

## MEMORANDUM OF UNDERSTANDING

This Memorandum Of Understanding (MOU) outlines the cooperation between UNIPRO (Italian Association of Cosmetic Industries) and HENGCHENG, (hereinafter called "the Parties").

Taking into account common interests of the two Parties to establish closer contacts, to expand their business interactions and to enhance the distribution of Italian cosmetics in People's Republic of China, according to the reciprocity principle which inspires the present understanding, they concur to come to the following agreement:

1. The Parties will study and create together the suitable framework in order to understand each other's need or requests.
2. The Parties will meet as and when necessary to share and exchange knowledge in the domains of general management, business development services, which are beneficial for both sides.
3. The Parties will facilitate investment opportunities or organization of events, such as factory visits and stages taking place in Italy or in People's Republic of China aiming to strengthen mutual interests on trade cooperation.
4. The Parties will exchange information on cosmetic sector, regulatory, product registration and local rules, market trends and situation, in particular towards Unipro members and their distribution network.
5. The Parties will establish:
  - a. an exchange of basic information on cosmetic sector, regulatory, product registration and local rules, market trends and situation between Hengcheng and Unipro (annex 1);
  - b. a services' package deal (annex 2) that Hengcheng will provide with a special and discounted price to those Unipro members interested in distributing their products in People's Republic of China or in starting to register them.

The above provisions do not intend to create obligations legally binding for the Parties, but only establish a collaboration which both Parties consider important, in the mutual interest, for the respective purposes.

The Parties mutually guarantee the best confidentiality about this memorandum and about any and all information and knowledge exchanged in connection with same.

This memorandum will be effective for two years starting from the date of the signature and will be automatically extended year by year unless written termination with previous notice of 60 days.

This memorandum is made in duplicate, a copy of which is to retained by both Parties. The Parties declared that they have thoroughly read, understood and approved the contents contained herein.

In WITNESS WHEREOF, the Parties have hereto affixed their signatures and seals (if any) on the date after mentioned above.

Signed in Hong Kong on 15 November 2012

  
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Mr. Fabio Rossello

President  
UNIPRO

  
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Ms. Grace Gao

Regulatory and Registration Affairs Dept Manager  
HENGCHENG

## Annex 1

### Preliminary service by Unipro

- 1) Procedure for signing up a Chinese responsible agent dealing with SFDA.
- 2) Procedure for product registration.
- 3) Information on timing and costs for registration of ordinary and special use cosmetics.
- 4) Necessary documents for product registration.
- 5) Guidance to understand PRC regulatory framework for cosmetics and to register ordinary and special use cosmetics.
- 6) Updated Information about ingredients banned, restricted and allowed in cosmetic formulations.
- 7) Guidance on the regulation of “new ingredients” and related procedure to register such ingredients.
- 8) Guidance on the regulation of Chinese label.
- 9) Information about import duties.

Annex 2

SERVICES' PACKAGE DEAL

Specific services by Hengcheng for Unipro members against payment  
(with a special and discounted price)

- 1) Procedure for signing up a Chinese responsible agent dealing with SFDA.
- 2) Management of compulsory testing (physico-chemical, microbiological, toxicological) by appointed laboratories in PRC.
- 3) Preparation of documents required for registration of ordinary and special use cosmetics.
- 4) Information on timing and costs for registration of ordinary and special use cosmetics.
- 5) According to the product formula, to advise for judgment concerning ingredient which is new or usable in China.
- 6) Labels conformity check.
- 7) Marketing research (imperative for SMEs to test their ability to enter the Chinese market and to identify the interest of Chinese consumers for their cosmetics).
- 8) Any other activity necessary for the distribution of the products in China.