations concerning the consequences of payment default apply.

5. Offsetting, retention rights, assignment

(1) Offsetting against our payment claims is not permissible unless the payment claim of the Client is undisputed or legally determined.

(2) Retention rights are excluded unless the counter claim of the Client arises from the same contractual relationship and is undisputed or legally determined. The existence of defects only entitles the Client to retention if the retained amount is proportional to the defects and the costs of a replacement service. We are entitled to avert the enforcement of the retention right by providing collateral, including a surety ship.

(3) Claims and rights from this contract may not be assigned without express written consent of the respective other party.

6. Delivery - delivery deadlines

(1) Partial deliveries are permissible if they are reasonable for the Client.

(2) Unless otherwise agreed, the packaging and shipping are performed and charged at our discretion and within the framework of the legal regulations. If the Client desires, we will insure the goods at the expense of the Client.

(3) The condition of correct and punctual deliveries to us from our supplier remains reserved.

(4) We are entitled to withdraw from the contract if we do not receive deliveries from our supplier. Our responsibility for intent and negligence pursuant to No.10 of these General Terms and Conditions is unaffected. We shall immediately inform the Client about the unavailability of the delivery object and in case of a withdrawal reimburse the Client immediately for any already performed service in return.

(5) Delivery deadlines/dates are binding only if we expressly confirm them as binding in writing. Delivery deadlines are calculated from the day the contract is concluded; in case of subsequent changes by the Client only from the day a corresponding written confirmation was sent by us. If a down payment was agreed, the delivery period does not begin before the date the payment was received.

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(6) Adherence to the delivery deadlines/dates is contingent on the order being completely cleared and all permits, documentation, releases, securities etc. to be submitted by the Client being received by us on time and the Client having performed any other contractual cooperation obligations he may have, and the like, on time. The delivery deadlines/dates will shift and/or extend appropriately if the above conditions were not fulfilled on time. Delivery delays due to the fact that the Client makes changes to his original order are at his expense. The Client carries any additional costs for delays or interruptions of our contractual services for which he is responsible.

(7) Unforeseen circumstances for which we are not responsible, that occur in our company or in that of a supplier and keep us from performing our contractual services on time - in particular difficulties in acquiring raw materials, operational disruptions, strikes, lock-outs, war, unrest, natural catastrophes, transportation impediments, changes to legal regulations, official measures or ordinances - entitle us to delay the service/delivery by the duration of the impediment (plus an appropriate run-up time). We are entitled to completely or partially withdraw from the contract if the above circumstances make it impossible or only possible with grossly disproportionate /unreasonable effort for us to perform our owed service.

7. Transfer of risk - delayed acceptance

(1) Unless otherwise specified in the contract, delivery is agreed to be „ex works“ and/or „ex store“. The risk transfers to the Client as soon as we have handed the goods over to the transport company or the shipper, however at the latest with when the goods leave storage or the factory (in case of direct shipping ex works). This also applies if there are partial deliveries or we still have to perform further services.

(2) The above regulations according to Para. 1 also apply if free delivery was agreed.

(3) If delivery / pick-up is delayed for reasons for which the customer is responsible, then the risk is transferred to the customer with the notice that the goods are ready to ship. If the Client desires, we will insure the goods at the expense and according to the wishes of the Client.

(4) In case of delayed acceptance by the Client, we may demand compensation for any expenses incurred because of this.

(5) Insignificant defects do not entitle the Client to refuse acceptance of the goods.

(6) In case of delayed acceptance by the Client, we may demand compensation for any expenses incurred because of this.

8. Retention of ownership

(1) All delivered objects remain our property (retained ownership goods) until all payment claims against the Client from the contractual relationship have been completely fulfilled.

(2) The Client is obligated to handle the retained ownership goods carefully, protect them from interference from third parties, and – if this was agreed in writing – immediately insure them against fire damage „on account of a third party“ and provide evidence for this upon request; otherwise we are entitled to insure the retained ownership goods ourselves at the expense of the Client. The Client undertakes to assign any fire damage compensation claims to us.

(3) The Client is permitted to process the retained ownership goods or with mix or combine them with other objects. The processing, mixing, or combination (hereafter jointly: „processing“ and in reference to retained ownership goods: „processed“) is always on our behalf; the object created from processing is termed „new goods“. The Client stores the new goods for us with the proper diligence of a proper businessman.

(4) When processing with other objects that we do not own, we are entitled to co-ownership in the new goods in the amount of the share that is obtained from the relation of the value of the processed retained ownership goods to the value of the other processed goods at the time of processing. If the Client

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acquires sole ownership of the new goods, the parties agree that the Client gives us co-ownership of the new goods in relation of the value of the processed retained ownership goods to the other processed goods at the time of processing.

(5) If the Client combines the retained ownership goods or the new goods with real estate properties or movable assets, then he also assigns to us his payment claim - without the need for further separate declarations – to which he is entitled as compensation for the combination, together with all ancillary rights as collateral in the amount of the relation of the value of the retained ownership goods and/or the new goods to the other combined goods at the time of the combination. We hereby accept this assignment.

(6) In the case of a sale of the retained ownership goods or the new goods, the Client hereby assigns to us his claim from the sale against his contractual partner with all ancillary rights as collateral, without the need for further separate declarations. We hereby accept this assignment. The assignment is valid including any outstanding balances. However, the assignment is only valid up to the amount that corresponds to the invoiced price of the retained ownership goods. The satisfaction of the payment claim portion that was assigned to us shall have priority.

(7) After the assignment, the Client shall be authorized to collect the payment claim assigned in this section until revocation. The Client shall immediately pass on payments made on the assigned payment claims up to the amount of the secured payment claim. In case of good cause, in particular in case of payment arrears, suspension of payment, opening of insolvency proceedings, protest of a bill of exchange, or substantiated indication of over-indebtedness or impending insolvency of the Client, we are entitled to revoke the collection authorization he was granted. Apart from that, after prior warning and with an appropriate notice period, we may disclose the security assignment, exploit the assigned payment claims, and demand the disclosure of the security assignment by the Client to his contractual partners.

(8) During the existence of the retained ownership, the Client is prohibited from pawning or assigning the object as collateral. The sale of the retained ownership goods or the new goods is only permitted as part of normal operations. The Client shall immediately inform us about distraints, impounds, or other court orders or interference by third parties with the retained ownership goods while at the same time submitting the necessary documentation for an intervention; this also applies for all other impairments of any kind, such as damage or destruction of the retained ownership goods. Independent of this, the Client shall inform the third parties in advance of our existing rights. In case of a necessary suit pursuant to § 771 ZPO, the Client is obligated to reimburse all arising costs if they cannot be recovered from the third parties.

(9) In case prima facie evidence is established of an entitled interest, the Client shall provide us with the information needed to assert our own rights and with the necessary documentation.

(10) In case of violations of duties of the Client, in particular payment arrears, we are entitled even without a notice period to demand the release of the retained ownership goods and/or – if necessary after a notice period – to withdraw from the contract. The customer is required to turn the object over. The release demand for the delivery object does not constitute a withdrawal declaration unless we declare this expressly.

(11) All costs of the return and exploitation of the retained ownership goods are carried by the Client. The exploitation costs shall amount to 10% of the exploitation revenue including VAT without proof. They shall be billed lower or higher if we prove higher or the Client proves lower costs. The revenue shall be credited to the Client after deduction of the costs and other payment claims connected with the contract.

9. Rights and obligations in case of defects

(1) If the purchase is a commercial transaction for both parties, the Client shall inspect the goods immediately after receipt, if this is possible in proper business operations, and if a defect is found, immediately report this defect to us. If the Client does not report defects, the merchandise is considered approved unless there are defects that are undetectable during the inspection. Apart from that the §§ 377 HGB [Commercial Code] apply.

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(2) Defects of a part of the delivered goods do not entitle the Client to complain about the entire delivery unless a partial delivery is not of interest for the Client.

(3) Defect claims do not exist in case of insignificant deviations from the agreed properties or in case of only minor impairment of usability.

(4) Defect claims are limited to our choice of remedy of the defect or delivery of a defect-free object (replacement service). If the replacement service fails, the Client may demand a price reduction (abatement) or annulment of the contract (withdrawal) as he chooses. The replacement service is generally considered failed after the second unsuccessful replacement service attempt.

(5) The Client carries the expenses necessary for the replacement service if they increase due to the fact that the delivery object is shipped to another place than the branch of the Client, unless the shipment corresponds to its intended use. The application of § 478 BGB (contractor's right of recourse) remains unaffected.

(6) Client rights of recourse (contractor - § 478 BGB) against us only exist to the extent that the Client has not made any agreements with his buyer beyond legal defect claims. Para. 5 gilt correspondingly.

(7) Compensation claims due to defects are subject to the regulations of No. 10 of these General Terms and Conditions.

10. Liability – damages

(1) In cases of intent or gross negligence, including intent or gross negligence of our representatives or subcontractors, as well as any culpable damage to life, limb, or health, we are liable according to the legal regulations. Our liability in cases of gross negligence is limited to the foreseeable damages typical for the type of contract, unless at the same time another case listed in Sentence 1 or 3 of this Para. 1 has occurred. Other than that we are only liable pursuant to the Product Liability Act for the culpable violation of essential contractual duties, fraudulent concealment of a defect, or if we have made a quality guarantee for the delivery object. However, the compensation claim for violations of essential contractual duties is limited to the foreseeable damages typical for the type of contract, unless at the same time another case listed in Sentence 1 or 3 of this Para. 1 has occurred.

(2) The regulations of the above Para. 1 apply to all compensation claims (in particular for damages in addition to the service and damages instead of the service), no matter for what legal reason, in particular due to defects, violation of duties from the breach of other obligations under the contract, or liability in tort. They also apply to the claim of reimbursement of fruitless expenditures.

(3) If our liability is excluded or limited, this also applies in terms of a corresponding personal liability of our employees, representatives, and sub-contractors.

(4) We are not liable for damage that occurs due to improper changes to the delivery objects by the Client or third parties hired by him. We are not liable for advertising statements of the Client on the packaging or other advertising media.

(5) A change of the burden of proof to the disadvantage of the Client is not connected to the above regulations in Para. 1 to 4.

11. Limitations

(1) The statute of limitations for claims and rights due to defects – no matter for what legal reason – is one year.

However, this does not apply in the cases of § 479 Para. 1 BGB (contractor's right of recourse), § 438 Para. 1

No. 1 BGB (legal defects in immovables), § 438 Para. 1 No. 2 BGB (buildings and building components) or § 634

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a Para. 1 No. 2 BGB (Buildings or work whose performance consists in the provision of planning or supervisory services).

(2) The statutes of limitations pursuant to Para.1 also apply to all damage claims against us in connection with the defect, independent of the legal basis of the claim.

(3) The statutes of limitations pursuant to Para. 1 and Para. 2 apply as follows:

a) The statutes of limitations generally do not apply in case of intent or fraudulent concealment of a defect, or if we have made a quality guarantee for the delivery object.

b) The statutes of limitations also do not apply in cases of damage to life, limb, or health or freedom, of claims pursuant to the Product Liability Act, of grossly negligent dereliction of duty, or of culpable violation of essential contractual duties (which do not consist of the delivery of a defective object / provision of a defective service).

(4) Unless expressly determined otherwise, the statutory regulations on the start of the period of limitations, suspension of the period, stay and recommencement of the period remain unaffected.

(5) The above regulations apply correspondingly for compensation claims that are not connected to a defect;

Para. 1 Sentence 1 applies for the statutes of limitations.

(6) A change of the burden of proof to the disadvantage of the Client is not connected to the above regulations.

12. Goods supply by the Client

(1) If raw materials or packaging is provided by the Client, we do not provide any guarantee for the stability and tolerability of the formulation or packaging.

(2) Receiving controls for provided materials are only performed if specially ordered to do so by the Client and are billed separately.

(3) Provided formulations are not checked for marketability or safety. We do not accept any liability for provided formulations.

13. Place of fulfilment - jurisdiction - applicable law

(1) Unless otherwise specified in the contract, the place of fulfilment for deliveries/services and payments are our headquarters.

(2) If the Client is a merchant then the court responsible for our headquarters shall have exclusive jurisdiction - including for check or bills of exchange processes. The same place of jurisdiction applies if the Client does not have a general place of jurisdiction in Germany at the time legal proceedings are initiated. However, we are entitled to call on any other court of legal jurisdiction.

(3) The law of the Federal Republic of Germany applies in exclusion of the UN Convention for the International Sale of Goods.

As of: March 06th, 2015