1. General

1.1 The Following General Terms and Conditions of Purchase (hereinafter: "GTCP") shall apply for the following companies belonging to the ADA Group: ADA Cosmetics International GmbH and ADA Cosmetic GmbH (hereinafter together: "ADA"). Further information on the companies can be found on the last page of these GTCP.

1.2 The GTCP of ADA shall apply exclusively and for all business relationships with business partners and suppliers (hereinafter: "Seller") von ADA. The GTCP shall apply only where the Seller is an entrepreneur (§ 14 BGB [German Civil Code]), a legal entity governed by public law or a special fund under public law.

1.3 ADA shall not recognise delivery terms and conditions of the Seller, even if ADA accepts the Goods and services and/or pays for these, unless the validity of sales conditions and/or a change to the sales conditions is expressly agreed in written form.

1.4. The GTCP shall apply in particular to contracts for the sale and/or supply of moveables with the same Seller, from other suppliers (§§ 433, 651 BGB). For subsequent transactions for the sale and/or supply of moveables (hereinafter: "Entrepreneur") from ADA, the GTCP shall apply as part of its contractual obligations or fulfil these in time, it must inform ADA of this in writing immediately stating the reasons and the expected duration of the delay. The unreserved acceptance of a delayed (partial) delivery/ service does not represent a waiver by ADA of rights with respect to the delayed (partial) delivery/(partial) service.

1.5 Individual agreements reached with the Seller in specific cases (including subsidiary agreements, addenda and amendments) shall in every case take precedence over these GTCP. The content of such agreements shall be determined by a contract and/or the written confirmation of ADA.

2. Quotations

2.1 Quotations and cost estimates of the Seller shall be free of charge and shall entail no obligations for ADA.

2.2 In the quotation the Seller must adhere to the inquiry of ADA and in the event of any deviations refer explicitly to these. If in respect to the inquiry the Seller has a technically and economically less expensive solution, it shall offer this to ADA also.

3. Ordering

3.1 Orders and changes to orders shall be considered binding at the earliest upon written submission or confirmation by ADA. The content of verbal or telephone discussions shall in cases of doubt be binding only if confirmed by ADA in writing.

3.2 The Seller shall check the order immediately for noticeable errors, ambiguities, incompleteness and for the unsuitability of specifications chosen by the purchaser for the intended use, and inform the purchaser of any required changes or specifications pertaining to the order.

3.3 Each order and order change shall, unless otherwise specified in the order, be confirmed in writing by the Seller within a period of two (2) working days and be treated separately in all correspondence. A late acceptance shall be deemed a new offer from the Seller and must be accepted by ADA.

3.4 The complete order number, order date, name of the purchaser as well as the ADA item number and the delivery date must be quoted in all correspondence.

4. Delivery deadline, Partial deliveries/services

4.1 The Seller must comply with the agreed delivery deadline. If a delivery deadline has not been indicated in the order and nothing to the contrary has been agreed either, the delivery time shall be ten (10) working days from conclusion of the contract. For compliance with the delivery deadline, the handover of the defect-free Goods to ADA during normal business hours with the necessary shipping documents at the location designated in the order ("Destination") shall be decisive. If ADA and the Seller have agreed on a delivery with assembly/service, the delivery of the defect-free Goods after proper execution of the assembly/service shall be decisive for the timeliness of the delivery. If an acceptance is required by law or contract, the date of acceptance shall be decisive. Premature deliveries/services or partial deliveries/services shall require the prior approval of ADA.

4.2 As soon as the Seller becomes aware that it cannot fulfill all or part of its contractual obligations or fulfill these in time, it must inform ADA of this in writing immediately stating the reasons and the expected duration of the delay. The unreserved acceptance of a delayed (partial) delivery/(partial) service does not represent a waiver by ADA of rights with respect to the delayed (partial) delivery/(partial) service.

4.3 The Seller is obliged to request in good time the documentation to be provided by ADA for the execution of the order.

4.4 If the Seller is in default, ADA can - in addition to further legal claims - demand flat rate compensation for the damage incurred by ADA as a result of the delay in the amount of 1% of the net price per calendar week, but up to a maximum of 5% of the net price of the delayed Goods. ADA reserves the right to provide evidence that a higher loss was incurred.

5. Environmental protection, Health, Safety

When executing the contract, the Seller must consider the specifications of ADA on environmental protection, health and safety; these are specified in the contractors’ instructions. In the case of assembly work, the GMP guidelines of ADA must be observed.

6. Quality

The Seller shall carry out and maintain an effective quality assurance system and demonstrate this to ADA upon request. The Seller shall use a quality management system according to DIN ISO 9000 et seqq. or equivalent. ADA shall be entitled to verify or appoint a third party to verify this quality management system.

7. Inspections during order execution

7.1 ADA shall be entitled to inspect the execution of the order by the Seller. ADA shall be entitled by appointment to enter the Seller’s business premises during normal operation times for this purpose. The Seller and ADA shall each bear their respective expenses incurred in connection with the inspection.

7.2 Inspections and the presentation of documentary evidence shall not affect the contractual or statutory acceptance and warranty rights of ADA.

8. Shipping, Packaging, Transfer of risk, Default of acceptance

8.1 Delivery shall, unless otherwise agreed, be made to the Destination. If the Destination is not specified, delivery shall be made to the registered office of ADA. The respective Destination shall also be the place of performance (debt to be discharged at creditor’s domicile). The delivery must be accompanied by a delivery note in duplicate, packing slip, test certificates in accordance with the agreed specifications, and other documents required in individual cases. The order number, gross and net weight, number of packages and type of packaging (disposable/reusable) as well as the ADA item number and batch number must be stated in all shipping documents and on the outer packaging.

8.2 For third country deliveries (imports) it should be recorded on the shipping documents whether the Goods in question are duty-paid or duty-unpaid. In the case of duty-unpaid Goods the Seller must provide ADA with the following customs documents: Transit accompanying document T 1, shipping documents, invoice, packing list, preference documents such as Form A, EUR.1, A.TR, certificate of origin. Should ADA require further documentation for proper customs clearance, the Seller shall provide this immediately upon request by ADA. In the case of duty-paid Goods the Seller must provide ADA with the shipping documents and the proof of duty payment.
8.3 The Seller must take care to protect the interests of ADA during the shipment. The Goods shall be packaged so as to avoid damage during transportation. The Seller shall be liable for damages resulting from improper packaging. The Seller shall at the request of ADA collect or arrange for a third party to collect all accumulating outer packaging and transport and sales packaging from the Destination.

In the case of dangerous products and in particular hazardous substances, the Seller must package, label and send these in accordance with the relevant national and international regulations, particularly where relevant in an individual case, in accordance with ADR, RID, IMDG, ICAO-TI or IATA. A material safety data sheet in the language of the recipient country must be handed to ADA in accordance with the ADR, RID, IMDG, ICAO-TI or RID, IMDG, ICAO-TI in the case of RID, and the RID regulations, rules of work safety and environmental protection. Unilaterally or through gross negligence fails to recognise that there was a risk, the defect remains unaffected; as such ADA shall only be liable if ADA recognises that there was a risk and the acceptance cannot be performed in any other way, particularly not by inspections, expert opinions, certificates or records of work. Payment of invoice amounts does not constitute acceptance.

8.5 Statutory provisions shall apply for the occurrence of ADA’s delay in acceptance. The Seller must, however, expressly offer ADA its performance even if an identified or identifiable calendar time has been agreed for any act or involvement on the part of ADA (e.g. provision of material). If ADA is in default of acceptance, the Seller can in accordance with statutory provisions demand reimbursement of reasonable additional expenses (§ 304 BGB). If the contract relates to a non-fungible item (custom-made item) to be produced by the Seller, the Seller shall have further rights only if ADA has committed itself to cooperate and is responsible for the failure to cooperate.

9. Origin of goods

9.1 The Seller shall at the request of ADA provide a certificate of origin about the origin of the Goods and ascertain and specify the customs tariff number.

9.2 The Goods must meet the conditions of origin of the respective EU and/or EC preferential agreement, insofar as it is a delivery within the framework of preferential movement of goods.

10. Delivery item, Quality of the delivery/service, Notification of defects, Rights in case of defects

10.1 Changes to the delivery item shall require the prior written approval of ADA.

10.2 According to the statutory regulations, the Seller shall be liable in case of a defect at the place, time and the agreed date at the time of transfer of risk to ADA. Agreement on quality shall be determined at least by the relevant product descriptions, which particularly through designation or reference by ADA in its order are a component part of the relevant contract or have been brought into the contract in the same way as these GTC. It makes no difference in this respect whether the product description comes from ADA, the Seller or from the manufacturer.

10.3 By way of derogation from § 442 (1) sentence 2 BGB, claims of defects shall only apply to ADA without restriction if the defect has remained unknown to ADA as a result of gross negligence.

10.4 The Seller shall be liable in particular for ensuring that the deliveries and services comply with the state of the art and the generally recognised state of safety technology, occupational health and safety and hygiene, are provided by qualified personnel and in accordance with the relevant legal requirements, particularly laws, regulations or administrative provisions, tax and social security provisions, rules of work safety and environmental protection.

10.5 The Seller shall be liable for ensuring that in respect of all substances contained in the Goods the relevant REACH requirements applicable at the time of contract conclusion have been satisfied with legal effect. This means that the relevant substances have either been effectively pre-registered, registered and/or approved. Furthermore, the Seller shall ensure that all obligations under REACH incumbent upon suppliers (as defined in Article 3 No. 32 of REACH) are properly fulfilled in relation to the delivery of the Goods.

10.6 The commercial inspection and notification obligations shall be governed by statutory regulations (§ 377, 381 HGB [German Commercial Code]) with the following proviso: ADA’s obligation to examine shall be limited to defects which are discoverable by an external examination of incoming Goods, including of the delivery documents and in sample checks for ADA’s quality control (e.g. transport damage, incorrect or insufficient delivery). If acceptance is agreed, no obligation to examine applies. In all other respects, it depends on the extent to which an examination is feasible in the ordinary course of business, taking into account the circumstances of the case.

10.7 In the case of defects ADA shall be entitled to demand subsequent performance according to the statutory provisions. The type and nature of the subsequent performance shall be at the choice of ADA. For the subsequent performance the Goods shall be made available according to ADA’s choice either at the Destination or at the place where the Goods were located at the time of discovery of the defect. The Seller shall bear all expenses necessary for the subsequent performance. The Seller shall also bear the costs it incurs for the examination and subsequent improvement even if it is revealed that no defect actually existed. The liability of ADA for damages in the case of an unjustified request to correct defects remains unaffected; as such ADA shall only be liable if ADA recognises or through gross negligence fails to recognise that there was no defect. The Seller may, as specified in Article 3 No. 32 of REACH, perform the subsequent performance itself or appoint a third party to do so and demand compensation for all expenses necessary at the premises of ADA perform these only during the business hours of ADA and in a way that the operations at ADA are not impaired. If subsequent performance does not take place within a reasonable period, it fails or the deadline proves unnecessary, ADA can assert further statutory rights for defects.

10.8 If the Seller neglects in its obligation to provide subsequent performance within a reasonable grace period set by ADA, ADA can remedy the defect itself or appoint a third party to do so and demand compensation for all expenses required for this and/or a corresponding advance from the Seller. If the subsequent performance by the Seller has failed or is unacceptable to ADA (e.g. because of urgent requirement, endangerment of operational safety or the threat of the occurrence of disproportionate damages), no deadline needs to be set. ADA shall inform the Seller of this without delay, if possible in advance. In all other cases the legal provisions shall apply. Further rights of ADA from liability for defects or guarantees shall remain unaffected.

10.9 Claims for defects shall become statute-barred, by deviation from § 348 (1) (3) BGB, 36 months from transfer of risk, unless a longer statutory period was agreed. If acceptance is agreed, the statute of limitations shall begin upon acceptance. The 36-month limitation period shall also apply correspondingly for claims for defect in title, whereby the statutory period of limitation for restitution of property of third parties (§ 348 (1) sentence 1 BGB) shall remain unaffected; claims for deficiency in title shall, moreover, not expire in any case as long as the third party is still able to insist on the right against ADA, particularly if there is no statute of limitations.
10.10 The periods of limitation for the law on sales including the extension mentioned in paragraph 10.9 shall apply, within the scope permitted by law, for all contractual claims of defect.

10.11 A waiver of claims for defects on the part of ADA shall only be effective if the waiver is expressly declared in writing.

11. Supplier redress

11.1 In addition to the claims for defects, ADA shall also be entitled without limitation to the statutory rights of recourse within a supply chain (supplier's redress pursuant to §§ 478, 479 BGB). ADA shall in particular be entitled to demand from the Seller the exact type of subsequent performance (improvement or replacement delivery) that ADA owes to its customers in the individual case. ADA’s statutory right to choose (§ 439 (1) BGB) shall not be limited thereby.

11.2 Before ADA acknowledges or fulfills a defect claim asserted by a customer of ADA (including reimbursement of expenses in accordance with §§ 478 (9), 439 (2) BGB), ADA will notify the Seller and, providing a short presentation of the facts, request its response in writing. If the response is not received within a reasonable period and no mutually agreed solution is brought about either, the claim ADA actually conceded shall be regarded as owed to its customer; counter evidence in this case shall be incumbent upon the Seller.

11.3 The claims of ADA from supplier redress shall also apply even if the Goods were further processed by ADA or a customer of ADA prior to their sale to a consumer.

12. Manufacturer liability

12.1 Where the Seller is responsible for product damage, it shall be obligated to indemnify ADA from damage claims of third parties, provided that the cause is within its sphere of control and organisation and it is personally liable vis-à-vis third parties.

12.2 As part of its obligation to indemnify, the Seller shall be required to reimburse any expenses pursuant to §§ 683, 670 BGB that arise from or in connection with any recourse taken by third parties, including product recalls carried out by ADA. ADA shall notify the Seller, as far as is reasonably practicable, regarding the content and scope of the recall measures being carried out and shall give the Seller an opportunity to comment. This shall not affect further statutory claims.

12.3 The Seller shall take out and maintain product liability insurance with a lump-sum coverage of at least ten (10) million euros per person/material damage.

13. Infringement of intellectual property rights

The Seller shall be responsible for ensuring that the delivery and/or service and the contractual use of this does not infringe patent rights, copyrights or other rights of third parties in countries of the European Union or other countries where it manufactures the products or has these manufactured. Without prejudice to statutory claims, the Seller shall indemnify ADA of all third party claims that may be asserted against ADA for infringement of intellectual property rights. Licence fees, expenses and costs that ADA incurs in the avoidance and/or elimination of property rights infringements shall be borne by the Seller.

14. Contractual penalty

If a contractual penalty has been agreed, ADA can assert this up until the final payment.

15. Insurance

To cover damages for which the Seller and its agents and assistants are responsible the Seller must obtain and maintain sufficient liability insurance at its own expense. Evidence of the amount of coverage per damage event must be provided to ADA upon request. The contractual and statutory liability of the Seller shall remain unaffected by the extent and amount of its insurance coverage.

16. Invoicing, Payment

16.1 The agreed prices are net fixed prices plus respectively applicable VAT, insofar as the transaction is subject to VAT. The agreed prices are valid for the full scope of the delivery and service; expenses for transportation, insurance, customs duties, etc. shall be borne by the Seller. Under reserve of longer payment terms being agreed, payment shall be due net 30 days from complete delivery including the documents mentioned in paragraphs 8.1 and 8.2. and receipt of an invoice conforming with the relevant tax regulations. If in an individual case a delivery with installation/assembly/service has been agreed, payments shall, under reserve of longer payment terms being agreed, be due net 15 days from the acceptance of the work and receipt of an invoice conforming with the relevant tax regulations. If ADA pays before the payment due date within 14 calendar days, ADA shall be entitled to a discount of 3%. Invoices for the supplied products and services shall be issued in line with the relevant applicable statutory invoicing requirements and in accordance with the VAT legislation of the country, to whose VAT the invoiced Goods/services are subject. This does not apply for VAT exempt deliveries from abroad. Any special arrangements for intra-Community supplies (EU) must be observed. When applying the credit method, the Seller must provide ADA with all the information necessary to satisfy the previously indicated requirements of the applicable VAT law.

16.2 The complete order number of ADA and, if available, the delivery note number of the Seller should be stated on the invoice. Also indicated on the invoice should be all information required under the applicable VAT law or other relevant tax requirements. The invoice should be accompanied by performance records and other evidence documents required in individual cases. Invoices must correspond to the information in the order in terms of the description of the Goods, price, quantity, order of items and item numbers. The invoice should be sent to the billing address stated in the ADA order or the email address provided for electronic invoicing (E-invoicing).

16.3 Payment periods shall run from the date of receipt of invoices fulfilling the above requirements at the invoicing address referred to in the ADA order and/or by application of the credit method from the date of creation of the credit. The payment shall be made subject to verification of the correctness of the delivery/service.

16.4 Payment does not constitute acknowledgement of conditions and prices and shall not affect the rights of ADA on account of an improperly rendered delivery/service, the audit rights of ADA nor the right to contest an invoice for any other reason.

16.5 If ADA has to pay licence fees to foreign sellers, the Seller shall be obliged to submit an indemnification certificate in accordance with § 50a of Income Tax Act (Einkommensteuergesetz).

16.6 ADA shall not be liable for any interest accruing. The Seller’s claim for the payment of default interest shall remain in force. The statutory regulations shall apply for the beginning of any delay by ADA. In every case, however, a reminder by the Seller shall be required.

17. Retention of title

17.1. ADA shall be entitled even before payment to further process, combine, mix or resell the delivered items for itself as the manufacturer of ADA shall be entitled even before payment to further process, combine, mix or resell the delivered items for itself as the manufacturer of ADA.

17.2. The transfer of ownership of the Goods to ADA shall be made unconditionally and regardless of payment of the price. This excludes in any case all forms of extended or prolonged retention of title, so that a possible retention of title validly declared by the Seller shall apply only until payment of the Goods delivered to ADA and only for these Goods.

17.3 Any processing, mixing or combination of objects supplied by the Seller shall be done on behalf of ADA. If in the case of processing, mixing or combination with items of third parties for whom property rights exist, ADA shall acquire joint ownership of the new item in ratio to the value of the item supplied by ADA to the other items.

18. Transfer of orders, Assignment, Change of company name, Off-setting, Right of retention

18.1 The Seller may transfer the rights and obligations under the contract with ADA to a third party only with the prior written consent of ADA.

18.2 The Seller shall notify ADA of each transfer of the contract that becomes legally effective and any change in its company name immediately in writing.

18.3 The Seller shall have a set-off or retention right only on the basis of legally established or undisputed counter-claims. The Seller shall, furthermore, have a right of retention only if the claim on account of which the right of retention is asserted comes from the same contract.
18.4 ADA shall be entitled to rights of set-off and retention as well as the right to plead the defence of the contract not being fulfilled within the scope of the law. ADA shall in particular be entitled to hold back payments due for as long as ADA has claims against the Seller arising from incomplete or deficient services.

19. Termination, Withdrawal

19.1 If an individual case is governed by law of contracts for work and services, the contract may be terminated without notice for good cause. Good cause exists in particular if - the Seller commits a material breach of duty and does not take remedial action within a reasonable time set by ADA after receipt of the written complaint, or - an application is made to open insolvency proceedings over the assets of the respective other party, insolvency, imminent insolvency or over-indebtedness of the contracting party within the meaning of §§ 17 to 19 InsO (German Insolvency Act), or if the contract partner neglects in its obligation to pay taxes or social security contributions, or - the purchase, the use of the Goods or the performance is or becomes impermissible in whole or in part due to legal or government regulations. If ADA terminates a contract for good cause and adherence to other contracts existing with the Seller is for the same cause unreasonable for ADA, ADA may also terminate other contracts existing and as yet unfulfilled at the time of termination against proportional payment. In the aforementioned case the Seller shall not be entitled to other claims for damages, expenses or compensation.

19.2 In the event of termination the Seller must immediately hand over to ADA all documents, records, plans and drawings, which it has acquired in the context of the contract and/or for the purpose of executing the contract or by reason of the contract.

19.3 These regulations shall apply correspondingly in the case of withdrawal from the contract.

20. Documents, Confidentiality, Rights of Use

20.1 Samples, drawings etc., which ADA provides for the execution of an order or which the Seller creates according to the specifications of ADA remain or shall become directly upon creation the property of ADA and must be treated confidentially. The Seller shall grant ADA as they arise all usage rights without restriction on time, space and content to all copyrightable works that result from the provision of services by the Seller for ADA at the instruction of ADA. ADA shall also be entitled to process the respective works and transfer these freely to third parties; the Seller hereby expressly consents to this. The Seller guarantees the corresponding undisputable transfer of rights. This transfer of rights is covered by the remuneration arrangements agreed between the parties for the underlying transaction.

20.2 Documents within the sense of paragraph 20.1 may not be passed onto third parties for inspection or disposal without the prior permission of ADA, nor be reproduced for the production of goods for third parties or the provision of services to third parties. They must be handed over and/or send back to ADA immediately after completion of the order. The Seller shall have no right of retention to such documents, regardless of the form of media in which they stored.

20.3. The Seller is also obliged to handle the order by ADA and all related commercial and technical details (patterns, drawings, calculations, workflows, etc.) as trade secrets and not to pass these on to third parties. The confidentiality obligation shall not apply insofar as the Seller can prove that it already knew the information before the initial assumption of business relations with ADA or was provided this information by an authorised third party not subject to an obligation of confidentiality or the information had been generally available or subsequently became generally available through no fault of the Seller. If the Seller breaches any of the above-mentioned confidentiality obligations, it shall forfeit a penalty of 50% of the net contract value or the envisaged net contract value. ADA shall be free to prove higher damages.

21. Storage and inspection of documents

ADA shall for the duration of the statutory retention period - but for no less than three (3) years from the date of acceptance and/or delivery - be entitled to inspect all documents relating to the provision of services during normal business hours and make copies or transcripts of these for its own disposal. The Seller undertakes to assist ADA in inspections. Insofar as the documents contain confidential information pertaining to the Seller, such as its internal calculations, agreements or confidential information pertaining to business partners and/or employees, the right of inspection of ADA shall be excluded.

22. Environment, employment, social standards and code of ethics

ADA aligns itself to the principles of sustainable development and complies with internationally accepted basic environmental, employment, social standards and code of ethics. ADA expects the Seller to likewise comply with environmental, employment, social standards and code of ethics. Should ADA find that the Seller breaches these standards, ADA reserves the right, taking into account the respective circumstances of the country, to terminate this contract, possibly with immediate effect. In addition, ADA requests that the Seller for its part ensures that its subcontractors continue to comply with these standards.

23. Prohibition of competition, Applicable law, Place of jurisdiction

23.1 The Seller may make reference to the existing business relationship only with the prior written consent of ADA.

23.2 Should the contract or one of the aforementioned provisions contain loopholes, agreement is made that these loopholes be closed by such legally valid provisions which the parties would have agreed according to the commercial aims of the contract and the purpose of these GTCP, had they known about the loophole.

23.3 The contractual relationship shall be subject to the substantive law of the Federal Republic of Germany, excluding the United Nations Convention on Contracts for the International Sale of Goods dated 11 April 1980 ("CISG") and the German conflict of law rules. The requirements and the effects of the reservation of title shall be subject to the laws of the respective storage location of the product, insofar as these state that the other law made in favour of German law is inadmissible or invalid.

23.4 Provided the customer is a merchant within the meaning of the German Commercial Code, a legal entity under public law or a special fund under public law, the sole - including international - place of jurisdiction for all disputes arising directly or indirectly from the contractual relationship shall be ADA’s registered office in 77694 Kehl. However, ADA shall also be entitled to bring an action in the place of fulfilment for the delivery commitment or the registered office of the Seller. Prevailing statutory provisions, in particular with respect to exclusive jurisdiction, shall remain thereby unaffected.

23.5 Other provisions that are not already specified in this agreement shall not apply.

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