

## AGREEMENT ON THE SUPPLY OF GOODS AND SERVICES

The SUPPLIER is aware that it has been selected not only based on technical and commercial criteria, but also because it undertakes to apply the ethical standards stated below. **Furthermore, it should be noted that the L'OREAL Group strives to make a positive contribution in the countries and communities where it operates and appreciates similar actions by its suppliers.**

**1. Purpose and acceptance.** The present Agreement completes the Purchase Orders sent by [name of the entity] ("L'OREAL"), following negotiations with the SUPPLIER. It summarises the provisions applicable to the supply of (i) Goods (products, industrial components, equipment, advertising material, etc.) and/or (ii) Services (including transfers of Intellectual Property rights or image rights) described in the Purchase Orders (the "Order"). **THE SUPPLIER MAY ISSUE RESERVATIONS ABOUT THIS DOCUMENT BEFORE EXECUTING THE ORDERS. IN THE ABSENCE OF ANY RESERVATIONS, THIS AGREEMENT WILL BE CONSIDERED TACITLY ACCEPTED.** It may be amended by specific agreements.

**2. Quantities.** The quantities ordered shall be stated in the Purchase Order. However, if the Orders are placed through supply forecasts, the quantities stated in the months that are considered as firm, in accordance with the logistics agreements concluded with the SUPPLIER, shall be purchase commitments.

**3. Prices and payment terms.** Prices include carriage paid up to the destination agreed with the SUPPLIER. They are firm and without foreign currency indexation. Invoices must be addressed to L'OREAL's accounting department, the digital sending is to be privileged and must state: (i) the Order number, (ii) a description of the Services or Goods and (iii) the Delivery slip number. If such conditions are not fulfilled L'OREAL reserves the right to refuse the invoice. Payment of invoices shall be made by bank transfer within a period of [insert the standard payment term].

The invoice must be sent at least 15 days following the date of the invoice. If not, L'Oréal reserves the right to calculate the payment date from the reception of the invoice. In order to avoid fraud, L'OREAL reserves the right to request documents from the SUPPLIER proving that it is the holder of the bank account.

**4. Time frames.** The times frames for delivering Goods or performing Services are mandatory and form an essential part of the Order. They may not be modified without the prior consent of the Parties. It is understood that Orders shall only be considered as fully executed once they are finalised, i.e. complete and compliant. If performance involves the provision of software or documentary deliverables, performance shall be considered fully executed upon validation in accordance with the terms agreed between the Parties. In the event of a delay exceeding 15 days not attributable to L'OREAL, the latter will be entitled to apply non-compensatory penalties equal to 1% of the amount of the Order per day of delay, up to a maximum of 20%.

**5. Non-performance of the Order.** The SUPPLIER shall provide the Goods or the Services in accordance with the Purchase Order in terms of quantity, quality and delivery times. The Goods or Services shall also comply with the laws of the country in which they are manufactured/performed or imported by the SUPPLIER. The involvement of L'OREAL's Quality Department shall neither release the SUPPLIER from the performance of its own quality controls nor from its obligation to provide compliant Goods or Services. Visible non-compliance may be established following delivery of the Goods or completion of the Services within a maximum period of 3 months, even if the invoices have already been paid. The guarantee against hidden defects shall be subject to the applicable laws. L'OREAL may ask the SUPPLIER to make defective Goods or Services compliant or else cancel the Order. In the latter case, the SUPPLIER shall refund the amounts paid in a timely manner. The defective Goods shall be made available to the SUPPLIER, which shall be responsible for promptly collecting them at its own expense; otherwise, L'OREAL may dispose of them at the SUPPLIER's expense. In any case, defective or obsolete Goods manufactured under brands belonging to L'OREAL shall be disposed of in the presence of a L'OREAL representative. The disposal costs shall be borne by the SUPPLIER, unless the Parties agree otherwise.

**6. Packaging and Delivery slip.** Packaging of the Goods shall be under the SUPPLIER's responsibility and at its expense. It must allow for transportation, handling and storage under optimum conditions and be adapted to meet any usage requirements agreed with the SUPPLIER. Deliveries must be accompanied by a Delivery slip stating the Order number as well as the references and quantities for each Good delivered.

**7. Ownership and Risks.** This section applies to the provision of Goods, in any form whatsoever (whether they are purchased, made available or included into the Services). Ownership of the Goods shall be transferred upon the delivery thereof, and the provisions relating to retention of title shall not apply to them. Goods made available to the SUPPLIER by L'OREAL for the purposes of executing the Orders shall remain the exclusive property of L'OREAL. Where such Goods are not intended to be transformed, the SUPPLIER undertakes to return them upon first request in good condition except for normal wear and not to keep any reproduction thereof. Unless otherwise specified by the INCOTERM applicable to the Order, the risks shall be transferred following delivery, and any

pre-receipt procedures carried out at the SUPPLIER's premises shall not trigger a transfer of risks to L'OREAL.

**8. Ethical Standards.** The SUPPLIER undertakes to conduct its activity in compliance with internationally recognized Human Rights standards and all laws applicable to its operations, including those relating to anti-corruption, anti-money laundering and international embargoes, and to comply with L'Oréal's anti-corruption policy, which is available on L'OREAL's corporate website. Moreover, the SUPPLIER undertakes to respect a minimum hiring age of 16, to prohibit particularly night and hazardous work for employees aged under 18. The SUPPLIER also undertakes to prohibit all types of forced labour, bullying, sexual harassment, discrimination, including pre-hire pregnancy tests, to respect freedom of association and the right to collective bargaining, to set a reference working time limit not exceeding 60 hours per week and at least 1 days rest in every 7-day period/2 days rest in every 14-day period. The SUPPLIER commits to prevent serious risks to health and safety related to buildings, use of equipment, energy sources, materials and raw materials and people's activity, and to prevent serious harm to the environment due to the accidental pollution of air, soil and water, and transport of hazardous materials. The SUPPLIER may not resort to prison labour for the purposes of the Order without L'OREAL's prior consent. The SUPPLIER acknowledges that in the event of breach of the provisions contained in this section, L'OREAL may cancel pending Orders and cease all business relations with the SUPPLIER without judicial proceedings.

**9. Intellectual Property Rights.** Each Party shall refrain from any action that could affect the intellectual property Rights belonging to the other Party. The SUPPLIER accepts that L'OREAL may, worldwide and during the duration of the copyright, reproduce, represent, adapt and translate the creations made as part of the Orders. These rights may be exercised for an unlimited number of copies, on any medium and for any use, including advertising. The SUPPLIER shall be responsible for acquiring the intellectual property rights attached to the Goods and Services that belong to third parties. It undertakes to handle and bear the costs deriving from any claim relating to the Rights transferred to L'OREAL. The price of the Goods and Services includes compensation for Intellectual Property Rights.

**10. Economic independence.** The SUPPLIER is aware that its economic independence is crucial as it allows it to adapt to a competitive environment such as the cosmetic market, characterised by ongoing new product launches of and regular fluctuations in order levels. Consequently, the SUPPLIER shall maintain and/or develop business relations with sufficient clients so that it is not economically dependent on L'OREAL, even where the law allows for such dependence. The SUPPLIER undertakes to inform L'OREAL of any situation of economic dependence towards L'OREAL and is informed that a high level of dependence shall not limit L'OREAL's freedom to reduce orders or to terminate the relationship with the SUPPLIER in accordance with applicable laws. Each Party shall remain free regarding its own management decisions and the resources used to implement them. L'OREAL may request financial information from the SUPPLIER and organise follow-up meetings for the proper monitoring of the relationship, which shall not limit the freedom of each Party regarding its own management.

**11. Liability.** Each Party shall be liable for any direct damage that it may cause to the other Party, except in the case of a Force Majeure event.

**12. Data protection.** Each Party shall implement all relevant measures necessary to protect the integrity and confidentiality of data provided by the other Party. Where such data is considered personal data according to the laws governing the processing of personal data, each Party shall comply with the relevant laws.

**13. Confidentiality.** The information exchanged by the Parties shall be considered confidential, except where it is in the public domain. The SUPPLIER's confidential information may be shared within the L'OREAL Group. The Parties must maintain this confidentiality for a period of 3 years from the information's date of receipt.

**14. Jurisdiction and applicable law.** The Parties shall attempt to settle disputes amicably. If no amicable agreement is found, any dispute shall be brought before the Courts of the city where L'OREAL's registered address is located and the laws of the country of such registered address shall apply.