

**General conditions of purchase
Schwan-STABILO Cosmetics GmbH & Co.****1. Scope**

Our conditions of purchase apply exclusively: We shall not accept supplier's conditions which amend our or deviate from our conditions of purchase, unless we have expressly agreed to their validity in writing.

Our conditions of purchase shall apply even if we accept a shipment from a supplier without reservation in the knowledge that the supplier's conditions are opposed to our deviate from our conditions of purchase. Our conditions of purchase shall also apply to any future business with the supplier.

2. Order- order documents

2.1 Any orders agreements made between our company and the supplier for the execution of the supply contract shall be in writing. Modifications, additional agreements and amendments must be also in writing and signed to be valid.

2.2 We reserve the title and copyright to our technical documents, such as diagrams, drawings, calculations and other documents; they must not be made available to third parties without our express written consent. They are to be used solely for manufacture an the basis of our order and they must be returned to us once the order has been executed without our having to request them. They must also be kept secret from third parties.

3. Period of validity

3.1 The period of delivery stated in our order is binding for the supplier. It must be confirmed in writing, quoting the order number as well as the binding prices and periods of delivery, within 5 working days.

3.2 The supplier undertakes to inform us in writing immediately if conditions which will result in the stipulated period of delivery not being complied with should arise or become foreseeable.

3.3 In case to default to delivery, we shall entitled to statutory claims. In particular, we are entitled, to demand damages due to delay or after fruitless expiry of an appropriate extension in spite of performance.

4. Prices-terms of payment

4.1 The price stated in the order is binding. The price shall include delivery free of charge to address of buyer, including packaging, insofar as nothing to the contrary has been agreed in writing. A separate agreement shall be required for returning packaging.

4.2 We can only process invoices if -in accordance with the instructions on our order- they indicate the order number as well as the correct address of invoice contained in the order. The supplier shall be responsible for any consequences arising from this failure to comply with this obligation, insofar as he is unable to prove that he is not responsible for this failure to comply.

4.3 Claims resulting from scheduled work, repairs, maintenance, etc. shall only be accepted if written proof signed by us (time sheet, repair sheet, maintenance sheet) is produced for this.

4.4 We shall pay the purchase price less 3% discount within 14 days of the date of receipt of invoice or without deductions within 60 days, insofar as nothing else has been agreed in writing. We solely get into delay of payment, if the supplier expressly reminds us in writing after the settlement date.

4.5 We are entitled to the rights of set-off and refusal to perform within the scope of the law.

4.6 The supplier may assign his claim to third parties only with our written consent. Direct debiting by third parties is excluded.

5. Passage of risk-documents

5.1 Delivery shall be free of charge to address of buyer insofar as no other agreement is made in writing.

5.2 The supplier is obliged to state to our order number on all shipping documents and delivery notes; should the supplier fail to do this and should we therefore be unable to identify the shipment, we are then entitled to refuse to accept delivery. Any resulting costs incurred shall be borne by the supplier.

6. Quality and documentation

6.1 The supplier has to meet the requirements of technique, security instructions, agreed data files and SSC's quality security instruction and technical requirements. Any change in the object of supply have to be agreed on in writing by us.

6.2 We are willing, on demand of the supplier, to discuss the control and inspections, as far as our knowledge, experiences and possibilities reach, to show the required technique of control, if kind and scope of control and method are not arranged. Furthermore we are willing to inform supplier, if he wishes to, about security advices as far as possible.

6.3 Supplier has to fulfil SSC's quality security and quality instruction "Documentation of quality proof", especially in written documentations in respect when, how and who the goods of delivery were controlled and the results of the required quality tests. Supplier has to keep these documents ten years and to present to us, if requested. Supplier has to obligate his suppliers in the same way as far as possible in the scope of law. The obligation of documentation is valid to all objects of delivery, if they are not excluded in writing.

7. Inspection for defects- warranty

7.1 We are obliged to inform the supplier immediately about any faults or defects, as far as they can be detected in the normal way of business. Insofar supplier relinquishes the objection of delayed notice in the meaning of § 377 HGB.

7.2 We shall be entitled to statutory warranty claims without abridgement. Irrespectively of that, we shall be entitled to demand a another delivery or price reduction or withdrawal, after the fruitless expiry of an appropriate extension. We expressly reserve the rights to damages, in particular the right to damages due to non performance. As far as the defect is completely removed, the warranty period starts with delivery of the new object or with the acceptance. In case of demand of damages in spite of performance we shall still be entitled to demand performance until supplier paid the full amount damages in spite of performance.

7.3 The warranty period shall be 24 months, calculated from the date of delivery.

7.4 In the case of delivery of machines, mechanical installations and other equipment, as well as spare parts belonging to them, the manufacturer and/ or the supplier shall guarantee that the applicable German accident prevention, protective labour regulations and the legally recognized safety and occupational health provisions and conditions are complied with at the time of delivery.

8. Product liability

8.1 Insofar the supplier is responsible for any product defect, the supplier is obliged on first request to grant us indemnity from any claims to damages from third parties.

8.2 The supplier's obligation to grant us indemnity refers to all expense incurred by us due to or in connection with damage claims by a third party.

9. Industrial property rights

- 9.1 The supplier guarantees that no intellectual property rights, especially I copyrights belonging to third parties in Germany or abroad will be infringed in connection with the goods delivered by the supplier if the delivered goods are used as stipulated in the contract,.
- 9.2 The supplier undertakes to grant us and our customers indemnity from any claims to damages from third parties upon receiving our first written request.
- 9.3 These points are not applicable , if supplier produced goods of delivery exactly according to drawings, models or similar other information provided

10. Method of production, use of means of production and secret information

- 10.1 We acquire property or at a least expectant right according to our payment, of all models, samples, tools and other means of production, which we have completely or partly paid. Handing over will be replaced by giving it to the supplier into safekeeping. Therefore supplier has a right to possession. Supplier bears costs of restoration and maintenance. In addition supplier bears the risk of destruction or decline. Supplier is not allowed to destroy, sell, mortgage or to dispose in any other way on our means of production.
- 10.2 Means of production as well as secret information, which have been put at supplier's disposal or paid by us may not be shown to third parties and/ or used for supply of Third parties, unless we have agreed on it in writing.

11. Place of performance

The place of performance for all shipments shall be the address for shipments stated by us- for payments always Heroldsberg.

12. Place of jurisdiction

The place of jurisdiction for all claims arising from this business relationship shall be Nuremberg. We are also entitled, however, to sue the supplier before the court with jurisdiction over the supplier's place of business or habitual residence.

13. Law

Germany Law shall apply to this contractual relationship. The application of United Nations conventions on agreements concerning international purchase of goods (UN Law of Purchase) is expressly ruled out.

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