

## GENERAL SALE AND DISTRIBUTION CONDITIONS

The following General Sale and Distribution Conditions (hereinafter the "GSDC") defined hereinafter shall apply to all orders placed with the Company WORST BEHAVIOR GMBH, CARL-BENZ-STRASSE 17/1, 89597 MUNDERKINGEN, GERMANY (hereinafter referred to as "WRSTBHVR" or "we") and for all sales made by WRSTBHVR concerning the distribution and sales of high-quality women's and men's ready-to-wear clothes and fashion accessories (hereinafter the "Products") to a retail purchaser (hereinafter the "Purchaser").

### 1. Scope of Application, Form

- 1.1 The GSDC shall only apply B2B, i.e. if the Purchaser is a Trader in the meaning of Section 14 BGB (*Bürgerliches Gesetzbuch*, i.e. German Civil Code).
- 1.2 The GSDC shall apply in particular to contracts for the sale and/or delivery of Products, irrespective of whether we manufacture the Products ourselves or purchase them from suppliers (Sections 433, 650 BGB). Unless otherwise agreed, the GSDC in the version valid at the time of the Purchaser's order or at least in the version last communicated to the Purchaser in text form shall also apply as a framework agreement for similar future contracts, without us having to refer to them again in each individual case.
- 1.3 The GSDC shall apply exclusively. Deviating, conflicting or supplementary General Terms and Conditions of the Purchaser shall only become part of the contract if and insofar as we have expressly agreed to them. This requirement of consent shall apply in any case, for example even if the Purchaser refers to its General Terms and Conditions in the context of the order and we do not expressly object to them.
- 1.4 Individual agreements (e.g. framework supply agreements, quality assurance agreements) and specifications in our order confirmation shall take precedence over the GSDC.
- 1.5 Legally relevant declarations and notifications by the Purchaser in relation to the contract (e.g. setting of deadlines (*Fristsetzung*), notice of defects (*Mängelanzeige*), withdrawal (*Rücktritt*) or reduction (*Minderung*)) must be made in writing. Written form within the meaning of these GSDC includes written and text form (e.g. paper form, PDF, e-mail). Statutory formal requirements and further evidence, in particular in the event of doubt about the legitimisation of the declaring person, remain unaffected.
- 1.6 References to the validity of statutory provisions are for clarification purposes only. Even without such clarification, the statutory provisions shall therefore apply unless they are directly amended or expressly excluded in these GSDC.

### 2. Conclusion of Contract

- 2.1 Our offers are subject to change and non-binding. This shall also apply if we have provided the Purchaser with catalogues, pictorial representations (e.g. drawings, sections, cost breakdowns, calculations, etc.), other product descriptions or documents – including in electronic form – to which we reserve ownership rights and IP/copyrights.
- 2.2 The presentation and advertising of Products in our online showroom or elsewhere shall not constitute a binding offer to conclude a purchase contract. Only the order of the Products by the Purchaser is considered a binding contractual offer. Unless otherwise stated in the order, we are entitled to accept this contractual offer within six weeks of its receipt by us.
- 2.3 Acceptance can be declared either in writing (e.g. by order confirmation) or by delivery of the Products to the Purchaser.
- 2.4 Once placed, an order cannot be cancelled (*Kündigung*) free of charge. In case Purchaser wishes to cancel an order, this must be requested in writing by the Purchaser and we will decide about the cancellation request at our discretion. If the cancellation is approved by us, the Purchaser will be obliged to pay a cancellation penalty in the amount of 50 percent minimum, to be determined by us.
- 2.5 Even after an order has been confirmed by us, we are entitled to cancel it in parts for good cause, including but not restricted to (a) samples or unique specimens that have been presented to

the Purchaser and ordered by it cannot be produced in a for the WRSTBHVR brand and the Purchaser adequate quality or duration or (b) the necessary quantity for the production has not been met by the orders placed by our customers, both provided that this was not known to us at the time of confirming the order.

### 3. Delivery Period, Default in Delivery

- 3.1 The delivery period or the time window for deliveries and partial deliveries shall be agreed individually or specified by us upon acceptance of the order.
- 3.2 If we are unable to meet binding delivery deadlines for reasons for which we are not responsible (non-availability of performance), we shall inform the Purchaser of this immediately and at the same time inform the Purchaser of the expected new delivery deadline. If the performance is also not available within the new delivery period, we are entitled to withdrawal from the contract in whole or in part; we will immediately reimburse any consideration already performed. Unavailability of performance exists, for example, in the event of late self-delivery by our supplier, if we have commissioned the self-delivery in good time (congruent hedging transaction) or in the event of other disruptions in the supply chain, for example due to force majeure.
- 3.3 The occurrence of our default in delivery shall be determined in accordance with the statutory provisions. In any case, however, a dunning letter from the Purchaser is required.
- 3.4 The Purchaser's rights pursuant to Section 8 of these GSDC and our statutory rights, in particular in the event of an exclusion of duty of performance (e.g. due to impossibility (*Unmöglichkeit*) or unreasonableness (*Unverhältnismäßigkeit*) of performance and/or subsequent fulfilment (*Nacherfüllung*)), shall remain unaffected.

### 4. Delivery, Passing of Risk, Formal Acceptance, Default in Acceptance

- 4.1 Delivery shall be ex warehouse, which is also the place of fulfilment for the delivery and any subsequent fulfilment. At the Purchaser's request and expense, the Products will be shipped to another destination (sale to destination (*Versendungskauf*)). Unless otherwise agreed, we are entitled to determine the type of dispatch (in particular transport company, dispatch route, packaging) ourselves. We are entitled to fulfil an order in partial deliveries at different times within the time period communicated upon acceptance of the order.
- 4.2 The risk of accidental loss (*zufälliger Untergang*) and accidental damage (*zufällige Verschlechterung*) transfers to the Purchaser upon delivery of the Products. In the case of sale to destination, however, the risk of accidental loss and accidental damage of the Products as well as the risk of delay transfers to the Purchaser upon delivery to the carrier, forwarding agent or other person or body specified for carrying out the shipment. If formal acceptance (*Abnahme*) has been agreed, this shall be decisive for the transfer of risk. In all other respects, the statutory provisions of the contract law for work and labour (i.e. *Werkvertragsrecht*, in particular Section 640 BGB) shall also apply accordingly to an agreed formal acceptance. If the Purchaser is in default of acceptance, this shall be deemed equivalent to acceptance.
- 4.3 If the Purchaser is in default of acceptance, fails to cooperate or if our delivery is delayed for other reasons for which the Purchaser is responsible, we shall be entitled to demand compensation for the resulting damage including additional expenses (e.g. storage costs). For this we shall charge a lump-sum compensation of 0.5 percent of the purchase price of the delivery for each commenced calendar week of delay, up to a maximum of 5 percent. Proof of higher damages and our statutory claims (in particular reimbursement of additional expenses, reasonable compensation, cancellation) shall remain unaffected; however, the lump sum shall be offset against further monetary claims. The Purchaser shall be entitled to prove that we have incurred no damage or only significantly less damage than the above mentioned lump sum.

### 5. Prices and Terms of Payment

- 5.1 Unless otherwise agreed in individual cases, our current prices at the time of conclusion of the contract shall apply, ex warehouse, plus statutory VAT.

5.2 In the case of sale to destination (Section 4.1), the Purchaser shall bear the transport costs ex warehouse and the costs of any transport insurance requested by the Purchaser. Any customs duties, fees, taxes and other public charges shall be borne by the Purchaser.

5.3 The purchase price is due and payable within 30 calendar days of invoicing and delivery. However, we are entitled at any time, even within the framework of an ongoing business relationship and in particular after order confirmation, to make a delivery in whole or in part only against advance payment or on other terms of payment if there is an important reason for this in the person of the Purchaser (in particular payment arrears from other orders or an application for the opening of insolvency proceedings).

5.4 Upon expiry of the above payment deadline, the Purchaser shall be in default. During the period of default, interest shall be charged on the purchase price at the applicable statutory default interest rate of currently nine percentage points above the respective base interest rate. We reserve the right to claim further damages for default. Our claim against merchants for commercial maturity interest (Section 353 HGB (*Handelsgesetzbuch*, i.e. German Commercial Code)) remains unaffected.

5.5 The Purchaser shall only be entitled to rights of set-off or retention insofar as its claim has been legally established or is undisputed. In the event of defects in the delivery, the Purchaser's counter-rights remain unaffected, in particular in accordance with Section 7.4 of these GSDC.

5.6 If it becomes apparent after conclusion of the contract (e.g. through an application for the opening of insolvency proceedings) that our claim to the purchase price is at risk due to the Purchaser's inability to pay, we shall be entitled to refuse performance in accordance with the statutory provisions (Section 321 BGB) and – if necessary after setting a deadline – to withdraw from the contract. In the case of contracts for the manufacture of non-fungible Products (Customised Products), we may declare our withdrawal immediately; the statutory provisions on the dispensability of setting a deadline shall remain unaffected.

## 6. Retention of Title

6.1 We retain title (*Eigentumsvorbehalt*) to the Products sold until full payment of all our present and future claims arising from the purchase contract and an ongoing business relationship (secured claims).

6.2 The Products subject to retention of title may not be pledged to third parties or assigned as security until the secured claims have been paid in full. The purchaser must notify us immediately in writing if an application for the opening of insolvency proceedings is made or if third parties seize the Products belonging to us (e.g. by pledge).

6.3 In the event of breach of contract by the Purchaser, in particular non-payment of the purchase price due, we shall be entitled to withdraw from the contract in accordance with the statutory provisions and/or to claim the surrender of the Products subject to retention of title. The claim to surrender does not at the same time include the declaration of withdrawal; we are rather entitled to claim only the surrender of the Products and to reserve the right to withdraw from the contract. If the Purchaser does not pay the purchase price due, we may only assert these rights if we have previously set the Purchaser a reasonable deadline for payment without success or if setting such a deadline is dispensable according to the statutory provisions.

6.4 The Purchaser is authorised to resell the Products subject to retention of title in the ordinary course of business until revocation (*Widerruf*) in accordance with Section 6.4.2 below. In this case, the following provisions shall apply in addition.

6.4.1 The Purchaser hereby assigns to us as security all claims against third parties arising from the resale of the Products. We accept the assignment. The obligations of the Purchaser mentioned in Section 6.2 shall also apply with regard to the assigned claims.

6.4.2 The Purchaser remains authorised to collect the claim in addition to us. We undertake not to collect the claim as long as the Purchaser fulfils his payment obligations to us, there is no defect in his ability to pay and we do not assert the retention of title by exercising a right in accordance with

Section 6.3). If this is the case, however, we may demand that the Purchaser informs us of the assigned claims and their debtors, provides all information necessary for collection, hands over the relevant documents and informs the debtors (third parties) of the assignment. In this case, we shall also be entitled to revoke the Purchaser's authorisation to resell and process the Products subject to retention of title.

6.4.3 If the realisable value of the securities exceeds our claims by more than 10 percent, we shall release securities of our choice at the Purchaser's request.

## 7. Purchaser's Claims of Defects

7.1 The statutory provisions shall apply to the Purchaser's rights in the case of material defects and defects of title (including incorrect and short delivery), unless specified otherwise below.

7.2 The basis of our liability for defects is above all the agreement reached on the quality and intended use of the Products. All product descriptions and manufacturer's specifications that are the subject of the individual contract or were made public by us (in particular in catalogues or in our online showroom) at the time the contract was concluded shall be deemed to be a quality agreement (*Beschaffensvereinbarung*) in this sense.

7.3 In principle, we shall not be liable for defects of which the Purchaser is aware or is grossly negligent in not being aware at the time of conclusion of the contract (Section 442 BGB). Furthermore, the Purchaser's claims for defects presuppose that he has fulfilled his statutory inspection and notification obligations (Sections 377, 381 HGB). If a defect is discovered during delivery, inspection or at any later point in time, we must be notified of this in writing without undue delay. In any case, obvious defects must be reported in writing within five working days of delivery and defects not recognisable during the inspection within the same period from discovery. If the Purchaser fails to carry out the proper inspection and/or report defects, our liability for the defect not reported or not reported on time or not reported properly shall be excluded in accordance with the statutory provisions.

7.4 We are entitled to make the subsequent fulfilment owed dependent on the Purchaser paying the purchase price due. However, the Purchaser is entitled to withhold a reasonable part of the purchase price in proportion to the defect.

7.5 The Purchaser must give us the time and opportunity required for the subsequent fulfilment owed, in particular it must hand over the rejected Products for inspection purposes. In the event of a replacement delivery, the Purchaser shall return the defective Products to us at our request in accordance with the statutory provisions; however, the Purchaser shall not be entitled to return the Products.

7.6 We shall bear or reimburse the necessary expenses incurred for the purpose of inspection and subsequent fulfilment, in particular transport, travel, labour and material costs and, if applicable, dismantling and installation costs, in accordance with the statutory provisions and these GSDC, if a defect actually exists. Otherwise, we may demand compensation from the Purchaser for the costs incurred as a result of the unjustified request to remedy the defect if the Purchaser knew or could have recognised that there was in fact no defect.

7.7 Claims of the Purchaser for reimbursement of expenses pursuant to Section 445a para. 1 BGB are excluded, unless the last contract in the supply chain is a consumer goods purchase (Sections 478, 474 BGB). Claims of the Purchaser for damages or reimbursement of futile expenses (Section 284 BGB) shall only exist in accordance with the following Sections 8 and 9, even if the Products are defective.

## 8. Other Liability

8.1 Unless otherwise stated in these GSDC, including the following provisions, we shall be liable in the event of a breach of contractual and non-contractual obligations in accordance with the statutory provisions.

8.2 We shall be liable for damages – irrespective of the legal grounds – within the scope of fault-based liability in the event of intent and gross negligence. In the event of simple negligence, we shall be liable, subject to statutory limitations of liability (e.g. care in own affairs; insignificant breach of duty), only

- (a) for damages resulting from injury to life, limb or health, or
- (b) for damages arising from the breach of a material contractual obligation (an obligation whose fulfilment is essential for the proper execution of the contract and on whose compliance the contractual partner regularly relies and may rely); in this case, however, our liability is limited to compensation for foreseeable, typically occurring damages.

8.3 The limitations of liability resulting from Section 8.2 above shall also apply to third parties and in the event of breaches of duty by persons (including in their favour) whose fault we are responsible for in accordance with statutory provisions. These shall not apply if a defect has been fraudulently concealed or a guarantee has been given for the quality of the Products and for claims of the Purchaser under the Product Liability Act.

8.4 The Purchaser may only withdraw or cancel the contract due to a breach of duty that does not consist of a defect if we are responsible for the breach of duty. A free right of cancellation of the Purchaser (in particular according to Sections 650, 648 BGB) is excluded. In all other respects, the statutory requirements and legal consequences shall apply.

## 9. Limitation

9.1 In deviation from Section 438 para. 1 No. 3 BGB, the general limitation period for claims arising from material defects and defects of title shall be one year from delivery. If formal acceptance has been agreed, the limitation period shall commence upon formal acceptance.

9.2 The aforementioned general limitation period under sales law shall also apply to contractual and non-contractual claims for damages by the Purchaser based on a defect in the Products, unless the application of the statutory standard limitation period (Sections 195, 199 BGB) would lead to a shorter limitation period in individual cases. The Purchaser's claims for damages pursuant to Section 8.2 sentence 1 and sentence 2 (a) and pursuant to the Product Liability Act (*Produkthaftungsgesetz*) shall become statute-barred exclusively in accordance with the statutory limitation periods.

## 10. Point of Sale, Conditions of Distribution

10.1 The Purchaser is allowed to re-sell the Products purchased from us through the sales channels approved by us before, when or after placing an order (the "Point of Sale"). In case no Point of Sale has been approved, the Purchaser may re-sell the Products in its self-operated retail shops or its self-operated online shops to end-customers only.

10.2 In order to match and maintain WRSTBHVR's high-quality brand image, the Purchaser accepts that its Point of Sale must always correspond and comply with the following criteria:

- (a) The Point of Sale must be geographically located in an adequate environment, given WRSTBHVR's brand image.
- (b) The general appearance of the Point of Sale (architectural design, furniture, interior layout, shop window, visual presentation) must be of high quality.
- (c) The positioning of the other brands sold in the Point of Sale must correspond to that of the Products distributed by the Point of Sale.
- (d) The Products should be presented in a consistent manner in the Point of Sale. An exclusive space must be devoted to the Products and they must not be mixed in with other brand articles in the Point of Sale.

10.3 The Purchaser shall maintain the brand-mix and the overall character of the Point of Sale as indicated in the order at the point of time when placing an order regarding the Products. The overall character of the Point of Sale shall be orientated around the following brands: Aimé Leon Doré, Represent, Cole Buxton, Ganni, Acne Studios, AMI Paris, Sporty&Rich, Maison Kitsuné, Drôle de Monsieur, Courrèges, Aries, Arte, etc.

Considering the seasonal nature of fashion, only Products from the current season may be offered for sale to a consumer in the point of sale. Exceptionally, during regulated sale periods or any promotional period, Products from previous seasons may be sold in a separate clearly identified area of the point of sale in relation to the current season's Products.

10.4 The Purchaser undertakes not to distribute Products outside the Point of Sale and, generally, no Products may be sold in any place other than this Point of Sale including outlets, internet market places (e.g. Amazon, Zalando, eBay), online fashion market places, except with our prior written consent.

The Purchaser must not sell the Products to any third party except for end-customers. It therefore undertakes not to re-sell Products under any form whatsoever to any community or collective body, to any merchant, wholesaler or retailer, any central purchasing department, office or group, except for our prior written consent.

10.5 We may cancel any pending orders placed by the Purchaser in case the Purchaser keeps infringing its obligations under this Section 10 despite our written warning or infringes its obligation under this Section 10 in a way that continuing the order is unacceptable for us.

## 11. Trademarks and IP

11.1 The Purchaser acknowledges that WRSTBHVR is and shall remain the exclusive owner of any trademarks and intellectual rights in connection with the Products and of any descriptions, patterns, drawings and models of the Products.

The Purchaser therefore acknowledges that it neither has, can have nor can enable any third party to have any right of any kind over the trademark, any drawings and models of Products, any distinctive signs, layout, decor and/or presentation used by for the point of sale or for any Products, visuals, logos or slogans and, more generally, over any element protected by any intellectual property right of which is or may be the holder, licensee or user.

11.2 The Purchaser shall obtain our prior written agreement before making any use of (i) the WRSTBHVR trademark (including logos, posters, packing bags, commercial documents, etc.), and (ii) graphics used in catalogues as the said graphics required the purchase of certain rights – such as model and photographic rights, etc. – for strictly restricted and specified uses.

Any restricted authorization, if granted to the Purchaser, shall only be valid for the single season of Products ordered. Each season shall expire at the end of the corresponding regulated period for seasonal sales.

11.3 We may cancel any pending orders placed by the Purchaser in case the Purchaser keeps infringing its obligations under this Section 11 despite our written warning or infringes its obligation under this Section 11 in a way that continuing the order is unacceptable for us.

## 12. Choice of Law, Place of Jurisdiction

12.1 The law of the Federal Republic of Germany shall apply to these GSDC and the contractual relationship between us and the Purchaser to the exclusion of international uniform law, in particular the UN Convention on Contracts for the International Sale of Goods.

12.2 The exclusive – also international – place of jurisdiction for all disputes arising directly or indirectly from the contractual relationship is our registered office in Munderkingen, Germany. However, we are also entitled in all cases to bring an action at the place of fulfilment of the delivery obligation in accordance with these GSDC or an overriding individual agreement or at the Purchaser's general place of jurisdiction. Overriding statutory provisions, in particular regarding exclusive jurisdiction, shall remain unaffected.