

1. DEFINITIONS

1.1 Unless the context shows otherwise, any words and expressions which have been capitalized in these general purchase terms and conditions of Hegron are defined terms to which the following meaning is assigned:

- "Contract": a contract between Hegron and the Seller which is concluded in accordance with article 3.4 of these General Conditions;
- "General Conditions": these general purchase terms and conditions of Hegron;
- "Hegron": Hegron Cosmetics b.v., having its corporate seat and its principal office at (1442 LC) Purmerend, the Netherlands, van IJsendijkstraat 174.
- "Products": any movable goods purchased by and delivered to and to be purchased by and to be delivered to Hegron which are designated or referred to in the relevant Order or Contract;
- "Order": any written or verbal purchase order for the supply and delivery of Products and/or the provision of Services placed, with the Seller by Hegron;
- "Seller": the counter party or potential counter party of Hegron;
- "Services": any services rendered and to be rendered to Hegron which are indicated, designated or referred to in the relevant Order or Contract.

1.2 Whenever "written" or "in writing" is used in these General Conditions it shall mean by fax, e-mail, internet, EDI, electronic data transfer or by means of any other usual (electronic) trade medium. Whenever "rescission" or "to rescind" is used in these General Conditions it shall mean "*ontbinding*" or "*ontbinden*". Whenever "termination" or "to terminate" is used in these General Conditions it shall mean "*opzegging*" or "*opzeggen*".

2. APPLICABILITY AND RANKING OF DOCUMENTS

- 2.1 The applicability of the general terms and conditions used or referred to by the Seller is herewith explicitly rejected.
- 2.2 These General Conditions are applicable to all legal relationships of Hegron acting as potential purchaser of Products and/or potential commissioner of Services.
- 2.3 No variation of these General Conditions shall be effective unless expressly stipulated and agreed in writing.
- 2.4 In case of a conflict or inconsistency between one or more provisions of these General Conditions and one or more provisions of (i) the Order or, as the case may be, (ii) any other signed written agreement between the Seller and Hegron, the provisions of the Order or, as the case may be, the signed written agreement between the Seller and Hegron shall prevail.

3. OFFERS AND CONCLUSION OF CONTRACTS

- 3.1 An offer made by the Seller, including an offer made without engagement, cannot be revoked after acceptance of such offer by Hegron.
- 3.2 A request for an offer by Hegron is without engagement.
- 3.3 Hegron shall only be bound by an Order if the Order has not been revoked by Hegron within two (2) working days after receipt of the Seller's Order confirmation.
- 3.4 A Contract between Hegron and the Seller is concluded when the Seller has signed and thereby confirmed the Order for agreement and it is returned to and received by Hegron. If the Seller makes an offer for the sale, supply and delivery of Products and/or the provision of Services, a Contract is also concluded when Hegron accepts this offer. A Contract is also concluded when the Seller carries out the Order with Hegron's consent but without Hegron having confirmed the Seller's offer in writing or without the Seller having accepted the Order in writing. If an Order is placed by Hegron without a prior offer having been made by the Seller, a Contract is also concluded, unless the Seller notifies Hegron within two (2) working days of the date of the Order that it does not accept the Order or Hegron revokes the Order within two (2) working days after receipt of the Seller's Order confirmation. If the Seller and Hegron have concluded an Electronic Interchange Agreement, a Contract shall be concluded in accordance with the provisions of the Electronic Interchange Agreement.
- 3.5 If in the Order reference is made by Hegron to technical, safety, quality or other types of requirements, specifications and/or regulations which are not attached to the Order, these shall be part of the Contract and it shall be assumed that the Seller is aware thereof, unless the Seller informs Hegron Immediately of the contrary. In such case, Hegron shall inform the Seller of these requirements, specifications and/or regulations.

4. PRICE AND PAYMENT

- 4.1 The price of the Products shall be based on delivery (place Purmerend, the Netherlands) DDP (Incoterms 2000), exclusive of VAT, unless agreed otherwise in writing.
- 4.2 Prices are fixed and no increase in the price specified in the Order may be made for any reason without

the prior written consent of Hegron.

- 4.3 Unless otherwise agreed in the Order, the price for the Products and/or the Services shall be payable by Hegron to the Seller within ninety (90) calendar days from the agreed date of delivery of the Products or, as the case may be, the performance of the Services, or the actual delivery date, whichever is later.
- 4.4 No payment of or on account of the price shall constitute any admission by Hegron as to the proper performance by the Seller of its obligations under any Contract.
- 4.5 Hegron is entitled to set-off the amounts due to the Seller under the Contract with any and all amounts owed by the Seller to Hegron and/or any of Hegron's group companies for any reason whatsoever.
- 4.6 In case the Seller does not or not properly perform its obligations under the Contract, all extrajudicial costs, explicitly including costs incurred in respect of drafting and sending demands for performance, conducting settlement negotiations and other acts in preparation of potential legal proceedings as well as all judicial costs which Hegron incurs as a result of the Seller's non-performance shall be borne by the Seller.

5. DELIVERY AND TIME OF DELIVERY

- 5.1 Delivery of Products is to be made on the basis of delivery (place Purmerend, the Netherlands) DDP (Incoterms 2000), unless agreed otherwise in writing. The Seller shall perform the Services at the agreed location, date, time and, if any, service level.
- 5.2 Deliveries of the Products are to be made exactly of the quality and in the quantities specified in the Order. Hegron will have no liability to pay for Products delivered to Hegron that (a) are not of the quality specified in the Order and/or (b) are in excess of or (c) are less than the quantities specified in the Order. Deliveries of the Products that (a) are not of the quality specified in the Order and/or (b) are either in excess of or (c) are less than the quantity of Products ordered shall, if so requested by Hegron, be returned entirely to the Seller at the Seller's risk, cost and expense. In addition, if deliveries of Products are made that are not of the quality specified in the Order and/or (b) are either in excess of or (c) are less than the quantities specified in the Order, the Seller shall automatically be in default without a notice of default having to be given. In such case, Hegron may, at its election, cancel the Order and/or rescind the Contract, in whole or in part, or terminate the Contract with immediate effect, without any compensation being due by Hegron and without prejudice to any other rights or remedies Hegron may have. The Seller shall compensate Hegron for any costs incurred and damages suffered by Hegron, including but not limited to the costs incurred in replacing the Products ordered, costs made in respect of materials of other suppliers that have become unusable due to the Seller's non-performance, loss of contracts and loss of profits.
- 5.3 Time shall be of the essence under the Contract where a delivery or performance date is specified in the Order. Where such date is stated as approximate or is not specified, Hegron may by written notice to the Seller specify a delivery date for the purposes of which time shall be of the essence.
- 5.4 If the Seller fails to effect delivery on or by the date so specified, the Seller shall automatically be in default without a notice of default having to be given. In such case, Hegron may, at its election, cancel the Order and/or rescind, in whole or in part, or terminate the Contract with immediate effect without any compensation being due by Hegron and without prejudice to any other rights or remedies Hegron may have. The Seller shall compensate Hegron for any costs incurred and damages suffered by Hegron, including but not limited to the costs incurred in replacing the Products ordered, costs made in respect of materials of other suppliers that have become unusable due to the Seller's non-performance, loss of contracts and loss of profits.
- 5.5 In the event that Products are delivered before the delivery date specified in the Order without the express written consent of Hegron, Hegron shall be entitled to refuse to accept delivery or to charge the Seller for insurance and storage thereof at a rate of two percent (2%) over the total purchase value per month until the contractual date for delivery. Early delivery of the Products does not lead to a change in the agreed payment date for the Products.
- 5.6 Hegron may change delivery and performances dates or direct temporary suspension of scheduled shipments by giving notice hereof to the Seller. In such event, the Seller shall store the Products for a reasonable period of time having regard to the circumstances and shall safeguard them and take all reasonable steps to prevent their deterioration until their actual delivery, all such without any extra costs being charged to Hegron.
- 5.7 The Seller agrees to follow all instructions from Hegron concerning means of transport, routing and invoicing of transport, and insurance cover during transport.
- 6. PACKAGING**
- 6.1 The Seller undertakes to package and secure the Products properly and to mark them in accordance with the instructions of Hegron at no additional cost to Hegron. If the Seller fails to package and/or mark the Products properly, the Seller shall indemnify and hold Hegron harmless from and against any and all claims for compensation of damages, losses and costs suffered or incurred by Hegron or third parties in connection with or as a result of the packaging and/or marking of the Products by the Seller.

- 6.2 Where containers or packaging are to be returned to the Seller, this must be clearly stated on the transport documents or invoices, and the returning shall be at the Seller's risk and expense, unless otherwise agreed upon in writing. Hegron reserves the right to return all packages to the Seller.
- 6.3 The Seller shall provide Hegron with all documents required by applicable national and/or EU laws, rules, directives and regulations and any documents required by Hegron according to Hegron' instructions and at the latest upon delivery of the Products or, as the case may be, completion of the performance of the Services. If the Seller fails to provide Hegron with the required documents upon delivery of the Products, Hegron has the right to refuse delivery of such Products. In such case, for the purposes of these General Conditions, the Products shall be deemed to be undelivered.
- 7. OWNERSHIP**
- 7.1 Hegron shall acquire ownership of the Products, free of any liens, encumbrances or otherwise, and bear the risks thereof from the agreed date of delivery of said Products in accordance with article 5.1 of these General Conditions or the actual date of delivery, whichever is earlier.
- 7.2 At Hegron' request, the transfer of ownership of the Products can take place at an earlier time than upon the agreed date of delivery thereof. In such case, the Seller shall detain the Products on behalf of Hegron and store the Products concerned separately and at the Seller's risk and mark these as owned by Hegron. The Seller shall indemnify and hold Hegron harmless from and against any losses and/or damage to or theft of said Products. If a third party claims any right with respect to said Products and/or seizes said Products, the Seller will inform such third party of the ownership of Hegron and will inform Hegron of the claim and/or seizure immediately. Hegron is at all times entitled to take away the Products which are owned by it or to have such Products taken away from the place where these are stored by or on behalf of the Seller. The Seller hereby irrevocably authorizes Hegron and its designated representatives to enter the premises used by the Seller in connection therewith.
- 7.3 The Seller undertakes and guarantees to have the Products which are owned by Hegron in accordance with article 7.2 of these General Conditions insured with a reputable insurance company until and up to the moment of delivery of the Products in accordance with article 5.1 of these General Conditions.
- 7.4 If it is agreed that Hegron shall pay the price for the Products in advance of delivery, Hegron shall acquire ownership of the Products as of the date of payment and for the amount paid. Articles 7.2 and 7.3 of the General Conditions shall apply equally in that case.
- 8. WARRANTIES**
- 8.1 The Seller is obliged to satisfy itself of the purposes for which Hegron intends to use the Products and/or the Services, failing which it shall be assumed that the Seller shall be fully informed of such purposes and the circumstances under which the supply and delivery of the Products and/or the performance of the Services is to take place.
- 8.2 The Seller represents and warrants towards Hegron that upon delivery:
- (a) all Products and, as the case may be, all Services are and shall remain in conformity with the specifications and requirements as laid down in the Order or, as far as the Products are concerned, as described by Hegron if the Order does not set out any specifications, and are identical to the reference samples approved by Hegron and meet that which can be reasonably expected by Hegron;
 - (b) all Products are and shall remain free from any defects in materials, manufacture and design;
 - (c) all Products and, as the case may be, all Services comply In all respects with all relevant rules, directives and regulations of the EU as in force upon delivery, irrespective of the fact whether the Products are to be used within or outside the EU, as well as all applicable local statutory, governmental and national rules, laws and regulations; and
 - (d) the Products are and shall remain fit for the purposes for which Hegron intends to use them; and
 - (e) all Products shall be supplied and delivered in accordance with the agreed specifications and, as the case may be, all Services shall be rendered and performed in accordance with the service levels and the result agreed upon.
- 9. DEFECTIVE PRODUCTS**
- 9.1 Hegron is not obliged to inspect the Products upon delivery. Hegron may sample test the delivered Products from time to time. Hegron shall notify the Seller in writing within two (2) calendar months after discovery of a defect or non- conformity of the Products or, as the case may be, the Services. The Seller shall then remedy this defect or non-conformity in accordance with the other provisions of this article 9.
- 9.2 In case of a defect or non-conformity of the delivered Products, Hegron has the right to require the Seller to supplement, replace or repair the Products at the Seller's cost and expense within a reasonable period of time to be determined by Hegron or to rescind the Contract, in whole or in part. In case of a non-conformity of the Services rendered, Hegron has the right to require the Seller to perform

the Services anew at the Seller's cost and expense within a reasonable period of time to be determined by Hegron or to rescind the Contract, in whole or in part. The Seller shall compensate Hegron for any damages, losses and costs suffered or Incurred as a result of such defect, the handling of such defect, or non-conformity and/or rescission, including but not limited to loss of contract, loss of profit and loss of savings. Any and all costs incurred by Hegron relating to defective Products or Products which do not conform to the Contract, including but limited to costs for materials, transport costs, travel expenses and labour costs, shall be reimbursed immediately by the Seller without prejudice to any other rights Hegron may have in respect of such Products. However, when, in Hegron' opinion, the remedies available to Hegron are to no avail, Hegron may, at its election, cancel the relevant Contract, rescind the Contract, in whole or in part, or terminate the Contract with immediate effect and without any compensation being due to the Seller. In the latter situation, the third and fourth sentence of this article 9.2 shall apply equally.

9.3 If Hegron requires the Seller to supplement, replace or repair the Products and/or, as the case may be, to perform the Services anew, Hegron has the right to make such supplements, replacements or repairs itself or to perform the Services itself, or to instruct a third party to do so, at the Seller's cost and expense, if the Products and/or the Services are required without delay or if the Seller fails to supplement, repair or replace the Products and/or perform the Services anew within the reasonable period stipulated in article 9.2 of these General Conditions.

9.4 Without prejudice to any other rights or remedies Hegron may have, it is hereby expressly agreed that where Products are supplied in bulk and only part of such Products are found to be defective or not to conform to the Contract, Hegron shall nevertheless be entitled to reject, at its option, either the entire delivery of that part of the Products which is found to be defective or not to conform to the Contract, even if the non-conformity is so slight that it would otherwise be considered unreasonable for Hegron to do so, all such without any compensation being due by Hegron. Delivered Products found defective by Hegron may at all times be returned by Hegron for the account and risk of the Seller. Whenever Hegron so requests, the Seller shall provide Hegron with a certified copy of the test reports in respect of the Products delivered. The Seller warrants that within twenty-four (24) hours from such request it shall deliver test reports, certificates of origin and other relevant documentation demonstrating that the Products to be delivered or delivered meet the requirements set out in article 8.2 (a) and (c) of these General Conditions.

10. LIABILITY

10.1 The Seller shall be liable, irrespective of the legal basis for a claim, for all damages, losses and costs which Hegron, its employees ("*ondergeschikten*") or third parties engaged by Hegron in the performance of the Contract ("*niet-ondergeschikten*") may suffer or incur as a result of or in connection with the Products and/or the sale, supply and delivery of the Products and/or the Services and/or the provision and performance of the Services, except when these damages, losses and costs are caused by gross negligence or wilful intent of Hegron or its management.

10.2 The Seller shall be liable for and indemnify and hold Hegron harmless from and against ("*vrijwaren en schadeloos stellen*") any claims, irrespective of the legal basis for a claim, for compensation of damages, losses and costs of third parties arising out of or in connection with the sale, supply and delivery of the Products and/or the provision and performance of the Services.

10.3 For the avoidance of any doubt, when damages and/or losses are suffered by Hegron this shall include but not be limited to loss of profits, loss of contracts, loss of savings, loss of data, losses caused by disruption or stoppage of the production and/or the business and incurred losses.

10.4 The Seller shall notify Hegron immediately in writing in the event there is a reasonable basis for safety concerns relating to one or more of the Products delivered to Hegron or as a result of other conditions mandated by relevant applicable national or EU laws, rules, directives or regulations. The necessity, nature and urgency of any recall, including but not limited to the Products and all (semi-)finished products in which the non-conforming Products have been used, will be determined solely by Hegron. Once the decision to recall has been taken, the recall will be coordinated by Hegron. The Seller shall indemnify and hold Hegron harmless from and against any damages, losses and costs suffered or incurred by Hegron as a result of or in connection with a recall of the Products and/or all (semi-)finished products in which the non-conforming Products have been used.

10.5 The Seller shall effect and maintain an adequate policy or policies of insurance to cover the liabilities referred to in these General Conditions or which are required under applicable law and shall produce such policy or policies and evidence of timely payment of the premiums thereof if so requested by Hegron. In the event that the Seller shall fail to maintain such insurance policy or policies, Hegron shall be entitled to affect the same on behalf of and at the Seller's cost and expense.

10.6 The foregoing provisions do not affect liability based on mandatory applicable law.

11. INTELLECTUAL PROPERTY RIGHTS

11.1 Unless agreed otherwise in writing, all drawings, sketches, calculations, formulas, preparation methods,

studies, models, moulds, non-standard packaging, tickets, labels, art work, designs, patterns, the style, composition and/or specifications of Products and semi-finished products, technical and commercial know-how and other such information and tools (hereinafter collectively referred to as the "Materials") made available to the Seller by Hegrone or manufactured or developed by the Seller on the instructions of Hegrone, are and shall remain or, as the case may be, shall become the property of Hegrone and all intellectual property rights embodied in or arising out of such Materials belong and shall belong to Hegrone. The Seller undertakes to use the Materials only for the performance of the Order or Contract and to keep the Materials separate and to mark them as the property of Hegrone. At the Seller's cost and expense the Seller undertakes to return the Materials to Hegrone in good condition, together with any copies and data carriers which have been produced, as soon as they have served the purpose for which they are intended, or whenever Hegrone so requests. The Seller hereby transfers the rights referred to in this article 11.1 to Hegrone. The Seller warrants that it is entitled to transfer the rights referred to in this article 11.1 to Hegrone and has obtained any consent and third party rights required, and that no rights accrue to third parties following such transfer. On Hegrone's first demand, the Seller shall do all that is necessary to effectuate this transfer.

11.2 The Seller shall refrain from violating any of the rights of Hegrone referred to in article 11.1 of these General Conditions. Without the prior written consent of Hegrone, the Seller shall never use, make available to, sell or deliver to or manufacture for any third party the Materials.

11.3 The Seller represents and warrants to Hegrone that both the Products and the Services shall not infringe on any third party's intellectual property rights. The Seller shall indemnify and hold Hegrone harmless from and against any claims for infringement of third party rights, irrespective of the legal basis for a claim, including but not limited to intellectual property rights and know-how, by reason of the use or sale of the Products delivered and/or the Services rendered, save and to the extent that the Products shall have been manufactured or produced in accordance with any specification supplied by Hegrone, and against all damages, losses and costs for which Hegrone may become liable as a result of such claims for infringement, irrespective of the legal basis for a claim.

12. CONFIDENTIALITY

12.1 The Seller undertakes to maintain complete confidentiality regarding the Materials, the Orders, the Contracts, all correspondence and all business information and knowledge provided by Hegrone or any information otherwise known to the Seller in connection with the entering into and performance of the Contract or Contracts (the "Confidential Information") and undertakes to only use the Confidential Information for the performance of the Contract or Contracts. The Seller undertakes to impose the same obligations on any employees and third parties which it engages in relation to the performance of the Contract or Contracts. The Seller undertakes that it shall provide the Confidential Information on a need to know basis only and only in relation to the performance of the Contract or Contracts. The Seller warrants that such employees and third parties shall comply with the confidentiality obligations set out in this article 12.1.

12.2 All Orders and Contracts are confidential and shall not be disclosed by the Seller for any purpose, including but not limited to marketing or commercial purposes.

13. FORCE MAJEURE

13.1 If Hegrone is prevented from accepting delivery or performing any of its other obligations under an Order or a Contract by any circumstances beyond its reasonable control, including but not limited to: natural disasters; war; acts of terrorism; threats of terrorism; accidents; explosions; nuclear incidents; strikes or other labour disturbances, regardless of the reasonableness of the demands of labour; sabotage; acts or omissions of any governmental authority, de jure or de facto; port congestions; shortage of supplies, labour, facilities, fuel or power in consequence of non-delivery or any other cause; want of transport or any other cause, whether similar or dissimilar to the foregoing, which is either beyond Hegrone's reasonable control and as a result of which Hegrone is unable to perform its obligations under the Contract, Hegrone may cancel the relevant Order or rescind the Contract, in whole or in part, or terminate the Contract with immediate effect by giving the Seller written notice and without having to pay the Seller any compensation whatsoever.

14. RESCISSION AND TERMINATION

14.1 In case the Seller does not, not timely or not properly, perform its obligations under an Order or a Contract, the Seller shall automatically be in default without any notice of default being required, and Hegrone is entitled to, without prejudice to any other rights or remedies Hegrone may have and without having to pay any compensation whatsoever, to either rescind the Contract, in whole or in part, or to terminate the Contract with immediate effect by giving written notice to the Seller, or to suspend the performance of its obligations under the relevant Order or Contract.

14.2 Without prejudice to any other rights or remedies Hegrone may have, including the right to rescind the Contract, in whole and in part, and without having to pay any compensation whatsoever, Hegrone is entitled to terminate the Contract with immediate effect by giving written notice to the Seller if:

- (a) the Seller applies for an adjudication in bankruptcy ("*faillissement*") or a suspension of payments ("*surseance van betaling*") or any similar proceedings listed in Annex A and B to the European Council Regulation on Insolvency Proceedings dated May 24, 2000 (EC no. 1346/2000); and/or
- (b) the Seller is declared bankrupt ("*failliet verklaard*¹") or granted a preliminary suspension of payments or suspension of payments ("*voorlopige surseance van betaling verleend*") and/or
- (c) any event analogous to the events referred to in paragraphs (a) or (b) above occurs with respect to the Seller under the laws of the jurisdiction in which the Seller has its registered office; and/or
- (d) the Seller is dissolved or its business is transferred, in whole or in part, liquidated, wound up, discontinued or located abroad or a decision is taken in this respect; and/or
- (e) any change occurs in the effective control over Hegron or, as the case may be, the Seller, or if Hegron or, as the case may be, the Seller is involved in or subject of a merger, spin-off or split-up, including a legal merger and legal split-off whereby "control" means the power, directly or indirectly, to direct or cause the direction of the management and policies of a person or entity or legal entity; and/or
- (f) the Seller becomes involved in negotiations with one or more of its creditors or takes any other step with a view to the general readjustment or rescheduling of its indebtedness.

15. MISCELLANEOUS

- 15.1 If any provision of these General Conditions is invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect the other provisions of these General Conditions, the relevant Order or Contract which shall remain in full force and effect. The Seller and Hegron agree to substitute any invalid or unenforceable provision with a valid and/or enforceable provision which achieves to the greatest extent possible the objectives of the invalid or unenforceable provision.
- 15.2 The Seller may not assign ("*overdragen of cederen*") or encumber any of its rights under an Order or Contract or transfer its legal relationship ("*rechtsverhouding*") under a Contract without the prior written consent of Hegron. However, Hegron may assign or encumber any of its rights or transfer its legal relationship under a Contract at any time to any of its affiliated companies and the Seller shall be deemed to have consented thereto, or, as the case may be, co-operated therewith in advance.
- 15.3 The Seller may not sub-contract any of its obligations under an Order or a Contract without the prior written consent of Hegron. If Hegron consents to the sub contracting of any of the Seller's obligations under a Contract, the Seller shall irrevocably and unconditionally guarantee to Hegron the proper and punctual performance of those obligations by its sub-contractor. The Seller shall be jointly and severally liable with its sub-contractor ("*hoofdelijk aansprakelijk zijn*") for any damages, losses, costs and expenses suffered, incurred or to be incurred or to be suffered by Hegron as a result of or in connection with a breach by the subcontractor of said obligations,

16. APPLICABLE LAW AND COMPETENT COURT

- 16.1 Dutch law shall be applicable to all legal relationships between Hegron and the Seller. The provisions of the United Nations Convention on Contracts for the International Sale of Products (1980) shall not apply.
- 16.2 All disputes arising under or in connection with any Order or Contract or the performance of any Order or Contract as well as any disputes regarding these General Conditions shall be submitted to the exclusive jurisdiction of the competent Court in The Hague, the Netherlands.