

General Terms of Delivery



SZAIDEL
COSMETICS

Szaidel Cosmetic GmbH // Fabrikstraße 9 // 66892 Bruchmühlbach-Miesau
Telefon +49 6372 9122-0 // Telefax +49 6372 9122-80
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Preamble:

The following Terms of Delivery provide the basis for working with Szaidel Cosmetic GmbH (hereinafter known as "SZ") and apply to all deliveries by the respective suppliers to the Szaidel Cosmetic GmbH sites named below. Any previous terms of delivery are hereby rendered null and void.

Failure to observe these Terms of Delivery can result in longer delivery acceptance time, refusal to accept part or all of the delivery, or a change in delivery notification time. In addition, SZ reserves the right to pass on any resulting additional costs to the supplier.

The Supplier hereby agrees to inform any and all service providers that it uses (logistics, etc.) about the contents of these Terms of Delivery.

The following SZ delivery addresses apply for all deliveries:

Headquarters: Szaidel Cosmetic GmbH
Fabrikstraße 9
66892 Bruchmühlbach-Miesau

Branch: Szaidel Cosmetic GmbH
Industriestraße 1
66892 Bruchmühlbach-Miesau

§ 1 Validity

(1) All deliveries, services and offerings from SZ shall take place exclusively on the basis of these General Terms of Delivery. These Terms are part of every contract that SZ concludes with its suppliers regarding the goods and services it offers. They also apply to all future deliveries, services or offerings to the supplier even if not concluded again separately.

(2) Any terms and conditions of the supplier or of third parties shall not apply, even if SZ does not explicitly object to their applicability in individual cases. Even if SZ refers to a letter that contains or refers to terms and conditions of the supplier or of third parties, this shall not constitute agreement with the validity of those terms and conditions.

§ 2 Delivery and delivery time

Regardless of its rights based on default by the supplier, SZ can request that the supplier extend its delivery and performance periods, or delay the delivery and performance deadlines, by the amount of time that the supplier fails to fulfill its contractual obligations toward SZ.

2.1 Delivery days

For deliveries to the SZ sites, the delivery days specified by SZ must always be observed. The delivery deadline named in the order is also the date when goods are received at the site named by SZ in each case.

If the specified delivery date cannot be met, the appropriate SZ contact partner in the "Work Preparation/Purchasing" department must be notified immediately, but at least two days before delivery.

Any deadline shifts cannot be reported by third parties (e.g. the shipping company); these must be reported by the supplier to the responsible department at SZ, and are only permissible when made in writing after consultation with an employee in the abovementioned department at SZ.

To set deadlines:

Phone:

+49(0)6372-9122 - 61 (Head of Incoming Goods),

Fax:

+49(0)6372-9122 - 42.

2.2 Delivery times/pickup times

Fixed times are to be agreed for all deliveries. Goods may be delivered during opening hours without an agreed time frame, but this may result in significant wait times.

Deliveries with confirmation are always preferable.

Opening hours for Incoming Goods:

Mon-Fri	7:30 am – 9:30 am
	9:45 am – 12:30 pm
	1:00 pm – 3:00 pm.

Contact partner:

Packaging materials:

Packaging purchases: +49(0)6372-9122 - 109

Raw materials:

Raw material purchases: +49(0)6372-9122 - 101

Shipping/Incoming Goods:

Head of Shipping: +49(0)6372-9122 - 28

Head of Incoming Goods: +49(0)6372-9122 - 61.

2.3 Undeliverability or partial deliverability

In the event that goods are undeliverable or only partially deliverable, the personal contact partner for the Work Preparation/Purchasing department at SZ must be informed of such undeliverability or partial deliverability in writing immediately, but at least two days before delivery. The internal SZ order number must be included in the notice.

2.4 Delivery of unannounced goods or goods that were not ordered

In the event of a delivery of unannounced goods or goods that were not ordered, SZ reserves the right to refuse acceptance. In individual cases, the goods can be collected in exchange for an additional flat charge of **€85.00**. This additional flat charge shall be borne by the supplier.

2.5 Properties of the delivery vehicles

Deliveries must take place using transport vehicles with a ramp height of at least 1.20 meters. It must be possible to place the ramp on the loading surface of the truck. Trucks are to be unloaded exclusively from the rear. Vehicles that are not compatible with ramps as described above will not be unloaded.

Alternate shipping methods (e.g. express goods, courier services and tanker deliveries) are only permitted after consultation.

2.6 Third-party goods in the delivery vehicle

When delivering the goods, it is not permissible to position third-party goods in the truck that must be unloaded before goods intended for SZ can be unloaded. In this case, no unloading will take place.

2.7 Loading/unloading of trucks

Loading/unloading of trucks, both at the SZ headquarters and the branches, shall be performed exclusively by the truck driver in each case, who is required to wear safety footwear for this reason. SZ shall provide electric/mechanical lift trucks.

2.8 Pallet exchange process

With "Europallet" carriers, SZ shall exclusively use the pallet exchange process. After SZ accepts the goods, the supplier shall receive the same number of pallets from SZ's pool. If no exchange can take place, the supplier shall not be charged any pallet costs.

2.9 Dealing with hazardous goods

The regulations from hazardous-goods training for the transport of hazardous goods must always be followed. The supplier shall be liable for all damage resulting from a failure to comply with statutory regulations. In addition, as the party putting hazardous goods into circulation, the supplier is fully responsible for classifying and identifying the goods in question.

§ 3 Place of fulfillment, shipping, packaging, transfer of risk, acceptance

(1) The place of fulfillment for all obligations from the contractual relationship are the delivery addresses specified by SZ in the Preamble. The supplier shall bear the risk of any loss or damage of the goods or the carrier (pallet) during transport to the place of fulfillment.

(2) Risk shall be transferred to the supplier at the latest when the delivery item is handed over (as of the start of the loading process) to the shipping company, freight forwarder or another third party designated to perform the shipping. This also applies in the case of partial deliveries.

(3) If acceptance is required, the delivery item is considered accepted when the delivery is complete.

§ 4 Warranty, material defects

If the supplier is responsible for a defect, SZ can request damage compensation under the conditions defined in § 8.

4.1 Defective delivery

In the following cases, goods will generally not be accepted at the respective SZ sites:

- Delivery on “mixed pallets,” in other words pallets with more than one item type
- Third-party goods in the delivery vehicle that would need to be unloaded before unloading the SZ goods
- Delivery of goods not on pallets
- Excessively soiled goods (e.g. due to dust)
- Pallets with a total height (including wood) of more than 1.80 meters
- Delivery on “industrial pallets”
- Delivery on pallets with overhanging goods
- Goods wrapped too tightly on the pallet (damaged packaging units)
- Defective carriers (see Point 5.2, “Defective carriers”)
- Delivery of damaged goods
- Delivery of wet goods
- Delivery of goods with mildew and/or pests
- Delivery of goods past their expiration date
- Delivery using non-ramp-compatible delivery vehicles (e.g. “Sprinters”)
- Missing delivery documents at the time of sign-in
- Lack of a uniform packing schema (e.g. varying placement within layers)
- Lack of identification on each of the smallest packaging units (SZ item number)
- Delivery of raw materials not sorted on pallets by batch
- Delivery of bulk goods not sorted on pallets by batch

The following circumstances must fundamentally be avoided for each delivery:

- Pallets not “stretched” with film
- Pallets lacking a film covering
- Dangling film scraps (“film tails”)
- Loose and/or ripped film
- Two pallets connected using film
- Pallets wrapped with wire mesh or wool bands

In these cases, SZ is entitled to refuse acceptance at its own discretion.

4.2 Notification of defects

SZ agrees to inspect the goods and their proper packaging, including the transport carrier (pallet), after delivery by the supplier within an appropriate period of time in order to identify any deviations in quality or quantity, and to report any discovered defects.

Obvious defects are considered to have been reported in a timely manner if notifications are sent by SZ to the supplier within five business days after delivery of the goods.

Hidden defects are considered to have been reported in a timely manner if SZ sends these to the supplier within five business days after their discovery.

4.3 Handling of returns

All returns must be picked up by the supplier within 7-10 days. This period begins when contact is first made between SZ and the supplier regarding the return.

In order to ensure smooth handling of returns, the supplier must announce the pickup in writing with at least one business day's notice in order to guarantee that the goods are ready.

The corresponding pickup order must be presented to SZ when the supplier picks up a return. The pickup order for the requested shipment must always include the internal SZ return order number as well as the recipient of each return.

In addition, exchangeable empty product pallets must be provided according to the pallet quantity to be picked up (pallet exchange procedure). If the supplier does not provide a sufficient number of pallets, SZ shall charge the supplier a fee of **€25.00** per pallet.

§ 5 Carriers

5.1 Carriers

Deliveries shall **exclusively** take place on pallets with the following maximum dimensions:

Length: 1.20 meters

Width: 0.80 meters

Height: max. 1.80 meters including wood.

Pallets made from wood may fundamentally only carry a weight of **1,200 kg, including wood**.



Only pallets that comply with the "EPAL regulation" may be delivered, without any overhangs. Deliveries on "disposable pallets" are not permitted.

Any deviations must be coordinated with the Purchasing department at SZ before delivery.

5.2 Defective carriers

A flooring or top edge board is splintered so that more than one nail or screw shaft is visible.	A board is broken laterally or diagonally.
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Twisted blocks (> approx. 10 mm overhang)	
A block is missing or is split so that more than one nail is visible. Twisted blocks cannot have an overhang of more than 10 mm.	A board is missing.

If a pallet is defective as shown in one of the above examples, SZ shall ask the supplier to exchange the defective pallet.

§ 6 Packaging scheme

6.1 Deviations

If pallets are not sorted by batch or by type, the supplier shall be charged a fee of **€100.00** per pallet.

6.2 “Double palleting”

“Double palleting” as shown in the image below at right is not permitted, and will not be accepted by the employees in SZ's Incoming Goods department.

RIGHT:

WRONG:

6.3 Pallet configuration

The best possible pallet configuration must be guaranteed; the basic dimensions of the pallet may **not** be exceeded.

6.4 Load securing

Goods must be secured on the carriers (pallets) in order to ensure damage-free transport. In order to protect the goods from soiling and instability, the individual pallets must always be “stretched” and covered.

Load securing as described above must use as little packaging material as possible:

- Safety covers must be made from recyclable polyethylene
- Edge protectors must be made from cardboard
- Tensioning straps must be made from polypropylene
- The materials used cannot contain any coatings or dyes
- Intermediate layers made from fiberboard and hard plastic sheets may not be used
- Styrofoam materials may not be used.

§ 7 Accompanying delivery documents

The following obligations regarding delivery documents also apply to the supplier in each case when pickups are made by a shipping partner hired by SZ.

7.1 Delivery slips and freight documentation

For each shipment, a delivery slip and a bill of lading as well as the legally required accompanying documentation must be issued in order to ship the goods. Before goods are unloaded, these documents must be presented to SZ's Incoming Goods office. In addition, a copy of these documents must be attached to the pallets. If the abovementioned documents are missing at the time of sign-in, the goods will not be accepted.

Each delivery slip must include the following information:

- Sender
- Recipient with complete receiving address
- SZ order number (“year – transaction number,” e.g. 2016 - xxxx)
- SZ item number
- Precise description of the item
- Delivery quantity given as pieces and number of packaging units / kg for raw materials/bulk
- If available, the customer's item number.

Each freight document must include the following information:

- Sender with complete sending address
- Recipient with complete receiving address
- Number of loading devices/packing pieces.

7.2 Delivery of raw materials and bulk goods

Each package must be labeled with the batch and expiration date. In addition, batch and expiration-date information must be noted on the delivery documents and must match the information in the analysis certificate.

Analysis certificates must be sent to the following email address:
az@szaidel-cosmetic.de.

The regulations from hazardous-goods training for the transport of hazardous goods must be followed. The supplier shall be liable for all damages resulting from a failure to comply with statutory regulations. As the party putting hazardous goods into circulation, the supplier is fully responsible for classifying and identifying the goods in question.

7.3 Changing the delivery quantity

In the event that the quantity on the supplier's delivery slips is changed retroactively, it must be clear that the change was made by the supplier. The previous quantity must be properly crossed out and must bear the name (printed), date and signature of the person who made the change.

Basic rule:

A separate delivery slip must be included for **each order number**.

If a delivery consists of more than one truckload, corresponding partial delivery slips must be issued for each truckload.

§ 8 Liability for damage compensation due to culpability

(1) SZ's liability for damage compensation, regardless of legal grounds and particularly due to impossibility of performance, default, defective or incorrect delivery, contractual violation, violation of obligations in contract negotiations and unauthorized actions, shall be limited as defined in this § 8 if culpability applies in each case.

(2) SZ shall not be liable in the event of simple negligence by its bodies, statutory representatives, employees or other vicarious agents as long as no significant contractual obligations were violated. Significant contractual obligations are delivery of the delivery item in a timely manner; its freedom from defects that significantly impair its functionality or usability; and duties of consultation, protection and care that are intended to allow the supplier to use the delivered item in accordance with the contract, to protect the life and limb of SZ personnel, or to protect their property from significant damage.

(3) If and to the extent that SZ is on principle liable for damage compensation as per § 8 (2), such liability shall be limited to damage that SZ foresaw as a possible consequence of a contractual violation, or that it should have foreseen by applying due care. In addition, indirect damage and consequential damage resulting from defects in the delivered item shall only be eligible for compensation if such damage is typically to be expected given proper use of the delivered item.

(4) In the event of liability for simple negligence, SZ's obligation to provide compensation for material damage and for the resulting further financial damage shall be limited to **€1.0 million** per damage incident, even if this involves a violation of significant contractual obligations.

(5) The above liability exclusions and limitations shall apply to the same extent in favor of SZ's bodies, statutory representatives, employees and other vicarious agents.

(6) If and to the extent that SZ provides technical information or advice and this information or advice is not part of the contractually agreed scope of service owed, this shall take place free of charge and without any liability.

(7) The limitations of this § 8 do not apply to SZ's liability for intentional conduct or for guaranteed characteristics, liability resulting from the loss of life, bodily injury or damage to health, or liability as per the Product Liability Act.

§ 9 Data privacy provisions

The supplier hereby acknowledges that SZ will save data from the contractual relationship as per § 28 Federal Data Protection Act, and that it reserves the right to share this data with third parties (e.g. insurance companies) where necessary in order to fulfill the contract.

§ 10 Final provisions

(1) If the supplier is a merchant or a legal entity under public law, or does not have a general place of jurisdiction in the Federal Republic of Germany, the place of jurisdiction for any and all disputes arising from the business relationship between SZ and the supplier shall be SZ's choice of either 67655 Kaiserslautern or the supplier's registered office. For complaints against SZ, however, 67655 Kaiserslautern shall be the exclusive place of jurisdiction in these cases. Any binding statutory provisions regarding exclusive places of jurisdiction shall remain unaffected by this provision.

(2) The relationship between SZ and the supplier is exclusively subject to the laws of the Federal Republic of Germany. The United Nations Convention on Contracts for the International Sale of Goods dated April 11, 1980 (CISG) does not apply.

(3) If and to the extent that the contract or these General Terms of Delivery contain gaps, these gaps shall be considered filled by the legally valid provisions that the parties would have established according to the objectives of the contract and the purpose of these General Terms of Delivery if they had been aware of the gap.