

GENERAL TERMS AND CONDITIONS

Terms and conditions of Vema GmbH & Co. KG, represented by Vema GmbH, which is represented by the managing director Kristian Kläger, Dipl.-Kfm. Univ. and MCom, Portnerstrasse 84, 86356 Neusäß. Vema GmbH & Co. KG, hereinafter referred to as "VEMA", is listed on the commercial register of the district court of Augsburg, Register No. HRA 10060, VAT ID No.: DE 127342812. The company Vema GmbH is listed on the commercial register of the district court of Augsburg, Register No. HRB 6521.

1. General points scope of application

1.1 VEMA's business is the development, manufacture and bottling of cosmetics and the development, manufacture and bottling of medical products. Additionally, VEMA has extensive experience in filling aerosols for household and technical products. The following terms and conditions (T&Cs) shall apply to the business relationship between VEMA and the customer when the customer has commissioned VEMA with the provision of corresponding services. The development, production and delivery of corresponding products (contract products) are to be performed in accordance with these T&Cs within the agreed time period and scope, based on a separate commission by the customer ("individual order"). The services to be provided by VEMA shall be determined separately in the respective individual order. Each individual order is subject to the conditions set down in these T&Cs. Conflicting or additional terms of contract on the side of one party shall only apply with the other party's express consent.

These T&Cs shall only apply when the customer is a business (§ 14 Civil Code), a legal entity under public law or a public special fund in accordance with § 310 para. 1 sent. 1 of the Civil Code. A business is defined as a natural person or legal entity or a partnership with legal capacity who, in conducting a legal transaction, is acting in the exercise of their commercial or freelance professional activities.

1.2 When an order is placed, these T&Cs are deemed to be accepted and shall become an integral part of the contract. These T&Cs shall also apply when VEMA carries out the delivery to the customer without reservation or provides services for the customer in the knowledge that the customer's terms and conditions conflict with or deviate from these T&Cs.

1.3 The T&Cs shall apply both to continuous business relationships and future business dealings, even when no specific reference is made to them, provided that they were referred to in a contract previously confirmed by VEMA

1.4 Separate agreements made with the customer in individual cases shall always take precedence over these T&Cs.

2. Conclusion of contract and assignment

2.1 All offers made by VEMA are subject to confirmation and non-binding, unless they have been expressly designated as binding. A legally binding contract is one that has been signed by both parties or has resulted from written confirmation of the order by VEMA, or has resulted from VEMA beginning to provide the contracted service. In each contract, the specific scope of the services to be rendered by VEMA as requested by the customer and the remuneration to be paid by the customer for these services shall be set out in detail. The contract to be concluded thereby describes the agreements regarding delivery and services by VEMA, which refer back to these T&Cs and, if applicable, to additional appendices.

2.2 The assignment of the customer's rights under the contract requires VEMA's consent.

3. General services

3.1 Samples and tests are always non-binding. VEMA may make changes to production within reason, i.e. as long as they are compatible with the customer's specifications or vary from them only slightly, and there is no resulting negative impact on the usability of the delivery or service for the purpose specified in the contract. Reasonable standard deviations or deviations arising from legal regulations or representing technical improvements are also permissible, as is the substitution of ingredients with comparable substances, as long as there is no resulting negative impact on the usability of the delivery or service for the purpose specified in the contract.

3.2 All information regarding fitness for purpose, possible applications and the subject matter of the goods/services to be rendered shall be made to the best of VEMA's knowledge and is only approximate, unless the usability of the delivery or service needs to exactly match the purpose specified in the contract. In the case of medical products and cosmetics, the legal manufacturer (distributor) is solely responsible for verifying that each product conforms to the basic requirements (assessment of conformity). This does not necessarily exempt the customer as manufacturer from carrying out its own verification of the contractually agreed fitness of purpose and quality of the goods/services. The manufacturer is normally the natural or legal person who has commissioned the manufacture of the product and places it on the market under their own name or brand, regardless of who manufactured the product. The contracting parties shall regularly agree on a delimitation of responsibilities in the contract for the specific contract product, which refers to this contract and regulates the delimitation of the mutual responsibilities for each contract product in detail.

3.3 All products must fulfil the core requirements regarding quality, safety and health in compliance with the relevant legal provisions on marketability to users, as well as with regard to their intended purpose. VEMA expressly draws attention to the fact that different regulations on marketability may apply depending on the country in which the products are to be sold.

3.4 VEMA shall retain proprietary rights, copyrights, and, where applicable, industrial property rights, in particular the exclusive rights of use and exploitation, for formulas, plans, calculations, instructions for use, product descriptions and other documents (hereinafter referred to as "documents"). The documents may only be made accessible to third parties with VEMA's prior consent and, if the order is not placed with VEMA, must be returned immediately. Furthermore, the documents are to be kept confidential from other third parties, even after termination of the contract. In accordance with section 15, the non-disclosure agreement does not expire until and unless the information contained in the documents provided has become public knowledge.

Unless specifically otherwise stipulated in the order, VEMA shall grant the customer the authorisation necessary for the intended use of the development as a non-exclusive right. This shall apply to developments and formulas as ordered at the time of their creation or, at the latest, at the time of their acquisition. Until the service rendered by VEMA has been paid for in full, its use is only permitted upon revocation.

VEMA thereby grants the customer the non-exclusive right to sell the product. In principle, the customer acquires only a non-exclusive right of use with regard to developments and formulas. In addition to the customer, VEMA retains the right to use its own services and to grant further rights of use, unless expressly agreed otherwise between the contracting parties. The contract products may be produced in the inventory developed by VEMA exclusively by VEMA. The customer may not transfer the rights of use, in whole or in part, or sublicense them to third parties, without VEMA's prior consent.

3.5 VEMA shall make use of the most up-to-date knowledge and technology for the manufacture of all contract products, along with the relevant legal requirements. With prior notice, VEMA permits the customer to conduct all necessary audits and inspections relating to the manufacture of the contract products, as long as this does not disproportionately disrupt normal business operations at VEMA.

4. Raw materials and packaging materials

4.1 The quality of the raw materials and packaging materials shall be agreed between VEMA and the customer. The parties shall determine the quality requirements for the raw materials and packaging materials to their mutual satisfaction.

4.2 VEMA is normally liable for the proper quality of the raw materials and/or packaging materials procured by VEMA itself. They shall be checked by VEMA and approved in accordance with the agreed specifications.

4.3 The testing and approval of any raw materials and packaging materials provided by the customer shall be carried out by separate agreement. VEMA shall regularly test that the containers, caps (seals if applicable) are intact, that the labelling on the container matches the delivery note, and the identity. The customer is responsible for ensuring that the materials they have provided are labelled with a clearly visible description of the material designation and number, batch or order name, plus warehouse details, warning notices or other information where applicable, even when they have been supplied by a third party.

4.4 The contracting parties are responsible for the suitability of the primary packaging material for the respective contract products in accordance with a separate stipulation.

5. Manufacture

5.1 During manufacture, VEMA shall use only such resources and equipment that are permitted to come in direct contact with the contract product.

5.2 VEMA shall compile a report (manufacture log) for each production batch. These records must provide proof that the products have been manufactured in compliance with the relevant legal regulations.

5.3 If a deviation from the conditions set down in the manufacturing instructions should occur during manufacture that could influence the quality of the product, the customer shall be informed of this promptly in the form of a report. Any resulting measures shall be determined by mutual agreement between the customer and the contractor and communicated in writing.

6. Quality control, test instructions, test certificate

6.1 If necessary, VEMA shall make available the specifications and related procedures from the technical documentation. VEMA shall compile the test instructions from this.

6.2 If the test shows a deviation from the specifications, VEMA shall inform the customer of this promptly. Any resulting measures shall be determined by mutual agreement between the parties and documented in writing.

7. Retention samples

7.1 VEMA shall keep retention samples of the source materials of the manufactured contract product for at least two years after the approval of the products manufactured using these source materials. The retention samples of the contract product shall be kept for two years. VEMA shall designate the location in which they are to be stored.

7.2 The printed packaging materials shall be kept in the form of the finished product, used, unless otherwise agreed between the parties.

The retention samples must be stored in a way that does not negatively influence their quality and mix-ups are prevented.

VEMA shall inform the customer promptly if its plant is facing closure, in order to allow the customer to take possession of all of the above-mentioned retention samples to be able to fulfil their documentation obligations.

8. Information concerning transport packaging, storage, and transport

8.1 The contract product shall be packed and labelled by VEMA in accordance with the specifications agreed between the parties.

8.2 The source materials and the contract products manufactured by VEMA shall be stored and transported as specified in the conditions agreed separately by the contractual parties, if applicable; if there is no such agreement, they shall be stored and transported in accordance with the standard conditions for comparable products.

9. Release for shipment and market release

9.1 The responsibility for releasing the products to the customer for shipment shall be agreed separately between VEMA and the customer. The release of the contract product onto the market shall be carried out by the customer. To this end, VEMA is obliged to provide the customer with a sample in due time before the production of volume deliveries is approved; the customer shall be responsible for sampling, particularly the testing of function and quality. The customer shall then approve the series production of its desired series (readiness for series production) if the samples pass the sampling procedure and, in particular, meet the previously agreed requirements.

9.2 In individual cases, the parties shall make separate agreements regarding delivery schedules and demand forecasts. VEMA is only obliged to maintain sufficient production and delivery capacities to be able to accept and fulfil incoming delivery schedules based on the demand forecast if there has been an express separate agreement to this end. Based on the demand forecast, VEMA is permitted and obliged to purchase raw materials as agreed in the respective contract. If the customer does not place the number of call orders specified in the demand forecast, the customer shall reimburse VEMA for the raw materials purchased needlessly.

9.3 If the customer provides designs, plans, models, patterns, samples, tools, production materials, measurements, weights and similar technical data for manufacture, they must be authorised to provide and use these documents, materials and data. The customer agrees that these documents, materials and data may be reused and reproduced by VEMA and – if necessary for the completion of the order – passed on to third parties.

The customer may not use any illegal or prohibited images or descriptions, in particular propaganda material and features of unconstitutional organisations, as a print template. In addition to this, when placing the order the customer ensures that no copyright, brand or other rights belonging to third parties have been violated. Should the customer be responsible for a breach of duty in this regard, they shall be liable for all consequences resulting from any breach of the above-mentioned duties and shall exempt VEMA from all liability in case of claims made by a third party. This also includes reasonable legal costs to the amount of the legal fees as set down in the Lawyers' Compensation Act. Should

VEMA be prohibited from manufacture or delivery by a third party based on a proprietary right belonging to that party, VEMA is entitled – without checking the legal position – to stop work until the legal position has been clarified between the customer and the third party.

9.4 If materials are supplied by the customer, these shall be delivered at the customer's cost and risk with a reasonable quantity surcharge of at least 5%, in good time and in perfect condition. If this requirement is not fulfilled, the delivery time shall be extended accordingly. Except in cases of force majeure events, the customer shall bear the resulting additional costs, including costs resulting from the interruption of the manufacturing process.

9.5 VEMA is authorised and obliged to manufacture the goods in accordance with the customer's specifications and, where applicable, attach the customer's brand labels and other labelling as specified by the customer from case to case. The customer shall provide VEMA with specific labelling materials for this purpose. These labelling materials remain the property of the customer at all times.

10. Prices and terms of payment

10.1 VEMA's prices are quoted net ex works/warehouse plus the applicable statutory sales tax, packaging, customs duty and fees in the case of export deliveries, and other public taxes.

10.2 Should there be significant changes in cost factors that directly affect pricing (production materials, energy, operating materials, wages and salaries, etc.) in the time between the conclusion of the contract and the time of delivery as set down in the contract, VEMA is entitled to request an agreement on new prices from the customer in amendment of the prices already quoted or confirmed, in order to offset such increases in cost. If no agreement is reached, VEMA is entitled to withdraw from the contract.

For new contracts, VEMA is not bound by previously communicated prices.

10.3 Payments shall be made without deduction, 10 days net from the invoice date. The buyer shall be in default no later than 10 days after the due date of the invoice, without any further reminder being required. Payment by cheque cannot be accepted.

10.4 However, in the case of customer orders where there are substantiated grounds to assume a risk of non-payment, VEMA is entitled at any time to make a complete or partial delivery upon advance payment only, even during an ongoing business relationship. Delivery shall only be made upon complete advance payment or provision of a suitable security. The same applies if, after the conclusion of the contract, VEMA becomes aware of circumstances that may significantly reduce the customer's creditworthiness and jeopardise the payment of outstanding receivables to VEMA by the customer in the contractual relationship in question (including other individual orders to which the same master agreement applies).

10.5 The customer may only offset such counterclaims that are undisputed, legally established or recognised. The customer's right to offset against contractual and other claims arising from the initiation or execution of this contractual relationship remains unaffected. The customer may only exercise their right of retention if their counterclaim is based on the same contractual relationship.

11. Delivery dates and delivery periods

11.1 Delivery dates and delivery periods shall be agreed in writing and can be designated as binding or non-binding. Delivery periods begin upon conclusion of the contract. Delivery dates and periods are deemed to be met upon notification of readiness for delivery.

11.2 Due to the delivery terms of our sub-suppliers, we reserve the right to deliver 10% more or less of the order quantity.

11.3. In individual cases, if the customer should fail to provide upon request the necessary information required to execute the order, or the necessary permits or releases, particularly of samples, the delivery dates and periods shall be extended by the corresponding period of time.

11.4 Should VEMA be in default with a delivery or service, VEMA's liability is limited in accordance with section 15 of these T&Cs.

11.5 In the case of call orders without an agreement on duration, production lot sizes and acceptance dates, VEMA can routinely request a binding agreement regarding these matters no later than three months after order confirmation. Should the customer fail to comply with this request within three weeks, the supplier is entitled to set a two-week grace period and, after this has elapsed, to withdraw from the contract and/or claim compensation.

11.6 Should the customer request that dispatch or delivery be delayed by more than 1 month after notification of readiness for delivery, VEMA may bill the customer storage charges of 0.5% of the net price of the deliverables, although no more than 5% in total of the net price of the deliverables, for each new month. The customer may provide evidence that no storage costs were incurred or that they were lower than the flat charge. This does not affect any ongoing compensation claims made by VEMA.

11.7 Force majeure events (unforeseen circumstances and occurrences that are not the fault of VEMA, which could not have been avoided with the due care of a prudent businessperson, such as industrial disputes, war, fire, severe weather, transportation disruptions, acts of God, shortage of raw materials, official measures, epidemics, pandemics, etc.) or operating malfunctions, either at VEMA or its suppliers, which temporarily prevent VEMA from delivering the contract product on time through no fault of its own, extend the delivery dates and periods by the duration of the obstruction. The same shall apply to late deliveries from sub-suppliers when VEMA has agreed a matching cover transaction, neither VEMA nor the sub-supplier are at fault or, in individual cases, VEMA is not obliged to procure. VEMA shall make every reasonable effort to perform. Otherwise the compensation shall be promptly refunded. The customer shall be informed promptly in the case of non-availability or only partial availability. Should such disruptions lead to a delay of more than four months, the customer may withdraw from the contract.

12. Delivery, transfer of risk and packaging

12.1 Delivery is ex works/warehouse, which is also the place of performance for the delivery and any subsequent performance. Upon request and at the customer's expense, the goods can be shipped to a different place of destination (drop shipment). If no other agreement has been made, VEMA is entitled to stipulate the type of shipping (in particular the carrier, shipping route, packaging).

12.2 The risk of accidental loss or accidental deterioration of the goods shall pass to the customer at the latest upon handover. However, in the case of drop shipments, the risk of accidental loss or accidental deterioration of the goods, as well as the risk of delay, shall pass to the haulage contractor, freight forwarder or the person or institution contracted with the shipment. If acceptance has been agreed, this shall be decisive for the transfer of risk. The legal provisions of the work and services contract law shall also apply mutatis mutandis to an agreed acceptance. The handover or acceptance shall be deemed equivalent if the customer is in default of acceptance.

12.3 Unless otherwise agreed in individual cases and unless it conflicts with mandatory provisions of the packaging directive or other legal provisions, the packaging / containers required for shipment shall be charged at cost price for other deliveries; these are non-returnable and cannot be credited.

13. Guarantee

13.1 VEMA is liable for the perfect quality and composition of the delivered products unless, in individual cases, VEMA gives guarantees that go beyond this. The reference to technical standards serves as the description of performance and does not represent a guarantee of quality. The industry-standard tolerances apply. If there has been no other express agreement between the parties, the products are manufactured with industry-standard materials and following well-known manufacturing procedures. VEMA reserves the right to small deviations from samples or other master copies for colour productions or reproductions; the same applies to deviations between press proofs and production prints.

13.2 VEMA does not provide any guarantee if damage has been caused by improper use or unauthorised modifications to the goods. The same applies if the user has handled the goods improperly and contrary to the assembly or operating instructions or instructions for use, or the safety instructions included in these. Warranty claims shall be excluded or significantly limited if the goods have been used contrary to the regulations to use and safety.

13.3 Claims for defects by the customer shall be subject to the condition that they have complied with their legal obligation to inspect and notify (§§ 377, 381 German Commercial Code). Should a defect be discovered during the inspection or at a later stage, VEMA shall be notified promptly in writing. A prompt notification is one that is made within seven working days, whereby the timely posting of the notification is sufficient to meet the deadline. Separately from this obligation to inspect and notify, the customer shall report obvious defects in writing within seven working days of delivery; here the timely posting of the notification is also sufficient to meet the deadline. Should the customer fail to carry out the proper inspection and/or give notification of defects, liability shall not be accepted for the undisclosed defect.

13.4 Should the customer request subsequent performance, this shall be limited to the rectification of the defect. § 439 para. 2 of the German Civil Code remains unaffected. If there is an actual defect, VEMA shall bear the necessary expenses for the purpose of testing and subsequent performance, in particular transport, travel, labour and material costs (not: disassembly and assembly costs). Otherwise, VEMA can require the customer to reimburse costs arising from an unjustified request for remedy of a defect (in particular test and transport costs), unless the lack of defect was not recognisable to the customer.

13.5 Should the subsequent performance fail, or a reasonable deadline for the subsequent performance stipulated in writing by the customer expire without fulfilment or is dispensable according to the statutory provisions, the customer may withdraw from the sales contract or reduce the purchase price. However, there is no right of withdrawal in the case of an insignificant defect.

13.6 The warranty does not cover normal wear-and-tear or damage arising from improper or negligent handling, excessive use, unsuitable equipment or unusual external influences following the transfer of risk. Should the customer or a third party carry out improper modifications or repairs, there is no guarantee for these and any resulting consequences. VEMA shall not be liable for defects that are the direct and exclusive result of incorrect and/or incomplete drawings and/or other specifications made by the customer.

13.7 The customer's claims for damages or reimbursement of futile expenses shall only exist as stated in section 15, and are otherwise excluded. The customer's contractual penalties shall not be recognised.

14. Liability

14.1 VEMA shall be liable without limitation under the German Product Liability Act in cases of the express assumption of a warranty or of a procurement risk, as well as wilful or grossly negligent breach of duty. Likewise, VEMA has unlimited liability in the case of wilful or negligent injury to life, body or health. For cases of property damage and financial loss caused by simple negligence, VEMA is liable only when in breach of obligations whose fulfilment makes the performance of the contract possible in the first place and whose fulfilment the customer may particularly rely on ("essential contractual obligations").

14.2 Apart from this, VEMA is not routinely liable for damage caused by incorrect use or unauthorised modifications to the goods. The same applies if the user has handled the goods improperly and contrary to the assembly or operating instructions or instructions for use, or the safety instructions included in these. Liability can also be excluded or significantly limited if the goods have been used contrary to the stipulations for use and safety.

15. Limitation period

15.1 Differing from § 438 para. 1 no. 3 of the German Civil Code, the general period of limitation for claims by the customer arising from material defects and defects of title shall be one year from delivery. Insofar as acceptance has been agreed, the limitation period shall begin with the acceptance of the contract product.

15.2 The limitation periods stated above do not apply to limitation periods as set down in the Product Liability Act. The §§ 438 para. 1 No. 1, No. 2 and 438 para. 3 of the German Civil Code also remain unaffected. For damage claims by the customer in accordance with section 15, only the statutory periods of limitation apply.

16. Retention of title

16.1 The contract product shall remain the property of VEMA until the settlement of all receivables payable to VEMA as stipulated in the contract. The retention of title shall also remain in force for all claims of VEMA against the customer from the current business relationship.

16.2 For open invoices, the proprietary rights of the deliverables (reserved goods) shall be deemed security for the balance of VEMA's invoice. If VEMA's liability under a bill of exchange is established in connection with the payment of the remuneration owed, the retention of title shall not expire until the bill of exchange has been honoured by the customer as drawee.

16.3 Any processing or treatment by the customer shall be deemed to have been carried out for VEMA without acquisition of ownership in accordance with § 950 of the German Civil Code; VEMA shall become the co-owner of the item created in this way to the proportional value of the net sale price of the goods to be processed or treated. These shall serve as reserved goods as security for VEMA's claims in accordance with section 17.1. If the customer processes (combines/mixes) these with other goods not belonging to VEMA, the provisions of §§ 947, 948 of the German Civil Code shall apply with the consequence that VEMA's co-ownership share in the new item shall now be deemed to be reserved goods as defined by these terms and conditions.

16.4 The goods subject to retention of title may neither be pledged to third parties nor assigned as security before they have been paid for in full. The customer shall inform VEMA in writing if an application to start insolvency proceedings has been made or if third parties have been given access to goods belonging to VEMA (e.g. due to seizure of goods).

16.5 Should the customer act contrary to the contract terms, in particular through failure pay the invoices due, VEMA is legally entitled to withdraw from the contract and/or demand the surrender of the reserved goods. The demand for surrender of the reserved goods does not automatically mean the cancellation of the contract; rather VEMA is entitled to simply demand the surrender of the goods and to reserve the right to cancel the contract. Should the customer fail to pay the invoice due, VEMA may only assert these rights if VEMA has previously set the

customer a reasonable deadline for payment, but without success, or if the setting of such a deadline is unnecessary according to the legal provisions.

16.6 Until further notice, the customer is authorised as follows to continue to sell and/or process the goods subject to retention of title as part of their regular business operations. In this case, the following provisions shall additionally apply.

16.7 Should the realisable value of the securities exceed the claims by more than 10%, VEMA shall release securities of its choice at the customer's request.

17. Data protection

VEMA processes personal data in compliance with the provisions of the EU General Data Protection Regulation (directive (EU) 2016/679 of the European Union (GDPR)), as well as the other applicable statutory data protection regulations, particularly those of the Federal Data Protection Law. All data will be kept confidential as a matter of course. For further information, please refer to VEMA'S separate privacy notice, which contains a detailed summary of how VEMA processes personal data.

18. Confidentiality

18.1 The customer is obliged to treat all of VEMA's (non-public) technical, commercial and personal procedures and relationships that they gain knowledge of through contractual relationships with VEMA or through corresponding offers, incidental services, consultations and information as a trade or company secret, even in case of doubt. The customer shall keep such information confidential and ensure that third parties (including family members and employees not involved in these matters) shall not gain unauthorised knowledge of any of the above. The obligation of confidentiality continues after the contractual relationship has ended.

18.2 Should the customer culpably breach this obligation of confidentiality, they shall be obliged to pay a contractual penalty of 5% of the net contract value to VEMA for each individual breach. The right to make additional claims for damage is reserved.

19. Choice of law, place of jurisdiction, place of performance

19.1 The law of the Federal Republic of Germany shall apply exclusively to the contractual relationship between the customer and VEMA, excluding any possible conflict-of-law rules of private international law and the United Nations Convention on Contracts for the International Sale of Goods (UN Sales Convention).

19.2 Should a clause of these T&Cs be invalid, this shall not affect the validity of the contract and the remaining clauses. A provision corresponding to the economic intention of the invalid or void provision shall be found.

19.3 The sole place of jurisdiction for all present and future claims arising from the business relationship with merchants, including claims arising from bills of exchange and cheques receivable shall be VEMA's registered address. VEMA shall nevertheless be entitled to file a suit at the customer's general place of jurisdiction.

19.4 VEMA's registered address is the place of performance.

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