

CHARMANT

GENERAL TERMS AND CONDITIONS OF DELIVERY AND PAYMENT of Charmant Group

1. General

1.1 All deliveries, services, offers and contracts, including future ones with the same buyer, are exclusively subject to the following delivery terms and payment conditions, without us having to refer to them again in each individual case. They apply only to buyers who are entrepreneurs, legal persons or a special fund under public law according to § 310 (1) of the German Civil Code. If licensed products are the subject of the contract with the buyer, any terms and conditions provided by our licensors and included in the contract with the buyer shall also apply. The same shall apply to future contracts with the same buyer without our having to refer to the terms and conditions of our licensors in each individual case.

1.2 We do not recognise any other terms and conditions that deviate from or are in conflict with these terms and conditions, including terms and conditions of our buyers, unless we have expressly agreed to them in writing. In particular cases, agreements made on an individual basis with buyers (including side agreements, additions and amendments) shall take precedence over these terms and conditions. A written contract or our written confirmation shall be decisive for the content of such agreements.

1.3 Legally relevant declarations and notifications to be made to us by the buyer after conclusion of the contract (for example, setting of deadlines, notifications of defects, declarations of withdrawal or reduction) must be made in writing to be effective.

2. Formation of Contract

2.1 Our offers are subject to confirmation and are non-binding, unless they are expressly marked as binding.

2.2 The presentation of our goods in the catalogue or elsewhere does not represent an offer but an invitation to an offer. By placing an order, the customer submits to us a binding offer for conclusion of a purchase contract and accepts these terms and conditions of delivery and payment as well as any terms and conditions provided by our licensors as binding. We accept the contractual offer as binding through our order confirmation or latest through the dispatch of the goods. Orders are confirmed by us by letter, fax or email. In accordance with § 151 S.1 BGB (German Civil Code), the buyer waives receipt of the statement of acceptance.

2.3 The legal relationship between us and the buyer shall be governed solely by the order confirmation, including these terms and conditions of delivery and payment and any terms and conditions provided by our licensors. These terms and conditions reflect all agreements between the contracting parties regarding the subject matter of the contract in full. Verbal promises made by us prior to the conclusion of this contract are legally non-binding. Additions and amendments to the agreements made, including these terms and conditions of delivery and payment, shall only apply if they have been confirmed by us in writing.

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2.4 We reserve ownership of or copyright to all offers and cost estimates provided by us as well as to drawings, illustrations, calculations, brochures, catalogues, models, tools and other documents and aids made available free of charge to the buyer. Without our express consent, the buyer may not make these items accessible to third parties, disclose them, use them himself or through third parties or reproduce them, either as such or in terms of content. At our request the buyer shall return these items to us in their entirety and destroy any copies made if they are no longer required in the ordinary course of business or if negotiations do not lead to the conclusion of a contract.

3. Delivery and Transfer of Risk

3.1 Goods are delivered at the risk and for the account of the buyer. The risk of accidental loss and accidental deterioration of the goods passes to the buyer latest with the handover of the goods to the freight forwarder, the carrier or any other person or institution designated to carry out the shipment. This also applies to partial deliveries. If dispatch or delivery is delayed resulting from circumstances for which the buyer is responsible, risk shall pass to the buyer from the day on which the goods are ready for dispatch and we have notified the buyer accordingly.

3.2 Our timelines and dates for deliveries and services are always only approximate, unless we have expressly promised or agreed in writing to a fixed timeline or date.

3.3 Unless otherwise agreed to in writing, we are entitled to determine the type of dispatch ourselves, in particular packaging, transport company and dispatch route. We are especially not obliged to select the cheapest shipping method. We will only take out transport insurance upon special written instruction and for the account of the buyer.

3.4 We are entitled to make partial deliveries, provided that these are reasonable for the buyer.

3.5 If we are unable to comply with binding delivery dates for reasons for which we are not responsible, we shall inform the buyer thereof without delay and at the same time inform the buyer of the expected new delivery date. If delivery is also not available within the new delivery period, we are entitled to withdraw completely or partially from the contract. We shall immediately reimburse any payment already rendered by the buyer. Our rights of rescission and termination as well as the statutory provisions governing the performance of the contract in the event of exclusion of the obligation to perform (e.g. impossibility or unreasonableness of performance and/or subsequent fulfilment) shall remain unaffected.

3.6 If it becomes apparent after conclusion of the contract that our claim to the purchase price is endangered by the buyer's lack of ability to pay (for example, by filing for insolvency proceedings), we shall be entitled to refuse performance in accordance with statutory provisions and - if necessary after setting a deadline - to withdraw from the contract. Alternatively, we reserve the right to execute or render

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outstanding deliveries and services only against advance payment or provision of security or cash on delivery.

4. Prices and Payment

4.1 Our prices do not include statutory value-added tax, customs duties and fees in the case of export deliveries and other public charges. Value added tax will not apply if deliveries outside Germany are not subject to value added tax.

4.2 Insofar as the agreed prices are based on our list prices and the delivery is to take place more than four months after conclusion of the contract, the list prices valid at the time of delivery shall apply.

4.3 Invoiced amounts are to be paid within 30 days of the invoice date without any deduction, unless otherwise expressly agreed in writing. If payment is made within 10 days of the invoice date, the buyer shall receive a discount of 2 %, if payment is made by direct debit within 10 days of the invoice date, a discount of 3 % will apply. The date of payment receipt by us is the decisive date of payment.

4.4 Bills of exchange, cheques and other payment documents will only be accepted on condition and shall not be deemed as payment until they have been honoured. Any fees and costs incurred shall be borne by the buyer.

4.5 If insolvency proceedings are opened against the buyer's assets, all discounts and rebates granted in the invoices that the buyer has not yet paid shall be deemed not to have been granted.

4.6 Offsetting against counterclaims of the buyer or retention of payments due to such claims is only permissible if the counterclaims are undisputed by us or have been legally established.

4.7 If the buyer defaults on payment, we will issue a maximum of three payment reminders. We are entitled to charge a fee of EUR 5 per reminder from the second one onwards. The assertion of interest on arrears and further damages remains unaffected. From the second reminder onwards, we are entitled to impose a delivery stop on the buyer. If the buyer does not pay even after the 3rd reminder, we reserve the right to appoint a debt collection service. The costs for this shall be borne by the buyer.

5. Warranty

5.1 The statutory provisions shall apply to the buyer's rights in the event of material defects and defects of title unless otherwise stipulated below or in accordance with the formal requirements of § 1.1.

5.2 The delivered items shall be carefully inspected immediately after delivery to the buyer or to the third party designated by the buyer. They shall be deemed approved if we have not received a written notification of defects with regard to obvious or

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other defects that were recognisable following an immediate, careful examination, within 7 working days of delivery of the delivery item, or otherwise within 7 working days of discovery of the defect or the time at which the defect was recognisable for the buyer during normal use of the delivery item without closer examination. At our request, the delivery item complained about shall be returned to us. Returns must in any case be agreed with us in advance. This does not apply if the costs increase because the delivery item is located at a place other than the place of intended use.

5.3 In the event of material defects of the delivered goods, we are obliged and entitled to repair or replace them at our discretion within a reasonable period of time. We are entitled to make the owed fulfilment dependent on the buyer paying the due purchase price. However, the buyer shall be entitled to retain a reasonable part of the purchase price in proportion to the defect. In the event of failure, for example, impossibility, unreasonableness, refusal or unreasonable delay in repair or replacement, the seller may withdraw from the contract or reduce the purchase price accordingly.

5.4 The warranty does not apply if the buyer changes the delivery item or has it changed by third parties without our consent and the removal of the defect is made impossible or unreasonably difficult as a result. In any event, the buyer shall bear the additional costs of remedying the defect incurred as a result of the change.

6. External Communications, in particular Advertising and Resale

All advertising, promotional and public relations activities and the resale of the goods shall be carried out by the buyer in a manner consistent with the image, high value and reputation of our brands and those licensed by us and our trademarks and other protected signs licensed by us. This includes, in particular, the following:

a) The buyer shall present our and brands licensed by us and our and the protected signs licensed by us in a manner consistent with the image, value and reputation of the respective brands.

b) Content and the type of advertising, promotion and public relations measures must not violate applicable law, in particular special statutory regulations (e.g. competition laws, drug advertising acts), official regulations or the rights of third parties.

c) The buyer resells the goods in their original packaging.

d) The buyer is entitled to present the goods in accordance with the provisions of § 6 on the internet and on their homepage. A sale via the internet requires our prior written consent. Sale via trading platforms, such as EBay, is prohibited.

e) The buyer prioritises the use of brand-own imagery before any self-produced product pictures, observing the existing industrial property rights and copyrights.

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f) National advertising, promotion and/or public relations measures using our brands and those licensed by us and our trademarks as well as any other protected signs licensed by us are prohibited.

g) Measures taken by the buyer for advertising, promotion and public relations with regard to our brands and those licensed by us and our trademarks and other protected signs licensed by us that go beyond the intended use of those advertising and other aids provided by us (e.g. seasonal advertising campaigns, shop window decorations) require our prior consent. We will name a contact person for this purpose.

h) The buyer may not use material provided by us for resale, advertising, promotion and public relations purposes, including stands and product carriers, in any way other than for the presentation of products featuring our own or licensed brands or other trademarks licensed by us.

7. Industrial Property Rights

7.1 In accordance with § 7, we guarantee that the goods delivered by us, including the licensed products, do not infringe any industrial property rights or copyrights of third parties. We further declare that we are entitled to dispose of the right of use transferred in accordance with § 7.2 of these terms and conditions.

7.2 We transfer to the buyer the non-exclusive right to use our brands and those licensed by us and to our trademarks and any protected signs licensed by us, limited to the extent required for resale to consumers in accordance with the agreements between the contracting parties and the measures in accordance with § 6 of these terms and conditions. In particular, the buyer may not modify or otherwise misuse our own or licensed brands or any of our trademarks or our licensed protected signs or use them in a company or trade name without our prior consent and, if applicable, the prior consent of our licensors. The buyer is not entitled to further transfer the right of use transferred in accordance with this § 7.2. In addition, the buyer may not use any other brands or trademarks for which there is a risk of confusion with our brands or those licensed by us or with our trademarks or other protected signs licensed by us.

7.3 Each contracting party shall immediately notify the other contracting party in writing if claims are asserted against it for infringement of industrial property rights or copyrights.

8. Liability for Damage in case of Default

8.1 Our liability for damages, for whatever legal reason, in particular impossibility, delay, defective or incorrect delivery, breach of contract, breach of duties during contract negotiations and tort, shall be limited in accordance with the provisions of § 8 to the extent that this depends on culpability.

8.2 We shall not be held liable a) in case of simple negligence of our executive bodies, legal representatives, employees or other vicarious agents; b) in case of

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gross negligence by our non-executive employees or other vicarious agents, provided that there is not a violation of essential contractual obligations.

8.3 Insofar as we are liable for damages according to § 8.2 of these terms and conditions, this liability is limited to typically foreseeable damages. Indirect damages and consequential damages resulting from defects of the delivery item are also only eligible for compensation if such damages are typically expected when the delivery item is used as intended.

8.4 The above exclusions and limitations of liability shall apply to the same extent in favour of our executive bodies, legal representatives, employees and other vicarious agents.

8.5 Insofar as we provide technical information or act in an advisory capacity and this information or advice is not part of the contractually agreed scope of services owed by us, this shall be done free of charge and to the exclusion of any liability.

8.6 The limitations of § 8 here shall not apply to our liability for intentional conduct, for guaranteed characteristics, for injury to life, body or health or in accordance with the Product Liability Act.

9. Retention of Title

9.1 Until full payment of all our current and future claims arising from the purchase contract and an ongoing business relationship (secured claims), we reserve title to the sold goods.

9.2 Pledging and transfer by way of security of the reserved goods are not permitted. The buyer must inform us immediately in writing if and to the extent of which third parties have access to the goods belonging to us.

9.3 In the event of breach of contract by the buyer, in particular default in payment, we shall be entitled to withdraw from the contract in accordance with the statutory provisions and/or demand the return of the goods on the basis of retention of title. The demand for surrender does not include the declaration of withdrawal at the same time. Rather, we are entitled to demand only the return of the goods and to reserve the right to withdraw from the contract. If the buyer does not pay the due purchase price, we may only assert these rights if we have previously unsuccessfully set a reasonable deadline for payment to the buyer.

9.4 The buyer is entitled to process and resell the reserved goods in the ordinary course of business. In this case, the following provisions shall apply in addition:

a) The retention of title shall also extend to the full value of the products resulting from the processing, mixing or combining of our goods, whereby we shall be deemed the manufacturer. If the ownership rights of third parties remain in force in the case of processing, mixing or combination with goods of third parties, we shall acquire co-ownership in proportion to the invoice values of the processed, mixed or

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combined goods. In all other respects, the same shall apply to the resulting product as to the goods delivered under retention of title.

b) In the event of resale, the buyer hereby assigns to us by way of security the resulting claim against the buyer - in the case of co-ownership by the buyer pro rata in accordance with the co-ownership share. The same applies to other claims that take the place of the reserved goods or otherwise arise with regard to the reserved goods, for example, insurance claims or claims arising from tort in the event of loss or destruction.

c) The buyer remains revocably authorised to collect the claims assigned to us in their own name. Our authority to collect the claim ourselves shall remain unaffected thereby. We shall not collect the claim as long as the buyer fulfils their payment obligations towards us, does not fall into arrears with payment, no application for the opening of insolvency proceedings has been filed and there is no other defect in their ability to pay. If this is the case, however, we can demand that the buyer informs us of the assigned claims and their debtors, provides all information necessary for collection, hands over the relevant documents and informs the debtor of the assignment.

10. Final Provisions

10.1 The place of performance is Munich, Germany.

10.2 If the buyer is a merchant within the meaning of the German Commercial Code, a legal entity under public law or a special fund under public law, Munich shall be the exclusive place of jurisdiction for all disputes arising directly or indirectly from the contractual relationship. The same shall apply if the buyer does not have a general place of jurisdiction in Germany, relocates their place of residence or habitual abode outside Germany after conclusion of the contract or if their place of residence or habitual abode is not known at the time the action is filed.

10.3 The relationship between us and the buyer shall be governed by the laws of the Federal Republic of Germany to the exclusion of all international and supranational (contractual) legal systems, in particular the UN Convention on Contracts for the International Sale of Goods.

10.4 Should individual provisions of these delivery and payment provisions be invalid in whole or in part, this shall not affect the validity of the remaining provisions. In such a case, the contracting parties shall be obliged to replace the invalid provision with a valid provision that comes as close as possible to the economic purpose pursued by the invalid provision.

Note: The customer acknowledges that the seller stores data from the contractual relationship in accordance with § 28 of the German Federal Data Protection Act for the purpose of data processing and reserves the right to transfer the data to third parties (such as insurance companies) to the extent necessary for the fulfilment of the contract. (As of: 06/2011) Charmant GmbH Europe, Liebigstrasse 15-16, 85757 Karlsfeld, Germany

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General obligations to provide information on alternative dispute resolution pursuant to Art. 14 (1) ODR-VO and § 36 VSBG (Consumer Dispute Resolution Act)

We will not participate in a dispute resolution procedure before a consumer arbitration board.