

GENERAL TERMS and CONDITIONS of SALE (Stand 01.02.2016)

Brand name "TONI SAILER"

1. The present terms and conditions shall apply for any and all contracts concluded with a professional client as defined in § 14 of the German Civil Code (BGB) ("Customer"). The present terms and conditions of sales shall prevail on the ones of customer or purchaser, unless agreed otherwise and expressly prior confirmed in writing and notwithstanding any other conflicting or contradictory provisions.

*IMPORTANT NOTICE AND REMINDER: the resale, marketing, advertisement of FASHION POOL GmbH's goods and products shall only apply and is only valid for the point of sale and/ or corner SHOP designated in the Purchase order and/or on the invoicing address. Therefore Customer hereby expressly commits to refrain from transferring any goods and products from one point of sale to another point of sale of its network, as the case may be, without the prior formal written consent of FASHION POOL GmbH. In the event of breach of this obligation by Customer, Customer shall be immediately liable of a pecuniary penalty equivalent to 35.000 EUR.*

2. Unless otherwise agreed in writing, the following payment conditions shall apply: less 2% discount for payment within 10 days from invoicing date.

The following principles shall apply for new customers or clients, 30% down payment at the signature date of purchase order, 70% of the order amount prior to delivery by electronic wire transfer or certified bank check.

The same shall apply for customers for which FASHION POOL GmbH has received a refusal or a bad rating report from credit insurance companies relating to such customers.

3. FASHION POOL GmbH's prices shall be subject to statutory VAT, if applicable, at the time of delivery or performance.

4. If the Customer is in default with payment, FASHION POOL GmbH shall be entitled to charge default interest in the statutory amount notwithstanding the claim for late penalties and any other applicable indemnities.

5. If Customer fails or refuses to take receipt of the goods, FASHION POOL GmbH shall be entitled to assert a compensation claim in the amount of 30% of the purchase order amount.

In the event, Customer partially cancels and/or terminates a signed purchase order, and in a particular but without limitation during the March/April/June period each year, FASHION POOL GmbH shall be fully entitled to assert a compensation claim in the amount of 30% of said purchase order amount and any other applicable indemnities. The right to assert further claims is reserved.

After the cancellation of a given Purchase Order and where Customer decides to sign a second or new Purchase Order FASHION POOL GmbH shall be entitled to require a 30 (THIRTY) percent down payment and/or require a Bank guarantee as per section 6 hereunder.

6. If, after conclusion of contract, FASHION POOL GmbH becomes privy to circumstances leading to the conclusion that Customer's financial situation is deteriorating (ie unfavourable information, objections to bills of exchange and cheques, slow payment, filing of petition for or commencement of insolvency proceedings etc.) and FASHION POOL GmbH's claim for payment is at risk, FASHION POOL GmbH shall be fully entitled to withhold shipment of the goods until and unless the customer provides reasonable security at the full satisfaction of FASHION POOL GmbH's claim for payment in full, or reasonable security or a bank guarantee from a reputable and first rank Bank or alternatively is provided by a third party and where such third party guarantee fully complies and satisfies FASHION POOL GmbH's payment claim.

7. Bills of exchange, cheques and other payment instruments will only be accepted on account of performance. Performance shall only occur upon final credit of same. All charges for bills of exchange and discounting including all possibly incurring fees and collection costs shall be borne by the customer. The term of the bill of exchange generally shall be maximally 60 days.

8. In the case of a defect materially proved and properly evidenced, FASHION POOL GmbH shall perform subsequent remedy at FASHION POOL GmbH discretion by way of new delivery of defect-free goods or repair of the defective goods which shall be the sole and exclusive remedy under this Contract. If the subsequent remedy fails, Customer shall be entitled to terminate the concerned purchase order. The right to price reduction shall not be applicable. If Customer suffers losses, materially proved and properly evidenced, due to the defect, the provisions under section 9 shall be applicable. FASHION POOL GmbH shall be liable for defects for a period of 12 months as of delivery date. This shall not apply in the case of intent or gross negligence or as the result of a defect culpably causing injury to life, limb or health; in such cases, the statutory periods shall be applicable in terms of the limitation period relating to the claims for defects.

9. FASHION POOL GmbH shall only be liable in the case of intent and gross negligence in the case of culpable injury to life, limb or health and in the case of liability pursuant to the German Product Liability Act (Produkthaftungsgesetz) in accordance with the statutory provisions. In case of simple culpable breach of a material contractual duty, that is, of a duty in terms of which Customer regularly relies on the fact that it will be properly fulfilled – and, in terms of proper performance of the contract – can expect to rely, FASHION POOL GmbH shall be liable on the merits, such liability however being limited to typically incurring, foreseeable losses. Any further liability shall be excluded. To the extent FASHION POOL GmbH's liability is excluded or limited, this shall also apply to the personal liability of FASHION POOL's executive bodies and vicarious agents.

10. Set-off on the part of Customer or the assertion of rights of retention shall only be admissible in conjunction with undisputed counterclaims or counterclaims that have been become "res judicata".

11. Transfer of Title: delivered goods shall remain FASHION POOL GmbH's property until receipt of all full payment under the business relationship with Customer. During the transacting of payments in terms of cheques and bills of exchange, reservation of title shall be upheld until the obligation assumed by FASHION POOL GmbH with issue of the bill of exchange has expired as a result of payment of the bill. By way of assignment of all receivables accruing to Customer from resale of the reserved goods against the buyer or buyers or against third parties, Customer shall be entitled to resell the reserved goods in the ordinary course of business. Even after their assignment, Customer shall be authorized to collect the receivables itself. Without prejudice hereto, FASHION POOL GmbH power to collect the receivables ourselves shall

12. The distributor commits to sell the contract products only to the manufacturer within the area specified by the manufacturer for a selective distribution system to deliver to authorized distributors as well as to end users. The authorized dealers are available on our homepage. On request, the contact details be communicated

remain; this provision shall apply only if the customer is in default of its payment obligations. If FASHION POOL GmbH is entitled to collect, FASHION POOL GmbH may demand that the customer disclose to FASHION POOL GmbH any assigned receivables, their stocks and their debtors, and that it provides FASHION POOL GmbH with all data required for collection and that it surrenders the associated documents to FASHION POOL GmbH without delay and that it notify the debtors of such assignment in writing.

Customer shall not be entitled, under any circumstances, to pledge goods or assign goods as security that are under reservation of title. In the event of enforcement proceedings of any kind, the customer shall be obligated to draw the attention of the creditors and the enforcement officers to FASHION POOL's title on the concerned goods. Customer is furthermore obligated to notify FASHION POOL GmbH of any enforcement measures that concern FASHION POOL's title and property without delay so that, if applicable, FASHION POOL GmbH is in a position to file a third party action in opposition. Customer is obligated to send FASHION POOL GmbH a copy of the pledge report without delay.

12. This agreement shall be subject to German laws and regulations, excluding the United Nations Convention on Contracts for the International Sale of Goods (CISG). If Customer is a merchant, exclusive jurisdiction for any and all claims shall be the relevant seat of FASHION POOL GmbH branch or legal seat. The same place of jurisdiction shall be valid if Customer does not have a general place of jurisdiction in Germany, relocates its domicile or usual residence from Germany after conclusion of this contract or its domicile or usual residence/ business place or registered address is not known when the claim is filed.