

HAMPSHIRE COSMETICS GENERAL TERMS AND CONDITIONS OF PURCHASE

DEFINITIONS

1.1 In the context of these conditions, the following words shall have the following meanings:

"Conditions" means the general terms and conditions of purchase set out herein and includes, special terms and conditions agreed in writing between Hampshire Cosmetics Ltd (HCL) and Supplier. In the event of conflict between the general terms and conditions and the special terms, the latter shall prevail;

"Contract" means the contract for the supply of the Goods by the Supplier to HCL upon a subject to the Conditions;

"Goods" means the goods (including without limitation (i) any instalment of the goods or (ii) some or all of the goods, and in the case of an instalment, some or all of the goods in that instalment) and services (if any) described in the Order;

"Intellectual Property Rights" means all intellectual and industrial property rights anywhere in the world, including, without limitation, any invention, patent, design or utility model rights, any copyright and trade marks, service marks, database rights, topography rights, commercial or confidential information, know how or trade secrets, and any other rights of a similar nature whether or not any of the same are registered, and the right to apply for any of them;

"Order" means the order issued by HCL for the supply of the Goods & to which these Conditions are annexed;

"HCL" means Hampshire Cosmetics Limited, or any of its subsidiaries;

"HCLs Property" means any property including but not limited to Specifications, drawings, formulations, data, goods, patterns, tooling, gauges, materials or equipment provided by or on behalf of HCL for use by the Supplier;

"Specification" means the technical description and/or requirements (if any) of the Goods contained or referred to in the Order.

"Supplier" means the person, firm, company or organisation to whom the Order is addressed;

2 APPLICABLE TERMS AND CONDITIONS

2.1 This Contract is made only upon and subject to the Conditions. These Conditions shall prevail over any other terms and conditions whether contained in a quotation, catalogue, price list, Order acknowledgement or any other document.

2.2 No Order will be valid unless issued on HCL's Order form and duly signed by an authorised signatory.

2.3 An Order constitutes an offer by HCL to purchase the Goods subject to the Conditions. Supplier shall confirm price & delivery within 24 hours of receiving the order. The Supplier will be deemed to have accepted the conditions by delivering the Goods pursuant to condition 6.2 and if applicable executing the Services whereupon the Contract will bind HCL and Supplier.

3 ANIMAL TESTING

3.1 Where specified HCL requires the Supplier to provide regular written confirmation that the Goods and all substances and raw materials therein have not been tested on animals for the cosmetics and toiletries industry by or on behalf of the Supplier. HCL reserves the right to suspend trading and rescind all out standing orders with the Supplier should the Supplier fail to return a completed and acceptable declaration to that effect. If the Supplier is in breach of clause 3.1 HCL reserves the right to return goods to, and suspend trading and rescind all outstanding orders with the Supplier and charge the Supplier for all costs (including costs of sourcing materials elsewhere) associated with the return, suspension or rescission.

4 QUANTITIES

4.1 The quantities shall be as stated in the Order. HCL reserves the right to reject incomplete deliveries and to reject or refuse to pay for and/or (at the Supplier's expense and risk) return any excess.

5 TESTING AND INSPECTION

5.1 HCL shall be entitled to inspect the Supplier's premises, practices and work environment and/or test the Goods at any reasonable time or times during manufacture, processing and/or storage of the Goods. If HCL exercises this right, the Supplier shall grant to HCL or its nominated representative a right of access and shall afford to the same all facilities as may be reasonably required for such purposes.

6 DELIVERY

6.1 Time of delivery of the Goods shall be of the essence of this Contract.

6.2 Unless otherwise specified by HCL delivery of the Goods shall be at the Supplier's risk & expense (including the risk of deterioration of the Goods necessary incident to the course of transit) to the delivery address specified by HCL in the Order or if no address is specified to the Supplier's premises for collection by HCL.

6.3 In the event of the Goods not being delivered on the date(s) specified in the Order HCL reserve the right to:

6.3.1 cancel the Order pursuant to Clause 11; and/or

6.3.2 charge the Supplier for all costs, expenses incurred by HCL as a result of the delivery being other than as specified and/or the cancellation under 6.3.1.

HCL shall be under no obligation to accept delivery of the Goods before the date(s) specified in the Order.

7 PACKING

7.1 The Goods must be packed at no cost to HCL and in accordance with any applicable packing specification.

7.2 Each package must bear HCL's product code and Order numbers and be accompanied by readily accessible packing note detailing the contents. The Goods and packaging must be labelled in accordance with all applicable legislation.

7.3 The Supplier shall be liable for any damage and consequential loss incurred by HCL due to bad or insufficient packing of the Goods. HCL reserves the right to rectify, reject and/or return the Goods damaged due to bad or insufficient packaging, at the Supplier's expense.

8 HCL'S PROPERTY

8.1 The Supplier shall ensure that HCL's Property shall:

8.1.1 at all times be clearly identified and marked as being the property of HCL and stored separately from any other property belonging to the Supplier or third parties;

8.1.2 be kept in a secure place with access restricted to those who need access to supply the Goods;

8.1.3 be handed back to HCL on demand free of charge.

8.2 HCL reserves the right to take back all HCL's Property and the Supplier shall grant an irrevocable right and licence to HCL its servants or agents to enter with or without vehicles upon all or any of its premises and any land or premise occupied by the Supplier. The right shall continue to subsist notwithstanding the termination of the Contract for any reason and is without prejudice to any other rights of HCL hereunder or otherwise.

9 PRICE AND PAYMENT

9.1 Prices shall remain as stated in the Order.

9.2 Prices quoted shall be exclusive of VAT but shall be deemed to be inclusive of any other form of purchase tax and/or import duties applicable from time to time. Any VAT chargeable shall only be paid by HCL on receipt of a VAT invoice.

9.3 Unless specified otherwise on the Order payment shall be made 45 days net monthly. Where the Order contemplates several deliveries, payment shall only be made for Goods delivered by the Supplier. Without prejudice to any other right or remedy HCL reserves the right to deduct from any monies due or becoming due to the Supplier, any monies due to HCL from the Supplier.

10 TITLE

10.1 The legal title, ownership & risk in the Goods shall pass to HCL on delivery of the Goods pursuant to Condition 6.2.

11 CANCELLATION

11.1 Without prejudice to its other rights HCL reserves the right to cancel this Order in whole or in part for any reason and at any time prior to delivery upon giving the Supplier notice in writing. Save in the event of breach by the Supplier HCL shall pay the Supplier for all work in progress at the date of the cancellation on a time and material basis but shall not be liable to pay for any raw materials which have not been used by the Supplier. HCL shall not be liable for any other direct or indirect cost or loss to the Supplier including consequential loss.

12 WARRANTY

12.1 Without prejudice to any other rights and remedies of HCL, the Supplier warrants that:

12.1.1 the Goods are of satisfactory quality and fit for any purpose held out by the Supplier or made known to the Supplier in writing at the time the Order was placed;

12.1.2 the Goods shall conform to the quality, standards, description, Specification and references quoted in the Order or in any written statement of the Supplier and to any samples submitted;

12.1.3 the design, manufacture, construction, supply, use and quality of the Goods comply in all respects with any statute, statutory rule, Order, directive of statutory licence, consent or permits which may be in force at the time;

12.1.4 the Goods are free from all defects (including minor defects however slight) in design, materials and workmanship;

12.1.5 the Goods and all supporting literature and documentation comply with all the trade descriptions (within the meaning of the Trade Descriptions Act 1968) and consumer protection legislation including the General Product Safety Regulations 2005 and Consumer Protection Act 1987;

12.1.6 the Goods have any necessary export or import licences and comply with all relevant government export regulations.

12.2 If within twelve months from the date of delivery of the Goods pursuant to condition 6.2 or, if longer within their agreed shelf life any defect in the Goods delivered shall be discovered or arise under normal use attributable to faulty design, manufacturing process materials or workmanship the Supplier shall without prejudice to any other rights or remedies of HCL promptly remedy the defect at HCL's option either by repair to HCL's satisfaction or replacement without charge to HCL.

12.3 The Supplier shall not be entitled to reject any claim made in respect of any defect arising within the period specified in condition 12.2 on the basis that HCL failed to make the complaint during such period.

12.4 The provisions of Condition 12 shall apply to replacement or repaired Goods effective from the date of delivery of such replacement or repaired Goods, but shall not prejudice any of HCL's rights resulting from any defect in the Goods.

12.5 The Supplier shall indemnify HCL against:

12.5.1 all loss, damage or injury (including death) caused to HCL or its servants, customers or the public; and

12.5.2 all claims and proceedings including payment of judgments, damages and expenses (including legal costs) incurred by HCL which result from any breach of these Conditions by the Supplier.

12.6 Should in the opinion of HCL, a breach of clause 12.1 have occurred that necessitates a recall of the Goods or products containing the Goods the Supplier shall indemnify HCL against all costs associated with such recall.

13 INSURANCE

13.1 Unless otherwise agreed with HCL the Supplier shall maintain insurance:

13.1.1 to the full value of the Goods or any other goods, tools, materials, equipment or any other property provided by, through or on behalf of HCL for use by the Supplier whilst these are in the Supplier's possession or whilst the risk lies with the Supplier in accordance with Clause 10;

13.1.2 against the liabilities in condition 12.5;

13.1.3 against product and public liability to a value of at least £5m, & must confirm to HCL in writing that such insurance is in place & provide on request evidence of such insurance & payment of the premium.

13.2 The Supplier shall immediately inform HCL if any insurance held pursuant to clause 13.1 lapses.

14 REJECTION AND RESCISSION

14.1 If the Goods do not comply with the Order or with the Conditions or it is in HCL's opinion clear that the Supplier will be unable to perform any of its obligations under the Contract, HCL shall at its discretion be entitled to reject the Goods and/or rescind the Contract (notwithstanding legal title & ownership in the Goods may have passed & any acceptance of the Goods by HCL) by giving written notice to the Supplier and the following condition shall where apply:

14.1.1 HCL shall return or require the Supplier to collect at the Supplier's risk & expense any rejected Goods already delivered which by reason of non-delivery of the balance are not reasonably capable use by HCL; HCL may at its discretion require the Supplier either to restore or rectify the Goods to the satisfaction of HCL & at the Supplier's expense to replace any Goods so rejected upon the same Condition as herein stated;

14.1.2 the Supplier will repay to HCL any monies paid by HCL in respect of rejected or undelivered Goods;

14.1.3 the Supplier shall be liable to HCL for any loss HCL may have suffered from such rejection &/or rescission;

14.1.4 any such rejection and/or rescission shall be without prejudice to the accrued rights of either party;

14.1.5 where goods are deemed to be rejected, HCL shall be entitled to make a minimum charge of £75 towards administration costs incurred as a direct result of the reject.

15 CONFIDENTIALITY

The parties agree that specification formulae, recipes and ingredients (and details as to their sourcing) and HCL's Products & details concerning pricing, customer & volumes supplied are confidential information & will not be used or disclosed by the recipient except for regulatory purposes or as required to further the purposes of the Contract.

15.1 The Supplier shall not advertise, announce or otherwise publicise in any form or co-operate or allow to be advertised, announced or otherwise publicised that goods are to be or have been supplied by it to HCL or otherwise use HCL's name or any other form of identity without HCL's written consent.

16 INTELLECTUAL PROPERTY RIGHTS

16.1 Without prejudice to HCL's other rights and remedies, the Supplier shall fully indemnify and hold harmless HCL against any and all actions, claims, demands, proceedings, damages, costs, charges and expenses incurred by HCL (including without limitation legal fees and costs and consequential loss and damage resulting directly or indirectly at any time from the purchase, exploitation, marketing, supply or other use of the Goods) in respect of any alleged or actual infringement of any Intellectual Property Rights relevant to the Goods supplied by the Supplier.

16.2 If at any time allegation of infringement of any Intellectual Property Rights is made in respect of any Goods or in HCL's reasonable opinion is likely to be made, then the Supplier if it is able to do so & if HCL shall first have consented (which consent may be given or withheld at HCL's entire discretion) may either:-

16.2.1 procure for HCL the right to continue to use the Goods without infringing any Intellectual Property Rights in any or all ways in and for any or all purposes for which it dealt with or was dealing or intended to deal with the Goods prior to the allegation or its likelihood arising; or

16.2.2 replace the Goods with others which do not infringe any Intellectual Property Rights, so long as such replacement Goods shall be entirely compatible with and of no lesser functionality than the allegedly infringing Goods and shall comply in all materials respects with the Specifications of the Goods and provided that any such procurement or replacement as aforesaid shall not affect any other right or remedy of HCL arising under the Agreement in respect of the loss or damage it has suffered.

17 DOCUMENTATION AND INFORMATION

17.1 The Supplier will supply to HCL (where appropriate) not later than the date of the delivery of the Goods:

17.1.1 any operator's manuals, instructions manuals, list of recommended spares and other supporting literature in relation to the Goods;

17.1.2 sufficient information about the use for which the Goods have been designed and have been tested; and

17.1.3 detailed information about any conditions or procedures required to ensure that, when put to use, the Goods will be safe and without risk to health.

17.2 If the Goods have a life expectancy of a fixed duration or if there are any circumstances known to the Supplier which could adversely affect the life span of the Goods, the Supplier shall forthwith advise HCL in writing of all necessary and appropriate information relating thereto. Such information shall upon receipt by HCL but not before form part of the description of the Goods.

17.3 Throughout the duration of this Contract and at any time thereafter the Supplier shall notify HCL forthwith of any known changes in the quality, performance, characteristics, reliability, safety or any other reason which may influence the utility or effectiveness of the Goods and this clause shall survive termination of the Contract.

18 ASSIGNMENTS

18.1 The Supplier shall not without the prior written consent of HCL assign, transfer or sub-contract the Contract or any part.

19 ENTIRE AGREEMENT

19.1 No promise, warranty, representation or statement of any employee, agent or representative of HCL shall impose any obligation on HCL unless the same be endorsed in writing as a terms of this Contract or set out in an Order.

20 NON WAIVER

20.1 Failure by HCL to exercise or enforce any right conferred by this Contract shall not be deemed to be a waiver of any such right nor operate so as to bar the exercise or enforcement thereof or of any other right on any later occasion.

21 SEVERANCE

21.1 Should any one or more of these Conditions be found to be or become invalid, illegal or unenforceable in any respect under any law the enforceability and validity of the remaining Conditions shall not in any way be affected or impaired thereby.

22 LAW AND JURISDICTION

22.1.1 The Contract shall be governed and interpreted in accordance with English Law. The parties hereby agree to submit to the sole jurisdiction of the English Courts in respect of any dispute arising out of or in connection herewith.