

**GENERAL SALE AND SUPPLY CONDITIONS of HEGRON COSMETICS B.V.**  
**with its registered office in Purmerend - registered in the Trade register in Alkmaar under number 332.07195**

**Article 1 - Applicability.**

These conditions apply to all verbal and written quotations and all agreements and supplies by Hegron Cosmetics B.V., hereinafter referred to as "Hegron", to its clients, unless these conditions are deviated from by Hegron in writing.

**Article 2 - Quotations and agreements.**

All verbal and written quotations (also if provided in the form of price lists issued by Hegron) are entirely subject to change. An agreement with the client is only established upon verbal or written confirmation by Hegron of the client's order.

**Article 3 - Prices and conditions.**

1. Unless stated otherwise in the price lists, quotations or order confirmations, the indicated prices also include the transport by or on behalf of Hegron to a delivery address within the Netherlands.
2. Unless otherwise agreed to, Hegron reserves the right to change the purchase and selling prices, discounts and sales conditions, using the prices, discounts and sales conditions applicable on the day of delivery, without prior notice. If the price adjustment involves an increase of more than 25% and occurs within three months after entering into the agreement, the client is entitled to cancel the agreement.

**Article 4 - Delivery time, supply and transport.**

1. If at the time of entering into the agreement the client still owes Hegron any payment, for whatever reason, for example for previous deliveries on which the payment term has expired, the delivery period will only commence on the day on which Hegron received this payment.
2. If the order confirmation states a delivery time, this date is always considered a target date and never constitutes a fixed date. The client does not have the right to claim damages, to refuse the goods or to dissolve part of, or the entire agreement if the delivery time has been exceeded. Except in a situation of force majeure on the side of Hegron, the client is only entitled to terminate the agreement if the client, after the delivery time has been exceeded, has provided a new delivery period in view of the circumstances, in writing, and this was also disregarded by Hegron. Compensation for losses due to failure to deliver within the new delivery period for supplies, as envisaged in the previous sentence, for which Hegron can be held liable, shall only be paid to the client according to the rules specified in article 7.
3. The transport of Hegron supplies to the client is organized by Hegron. Delivery is free, meaning that the risk of loss, destruction and/or damages to the delivered goods is passed on to the client upon receipt of these supplies from the agreed delivery location. The client is obliged to check the delivered supplies, or their packaging as the case may be, immediately upon delivery for any possible shortcomings or visible defects, or have this check performed after announcement that the goods are available to the client. Transfer of risk also takes place at the moment that Hegron makes the supplies available for delivery and the client for any reason does not accept the supplies. With non-acceptance Hegron is entitled to (privately) sell these supplies after a period of four weeks. Any possible lower yields, as well as any expenses, shall be charged to the client, without prejudice to Hegron's other rights. Other conditions of supply and risk regulations can be agreed to, in writing, between Hegron and the client.
4. A deviation of the order size (quantity, weight and such) of 10% more/less is allowed, which deviations are set off as far as possible. Claims in this regard are not possible. If the agreement is based on "sampling" the sample quality serves as supply quality.
5. In the event of long-term purchase obligations the client is obliged to accept the agreed upon quantity within the agreed upon period and if no period applies, within 6 months after conclusion of the agreement. In the absence thereof Hegron is entitled to deliver and invoice or sell the remainder.
6. Hegron takes care of the transport as well as the packaging of the supplies in the manner it considers most appropriate. Hegron is entitled to deliver the supplies on any work day between 07.00 and 17.00 or at any other time as agreed with the client at the delivery address. If the client, for whatever reasons, does not accept this delivery, the storage and safekeeping expenses are charged to the client.
7. The client will do everything possible to ensure that the waiting period between the time of notification of arrival at the delivery address and the time when the goods can be offloaded will not exceed fifteen minutes and that possible return packaging can be returned at the same time or subsequently.

**ARTICLE 5 - Packaging.**

Reusable packaging (bottles, crates, boxes and such) and the pallets on which the ordered supplies are supplied, remain Hegron's property and may not be used by the client for purposes other than what they were intended for. Hegron is entitled to charge the client a deposit for the packaging and pallets. The client will return the packaging and pallets to Hegron as soon as they become available. The client will compensate any losses resulting from damaged or lost packaging and/or pallets; if a deposit was charged the right to claim compensation or credit of the invoiced deposit will be lost.

**ARTICLE 6 - Payment.**

1. Payments must occur in the manner indicated by Hegron within the period indicated on the invoice without any discount or compensation, unless this was specifically agreed to in writing.
2. If the client does not pay within the agreed to period Hegron reserves the right, without any default notice, to charge the legal interest from the expiry date for the outstanding invoice amount, notwithstanding Hegron's other additional rights.
3. If the client is in arrears with any payment, even if under another agreement, all amounts owed to Hegron become payable immediately, irrespective of the state of the orders, and Hegron may claim immediate payment thereof. Hegron may, in this case, suspend all accepted orders of the client, until all amounts of the prior claim have been paid within a period established by Hegron. If payment does not take place within this period Hegron can terminate all agreements with the client, without prejudice to its rights to compensation. Furthermore Hegron is entitled to demand payment upon delivery.
4. If payment is not made within the period envisaged in article 6 section 1, the client shall also be charged all extra-judicial collection expenses. These expenses are calculated according to the following collection rate:

for the first	€	3,000.00	15%
for the remainder up to	€	6,000.00	10%
for the remainder up to	€	15,000.00	8%
for the remainder up to	€	60,000.00	5%
for the remainder above	€	60,000.00	3%

Moreover, the client owes Hegron all legal charges and associated expenses of legal assistance, including not awarded amounts that Hegron incurred during implementation of the agreements, unless Hegron, as losing party, is ordered by the judge to bear the costs in full .

**ARTICLE 7 - Applicability.**

For losses resulting from or in connection with supplies and/or services by or on behalf of Hegron – in the broadest sense - for which Hegron may be liable, as far as mandatory provisions do not require otherwise, the following applies:

1. Losses, for as far as they consist of lost or reduced turnover, except in cases of deliberate or gross negligence, do not qualify for compensation.
2. Damage associated with impairment or loss of property or injury to a person qualifies for compensation up to a maximum of € 35,000 (thirty five thousand euro)
3. Other losses than those intended under 1 and 2 are compensated up to fifty percent of the net invoice value – being the gross invoice value minus the VAT and possible other government levies – of the supplies or services, whereby the loss relates to, provided that compensation of such damage is limited to € 22,500 (twenty two thousand five hundred euro).
4. Every further liability with regard to defects in the product or a flaw in the observance of the agreement is excluded.
5. The compensation under 2 and 3 applies for all collective claims from a delivery or service provision to which the loss is related.
6. Without prejudice to the preamble and the prior paragraphs, only damage suffered in the last six months after receipt of the relevant goods and/or the end of the relevant service and reported to Hegron in writing within the period of fourteen calendar days after discovery, qualify for

compensation. Subject to total forfeiture of the right to compensation, Hegron is awarded all required cooperation in its investigation into the cause, nature and extent of the losses for which the compensation claim has been made. Legal claims with regard to damages expire within six months after discovery of the damages. Settlements of legal claims that are not irrevocably recognized or acknowledged by Hegron are not allowed.

7. The client indemnifies Hegron from claims on any grounds whatsoever by third parties who claim to have suffered damages through a transaction and/or service that Hegron supplied or delivered, on or on behalf of the client, unless the client demonstrates that Hegron is liable to the buyer for the damage and should compensate this to the client. Hegron will however never be liable towards its clients for disbursements made to other consumers based on article 24 section 2 under c book 7 of the Dutch Civil Code without Hegron's prior written consent.
8. (Legal) persons belonging to the Hegron Group of Companies who are approached for compensation by a client can also rely on the above stipulations. Such (legal) persons and Hegron are jointly never liable for a greater amount of compensation than Hegron would have had to pay on its own.
9. Defects in an individual lot of a delivery of multiple objects do not validate the termination of the agreement for the remainder of the order.
10. With regard to the article codes applied on the packaging, Hegron accepts no liability for the consequences of any damages and/or coloration of these article codes at the client's premises, nor can Hegron be held liable for damages in any form as a result of deviations, malfunctions or faulty operations of the processing equipment used by the client for article coding in whatever stage of the processing.

#### **ARTICLE 8 - Force majeure**

In the event that Hegron as a result of force majeure is hindered from implementing the agreement they have the right, without legal intervention, to suspend the execution of this agreement or consider it entirely or partially dissolved - this to Hegron's discretion -, without having to pay damages or offering any guarantee. Under force majeure is understood any circumstance, both foreseen and unforeseen, whereby the observance of the agreement can no longer be reasonably requested by the client. Under force majeure the following is included in any case: strikes, lockouts, fire, machinery and other business interruptions, whether by Hegron or its suppliers of goods and services, transport breakdowns and other underlying events out of the hands of Hegron, such as war, blockades, riots, epidemics, floods, storms, devaluation and inflation, as well as sudden increase in import and excise duties and/or taxes, whereby the Netherlands or any other country from which Hegron wished to have the necessary materials provided, delayed delivery by suppliers, whether or not as a result of government measures, not acquiring the necessary permits and other regulatory measures. The provisions of article 4 section 2 do not apply in the case of force majeure.

#### **ARTICLE 9 - Complaints**

All claims against Hegron based on incomplete or incorrect delivery are forfeited, if the complaint is not submitted in writing within eight days after receipt of the goods (or if an order is delivered in parts, within eight days after receipt of the relevant part of the order). Claims based on invisible defects furthermore expire if the client has not reported the alleged defect to Hegron per registered letter within two days after receipt of the goods. The client is obliged to have the goods inspected immediately upon delivery at own expense. All claims should comprise of an accurate statement of reasons. Hegron's consideration of a complaint does not mean that it considers the claim submitted in time or justly. Returns are only accepted with Hegron's prior written consent and with paid shipment. A complaint does not entitle the client to suspend payment on his part or to deduct the paid amount in compensation. The goods are at the risk of the client during the return shipment.

#### **ARTICLE 10 RETENTION OF OWNERSHIP**

1. The goods supplied by Hegron to the client remains Hegron's property as long as the client has not yet paid the price, interest and expenses of all supplied or to be supplied goods. Expenses are also understood to include any claim of Hegron against the client due to defaults in the observance of the agreement entered into related to the goods supplied or to be supplied. The client shall, as long as they remain Hegron's property, keep the goods supplied by Hegron, separately and clearly recognisable. Should the goods be taken back as intended above, the client shall pay Hegron a fine of at least 20% of the invoiced amount, not affecting Hegron's claim against the client for full compensation.
2. In the event of shutdown, liquidation, being placed under administration, change of the legal status or control in the client's company, he shall inform Hegron thereof immediately. The client agrees - in the said cases in article 10 section 2 - and shall co-operate fully with Hegron, to ensure that Hegron, after having informed the client in writing that he intends making use of his right, is allowed to take back his stock of Hegron-articles held by the Client.

Notwithstanding the Client's commitment to pay the fine as mentioned under section 1 of this article, Hegron shall credit goods received in return as follows:

to 6 months old : 60% of the paid price  
from 6 months to 1 year old: 40% of the paid price

If the Client, trustee or administrator does not agree with the compensation proposed by Hegron, this shall be determined by Binding Recommendation, by a specialist to be appointed by the Chairman of the Chamber of Commerce and Factories in Alkmaar, without Hegron being held accountable for the resulting expenses.

#### **ARTICLE 11 - PUBLICITY**

The rights on the registered brand "Hegron" and of other registered or still to be registered brands, makes, models, writing styles and such of Hegron, shall remain the exclusive property of Hegron and can only be used by a client to promote the sales of the products with Hegron's written permission. The client shall refrain from placing or allowing the placement, distribution or allowing the distribution of advertising or notices of misleading content or misleading intent, as well as making direct or indirect offers concerning the sale of goods originating from Hegron.

#### **ARTICLE 12 - RE-SELLING**

1. The client is entitled to sell and supply the goods supplied by Hegron to third parties on condition that, in the event of resale and supply within the Netherlands, he sells and supplies the goods in the original, undamaged and unaltered packaging.
2. With resale and supply to a retailer, the client is committed to impose the commitments described in article 10 and 11 and under section 1 of article 12 on this retailer on Hegron's behalf, as well as the stipulation that this retailer shall in turn inform his clients who are involved in reselling and so on, of the stipulations intended in this article, by means of a back-to-back agreement for Hegron's benefit.

#### **ARTICLE 13 - TERMINATION**

If the client does not, does not do so properly or is late in complying with any commitment imposed on him resulting from this or from any other agreement signed with Hegron, as well as in the event of insolvency, suspension of payment, shutdown, liquidation, being placed under administration, change of legal form of, or change of control in the client's company, he is considered to be legally in breach and Hegron shall be entitled, without default notice and without legal intervention, suspend the execution of the agreement or terminate the agreement completely or partially, as Hegron may decide, without being held to pay any compensation or guarantee, and not affecting its entitlement to its further rights. The Client, in particular, shall be held liable to compensate Hegron for any loss it may suffer due to this premature termination of the agreement. In these cases all claims Hegron has on the Client shall become claimable immediately.

#### **ARTICLE 14 - Proof**

Subject to counter evidence with regard to this and resulting agreements, the administrative details of Hegron are decisive.

#### **ARTICLE 15 - Applicable Law; authorized judge**

Dutch law is applicable to the agreement to which these conditions apply, including, in certain cases, the CISG. Notwithstanding Hegron's right to have recourse to a court, authorized by virtue of statutory regulations; the judge in Amsterdam shall be competent to decide disputes between Hegron and the client with regard to the conditions of the agreements to which these conditions apply.

*The Dutch text is leading, the English is informative.*