

1.0 Scope and Offers

1.1 These Terms and Conditions of Sale apply only with respect to entrepreneurs within the meaning of Section 14 German Civil Code (BGB), legal entities under public law and special funds under public law (hereinafter referred to as "Purchaser").

1.2 Unless otherwise agreed, all – including future – deliveries of goods and services (hereinafter referred to only as "deliveries") are governed exclusively by our Terms and Conditions of Sale. The Purchaser's terms and conditions of trade shall not apply even where we have not expressly repudiated them.

1.3 Our offers are non-binding.

1.4 Oral ancillary agreements, amendments and derogations from these Terms and Conditions are only valid following our written confirmation.

1.5 Our product descriptions (e.g. our advertising claims, contents of our brochures and/or public statements made by us, our employees or sales staff including agents) shall not constitute any description of condition or a guarantee.

1.6 Unless otherwise agreed, customary or minor, technically unavoidable deviations in quality, colour, size or weight shall not constitute a defect.

2.0 Prices

2.1 The agreed prices are FCA point of dispatch (Incoterms® 2010) net in Euro plus statutory value added tax valid on the date of delivery.

2.2 The weights, number of pieces and quantity determined by us shall govern the price calculation subject to an immediate objection by the Purchaser following delivery.

2.3 In the case of purchase orders with delivery periods exceeding 2 months or in the case of annual contracts or other framework agreements with a duration of more than two months, we shall be entitled to increase or reduce the agreed prices accordingly, insofar as there are significant changes in the cost of salaries, materials, energy or raw materials following conclusion of the contract for which the Contractor is not responsible. Such a price increase will not exceed 10%.

3.0 Technical Advice

Any advice shall be provided to the best of our knowledge. All details and information about the suitability and utilisation of the supplied goods shall not release the Purchaser from its duty to carry out its own inspections and tests (particularly regarding its own envisaged application). This is particularly true where our products are combined with thinners, hardeners, additional varnishes or other components which have not been purchased from us.

4.0 Delivery Period, Passing of Risk, Partial Deliveries and Force Majeure, Delay in Delivery

4.1 The delivery period commences on receipt of the order confirmation but not before all details relating to execution of the order and technical issues have been clarified and any agreed advance payment or payment security has been received. The delivery period or a delivery date is deemed to have been met where the goods are loaded onto the means of transportation provided by the Purchaser by expiry of the delivery period or by the delivery date. Where shipping is delayed through no fault on our part, the delivery period is deemed to have been met on notification that goods are ready for shipment.

4.2 Where the Purchaser defaults on acceptance of the goods (e.g. fails to provide the means of transportation on time), we shall have the option (without further warning or additional offer) either to ship the goods or to store them - possibly in the open air where there is no other alternative - at the Purchaser's expense. In this case, we shall not be liable for the destruction or loss of the goods or for damage thereto. We shall be entitled to invoice for the goods as from occurrence of default.

4.3 Our delivery obligation shall be subject to on-time and correct delivery by our own suppliers, unless we are responsible for the incorrect or late delivery by our own suppliers. In such cases we can rescind the contract.

4.4 Risk shall pass to the Purchaser in accordance with FCA point of dispatch (Incoterms® 2010) and this shall be the case even where we have agreed to assume other obligations, e.g. shipping costs or arrangement of shipping.

4.5 Reasonable partial deliveries are permitted.

4.6 In the case of individual production runs for our customers, we are entitled to over-deliver or under-deliver on the agreed quantities by 5 kg for a delivery quantity of < 50 kg and by 10% for a delivery quantity of > 50 kg. These deviations in quantity do not constitute a defect.

4.7 Unforeseen or unavoidable events, or events for which we cannot be held responsible (e.g. force majeure, operational breakdown, problems in the procurement of material or energy, transport delays, shortages in staff, energy or raw materials, official measures as well as difficulties in obtaining authorisations e.g. import or export licences, embargoes, strikes or lockouts), shall extend the delivery time by the duration of the period of disruption and its effects. This also applies where the disruption affects our own supplier or during an existing period of delay. Where the disruption is not purely temporary, both parties are entitled to rescind the contract. Claims for damages in the cases referred to under this sub-clause 4.7 are precluded.

4.8 Where delivery takes place in borrowed containers, these must be emptied of any residue and returned carriage paid within 90 days of receipt of the delivery. Loss or damage to a borrowed container shall be borne by the Purchaser if the latter is at fault. Borrowed containers must not be used for other purposes or for holding other products. They are intended solely for transporting the delivered goods. Labels must not be removed.

4.9 Non-reusable packaging cannot be returned to us, instead we provide the Purchaser with the name of a third party who will convey the packaging to a recycling plant in accordance with the Packaging Regulation.

4.10 In the case of delay in delivery, our liability for simple negligence is limited to 0.5% per full week of delay but in any case no more than 5% of the net invoice amount for that part of the delivery affected by the delay. This is without prejudice to claims for damages in lieu of performance. The Purchaser shall notify us by no later than conclusion of the contract of any contractual penalties agreed with its customers.

5.0 Payment

5.1 The invoice amount must clear our bank account within 30 days of receipt of the invoice, without deductions. Compliance with the payment deadline is determined by the date of irrevocable receipt of payment in our bank account.

5.2 Where payment is delayed, we charge default interest at the statutory rate. Both we and the Purchaser are free to prove that the loss due to delay was higher or lower

5.3 Retention of payment and set-off against counter claims by the Purchaser is only permitted where the latter's counter claims are undisputed or have been upheld by a final judgement.

5.4 A delay in payment or other circumstances which indicate a significant deterioration in the financial position of the Purchaser after conclusion of the contract, entitle us to immediate payment of all claims based on the same legal relationship.

6.0 Reservation of Title

6.1 We reserve title to the delivered goods until receipt of all payments arising under the ongoing business relationship with the Purchaser. In the case of a current account relationship, the reservation of title extends to the recognised account balance.

6.2 Any treatment or processing of the reserved goods by the Purchaser shall be undertaken on our behalf without involving any obligations on our part. Where the reserved goods are mixed or

combined with other goods not belonging to us, we shall acquire co-ownership of the new product in accordance with the ratio of the net invoice value of the reserved goods to that of the other materials. The new product is deemed to be reserved goods within the meaning of this Clause 6.0.

6.3 The Purchaser is entitled to sell the reserved goods in the ordinary course of business; however, the Purchaser hereby assigns to us, in advance and in full, all receivables to which it becomes entitled as a result of the resale. We hereby accept the assignment.

6.4 The Purchaser is entitled to recover the receivables which have been assigned to us subject to on-time compliance with its payment obligations under the business relationship with us.

6.5 Where the Purchaser ceases to comply with its payment obligations towards us, we can revoke the authorisation for the subsequent sale and use of the reserved goods and require the customer to disclose to us the assigned receivables and the respective debtors, provide us with all the information necessary to effect recovery, hand over all the accompanying documentation and notify the debtors of the assignment. Redemption of the reserved goods does not constitute rescission of the contract. If we declare rescission of the contract we shall be entitled to sell the goods in the open market.

6.6 The Purchaser is obliged to store the reserved goods carefully and insure them sufficiently against any loss or damage, at its own expense, for the replacement value. The insurance policy and evidence of payment of the premiums must be submitted to us on request. The Purchaser hereby assigns to us any claims under the insurance policy, subject to the condition subsequent that title passes to the Purchaser. We hereby accept the assignment.

6.7 Attachment of the retained goods by third parties must be reported to us in writing without delay. The costs arising as a result of defending any attachment shall be borne by the Purchaser insofar as they cannot be recovered from the third party.

6.8 Where the value of securities exceeds our claims by more than 20%, we shall, at the Purchaser's request, release securities in this respect at our own discretion.

6.9 In the event that the reservation of title is invalid under the law of the country in which the delivered goods are located, the Purchaser shall notify us without delay and, at our request, provide security of equal value. If the Purchaser fails to comply with this request, we can demand immediate payment of all open invoices without regard for agreed payment targets.

7.0 Claims under Warranty

7.1 The Purchaser shall inspect the goods for any visible material defects without delay following delivery.

7.2 Visible material defects must be reported to us without delay following delivery. Hidden defects must be reported to us without delay following discovery. Notification must be made in writing and shall precisely specify the nature and extent of the defect. Where these time limits are exceeded, all defects and rights arising from liability under warranty for these defects shall expire.

7.3 In the case of duly submitted and justified notifications of defects, we can choose either to supply replacement goods or repair the defect. Where subsequent performance fails, the Purchaser is entitled to demand a reasonable reduction in the purchase price or - in the case of significant defects rendering continuance of the contract unreasonable - rescind the contract. Furthermore, following failure of subsequent performance, the Purchaser is entitled to claim damages in lieu of performance pursuant to Clause 8.0.

7.4 We will not assume the cost of subsequent performance arising from the fact that, following delivery, the delivered goods are transported to a location other than the customer's place of business.

7.5 The infringement of third-party rights only constitutes a defect where these intellectual property rights exist in the Federal Republic of Germany.

7.6 Re-qualification inspections of our products take place exclusively following prior agreement with the Purchaser on defined objects and coatings.

8.0 General Liability

8.1 We are liable for wilful intent or gross negligence, fraudulent concealment of defects, death, personal injury or damage to health or under the Product Liability Act, in accordance with the statutory provisions. Where we give a guarantee, we are liable in accordance with any guarantee provisions.

8.2 In the case of simple negligence, we are only liable for the breach of a material contractual condition; this liability is limited to compensation for foreseeable and customary loss. A material contractual condition is one which must be fulfilled in order for the contract to be properly implemented, compliance with which the Purchaser generally expects and is entitled to expect and whose breach jeopardises achieving the purpose of the contract. We are not liable in any other cases of simple negligence.

8.3 Claims for damages which, under the German Civil Code (BGB) or Commercial Code (HGB), are fault-based, are excluded where we are not at fault with regard to the breach of duty. We are not responsible for negligent or intentional breaches of our suppliers, sub-contractors or vicarious agents.

8.4 Claims by the Purchaser for defects in delivered goods, which have been used in the customary manner for a building and have caused this building to be defective, shall lapse in accordance with the statutory provisions; any other claims for defects by the Purchaser shall lapse 12 months after the risk has passed. All other claims shall lapse 12 months after commencement of the statutory limitation period.

In derogation of sentences 1 and 2 of this Clause 8.4, (1) the guarantee provisions shall apply where we are liable under guarantee and (2) the statutory provisions shall apply in the case of fraudulent concealment of a defect and claims for damages under the Product Liability Act, in the case of death, personal injury or damage to health and for the intentional or grossly negligent breaches of duty.

9.0 Place of Performance, Jurisdiction and Miscellaneous Provisions

9.1 The place of performance for all payments is our registered office in Bräunlingen; the place of performance for any other obligations under the delivery contracts is our respective point of dispatch.

9.2 The place of jurisdiction for all disputes with Purchasers whose registered office is in the EU, Switzerland or the United Kingdom, shall be our registered office in Bräunlingen. We are, however, also entitled to bring actions in the court with jurisdiction over the Supplier's registered office.

Where the Purchaser's registered office is outside the EU, Switzerland and the United Kingdom, the following applies: All disputes arising in connection with the supply relationship shall be decided in accordance with the arbitration rules of the German Institution of Arbitration (DIS) without recourse to the ordinary courts. The place of the arbitration proceedings is Freiburg im Breisgau, Germany. The language of the arbitration proceedings is German. In the case of claims for payment of the purchase price, however, we are also entitled to bring proceedings in the ordinary courts pursuant to sentences 1 and 2 of this Clause 9.2.

9.3 The contractual relationship with our customers is governed by the law of the Federal Republic of Germany.

9.4 The Purchaser agrees that its data can be stored and processed by us insofar as this is necessary for proper execution of the contractual relationship.