

General Terms and Conditions of Sale and Supply

1. Solely our General Terms and Conditions of Sale and Supply apply

- 1.1 Our deliveries, services and offers are solely based on our General Terms and Conditions of Sale and Supply. General Terms and conditions of the buyer and any stipulations or provisions of the buyer deviating from our General Terms and Conditions of Sale and Supply shall not apply unless we have expressly consented to such in writing. Our General Terms and Conditions of Sale and Supply shall also apply if we supply the buyer without reservation in awareness of contrary general terms and conditions or general terms and conditions that differ from our General Terms and Conditions of Sale and Supply.
- 1.2 Our General Terms and Conditions of Sale and Supply shall apply - including without any special reference to such - to all subsequent transactions between ourselves and the buyer. By fulfilling an order or accepting services, the buyer recognises the validity of our General Terms and Conditions of Sale and Supply not only for the respective transaction, but also for all future transactions. If there are ongoing business relations between ourselves and the buyer, any changes in or new versions of our General Terms and Conditions of Sale and Supply shall become part of the contractual agreement when we send such to the buyer if the buyer does not expressly object to such in writing without undue delay.
- 1.3 Our General Terms and Conditions of Sale and Supply only apply to businesspersons, legal entities governed by public law and special assets governed by public law in the meaning of Sec. 310 (1) of the German Civil Code.

2. Offers - subsidiary agreements - contents of agreements

- 2.1 Our offers are still non-binding in the sense that an agreement shall only be deemed to come about if we accept the order.
- 2.2 The information contained in our catalogues and technical documents are to be understood as non-binding processing information and not as representations or guarantees. Representations or guarantees regarding features or the usability of the goods shall only be deemed to have been issued by ourselves if we expressly designate them as such in writing.
- 2.3 If we render application-technical consulting services, such shall be deemed to the best of our knowledge; our consulting in this respect is non-binding. Any statements and information regarding the suitability and use of goods supplied shall not free the buyer from the obligation to inspect and test these goods itself. This shall in particular be the case when thinners, hardeners, varnishes or any other components that have not been purchased from us are mixed in or added.
- 2.4 Subsidiary agreements pursuant to our offers and order confirmations must be confirmed by us in writing to be valid.

3. Terms and conditions of payment

- 3.1 Our prices are non-binding. We shall invoice customers at the price applying on the date of delivery. In the event of a price increase, the buyer may withdraw from the agreement within a period of two weeks after having been informed thereof. Value-added tax shall always be charged by us in addition at the statutory rate that applies on the day of performance.
- 3.2 Payment shall be due 30 days after the invoice date. In the event of payment within 10 days from the invoice date, a 2% discount shall be granted on the invoice amount. Discount on a new invoice shall only be granted if older invoices have been fully paid. We only accept checks on account of performance.
- 3.3 Claims of the seller may only be offset with counterclaims that are non-appealable or uncontested. Any rights of retention on the part of the buyer are ruled out if such are not asserted on the basis of a non-appealable or uncontested claim.
- 3.4 If the buyer comes into arrears on payment, the seller may demand interest in the amount of 9 percentage points above the base interest rate, whereby this shall not affect any other rights on the part of the seller.
- 3.5 In the event that the buyer comes into arrears on payment, if the buyer fails to fulfil any other important obligations or if we become aware after conclusion of the agreement that our claim is in jeopardy as a result of insufficient solvency on the part of the buyer, we shall be entitled to make all other outstanding receivables payable immediately or to demand down payment or other collateral or contemporaneous performance for any unpaid claims. We shall furthermore be entitled in such cases to withdraw from the agreement following a reasonable grace period and/or to demand compensation.

4. Reservation of title

- 4.1 We shall retain title to all goods supplied until any and all of our claims have been satisfied, including subsidiary claims, claims to damages and redemption of checks. We shall also retain title to goods supplied with regard to an existing current account relationship (business ties) with the customer until all payments have been received. This reservation of title relates to the recognized balance. In the event of conduct on the part of the buyer in violation of the agreement, in particular in the event of arrears on payment, we shall be entitled to take back the goods supplied. If we take back the goods, such shall not be deemed to constitute withdrawal from the agreement. After taking back the items of purchase, we shall be entitled to realize them. Realization proceeds shall be credited to the obligations of the buyer - less reasonable costs incurred in connection with realization of the goods. We accept these assignments.
- 4.2 The buyer shall be obliged to handle the goods supplied with due diligence. In particular, the buyer shall be obliged to insure such against fire, theft and water damage and to store such in appropriate storage conditions (generally cool and above freezing temperatures). The buyer herewith cedes its claims to compensation that it is entitled to as a result of events and damage of the aforementioned type against insurance companies or emanating from any other claims to compensation to us in the amount of its claims.
- 4.3 The buyer shall not be entitled to attach or transfer the reserved goods as collateral. In the event of attachment or transfer of the reserved goods as collateral, the buyer shall notify us in writing without undue delay so that we can take action pursuant to Sec. 771 of the German Civil Procedure Code. If the third party is not able to reimburse us for judicial and extra-judicial costs of a legal action pursuant to Sec. 771 of the German Civil Procedure Code, the buyer shall be liable for the losses we incur as a result thereof.
- 4.4 The buyer shall be entitled to resell the goods in the regular course of business. However, the buyer assigns to us already here and now all accounts receivable in the amount of the final invoice amount of our claims (including value-added tax), which it accrues as a result of resale towards its customers or third parties independently of whether the goods have been resold without or following processing. If a customer of the buyer is prohibited from assigning such rights, the buyer shall notify us hereof in writing without undue delay. If the buyer and customer have a current account relationship, the accounts receivable assigned to us in advance shall apply to the recognized balance. If the buyer first sold these accounts receivable within the scope of non-recourse factoring, it shall assign the claim against the factor to us. We shall accept this assignment. The buyer shall also remain authorised to collect any assigned accounts receivable after assignment. This shall not affect our right to collect the receivables ourselves. We shall be obliged, however, to refrain from collecting the receivables as long as the buyer meets its payment obligations emanating from the proceeds received, does not fall into arrears on payment and in particular does not file any application for the opening of an insolvency procedure or discontinues payments. If this is the case, however, we may demand that the buyer disclose to us any accounts receivable it has assigned and the account debtors as well as any and all information required for collection, that the buyer hand over documents relating therewith to us and that it notify the debtor (third party) of the assignment. We accept these assignments.
- 4.5 The processing or recombination of goods by the buyer shall always be deemed to be on our behalf. If the goods are processed with other objects that do not belong to us, we shall acquire co-title to the new object in the ratio of the value of the goods supplied by us to the other processed objects at the time of processing. Otherwise, the same shall apply to the object that comes about through processing as that which applies to the goods supplied subject to reservation of title.
- 4.6 The buyer also assigns to us any claims securing our claims against the buyer that accrue against a third party as a result of connecting the goods with a property.
- 4.7 We shall be obliged to release that collateral that we are entitled to if the buyer so demands to the extent that the realizable value of the collateral provided by the buyer exceeds the claims that are to be secured by more than 10%. We shall be able to select the collateral that is to be released as we see fit.

5. Delivery date

- 5.1 Delivery deadlines and periods shall only be deemed to be approximate and shall be issued in writing. The day of delivery shall be deemed to be the day the consignment leaves our plant or distribution warehouse or, if it has

been arranged for the buyer to pick up the goods, the day on which notice that the goods are ready to ship is sent. Adherence to deadlines and periods requires the buyer meet its contractual obligations, in particular its payment obligations, in due time and without omission. Otherwise an agreed-upon deadline shall be extended by a period of time commensurate with the delay.

- 5.2 The seller shall also be entitled to effect partial deliveries on a reasonable scale.
- 5.3 Events constituting force majeure shall entitle us to postpone delivery for the period of the hindrance and a reasonable run-up time or to withdraw from the part of the agreement that has not yet been fulfilled. Strikes, lock-outs, scarcity or abnormal rises in the prices of energy, raw materials, means of transport or labour shall be deemed to be tantamount to force majeure regardless of whether such occur in our domain or the domain of one of our suppliers, and failure of delivery by our suppliers. The buyer may demand a declaration from us on whether we intend to withdraw or effect delivery within a reasonable period of time. If we fail to issue such declaration, the buyer may withdraw from the agreement.
- 5.4 The buyer may call upon the seller in writing to effect delivery within a reasonable period of time after a non-binding delivery deadline or a non-binding delivery period is exceeded by 4 weeks. With this notification the seller shall be late in delivery. If such period or deadline expires without delivery being effected, the buyer shall be entitled to withdraw from the purchase agreement by means of written declaration or to demand compensation in accordance with Nos. 8 and 9.
- 5.5 If the buyer is late in acceptance of the goods, we are entitled to deliver the goods on our own choice at the expense of the buyer or - if there is no other option - store outside. In this case we are not liable for accidental loss or damage of the goods. If the goods are stored by us, we are entitled to charge the goods at the end of one week after the default of acceptance and demand payment.

6. Delivery and passing of risk

If nothing to the contrary emanates from the order confirmation, delivery "ex works" shall be deemed to have been agreed upon

7. Quality assurance

Innovative, responsible research and development, ongoing checks and controls on all raw materials and finished products are guarantees for highest quality assurance and help secure the absolute top quality of our products. Many of our products have in addition undergone a wide array of testing, upholding a constant, environmentally friendly product quality geared to the field of practice, and are certified accordingly. An up-to-date overview of products with testing certificates shall be made available to the buyer upon request and can also be viewed on our Internet page. We shall only be obliged towards the buyer to provide quality certifications going above and beyond these or to establish additional quality management systems if we conclude an express written quality assurance agreement with the buyer pursuant to such.

8. Liability for defects

- 8.1 Any claims to defects on the part of the buyer shall require that it has properly met its obligations to inspect products and issue complaints about defects without undue delay in accordance with Sec. 377 of the German Commercial Code.
- 8.2 Material or colour deviations common in the trade or of a limited nature shall be allowed.
- 8.3 If the goods are defective and the buyer has a claim to subsequent performance in accordance with these General Terms and Conditions, we shall be entitled to subsequent performance in the form of rectification of the defect or supply of a new item free of defect as the buyer sees fit. Within the scope of subsequent performance, however, we shall not be obliged to bear any expenses incurred by the buyer for removal of the defective goods, installation of goods free of defect or any other related installation and dismantling. We shall only bear transport and travel costs to the extent that these are not increased by the fact that the delivered goods were transported to a place other than the place of performance.
- 8.4 If subsequent performance fails, the buyer shall be entitled to demand the rescission of the contract or a reasonable reduction of the purchase price.
- 8.5 We shall bear liability in accordance with statutory provisions if the buyer asserts claims to compensation that are based on wilful intent or gross negligence, including on the part of our representatives or vicarious agents. If we are not accused of any wilful violations of the agreement, liability for compensation shall be limited to foreseeable and typically occurring damage.
- 8.6 In the event of property and financial losses caused by negligence, we shall only bear liability in the event of violation of a material contractual obligation, but in terms of the amount limited to the damage that was foreseeable upon the conclusion of the agreement and which is typical of such agreements. Material contractual obligations shall be deemed to mean those obligations, fulfilment of which constitutes one of the foundations for the agreement and in which the buyer may have trust and confidence.
- 8.7 This shall not affect liability for culpable harm to life and limb or damage to health; this shall also apply to mandatory liability under the German Product Liability Act (Produkthaftungsgesetz).
- 8.8 If nothing to the contrary is provided for in the foregoing, liability is excluded.
- 8.9 The statute of limitations for claims to defect is 24 months, with this period commencing upon the transfer of risk. This shall not apply to the extent that the good is usually used for a building structure and has caused the damage.
- 8.10 We shall only bear liability for the storage stability of the non-processed good within the framework of the durability description subject to the precondition that proper storage conditions be adhered to.
- 8.11 This shall not affect the statute of limitations in the event of recourse due to delivery in accordance with Secs. 478 and 479 of the German Civil Code. It shall be five years beginning with delivery of the defective object.
- 8.12 If there are differences of opinion between the parties concluding the agreement during the warranty period as to whether and which defects are present, the issue shall be decided by a publicly appointed, sworn-in expert with binding effect on the parties. If the parties concluding the agreement do not agree on a certain expert within 2 weeks after being called upon by the other respective party, such person shall be bindingly appointed for both parties by the President of the Cologne Chamber of Industry and Commerce upon the petition of one of the parties. The party that loses the dispute in accordance with the findings of the expert shall bear the costs incurred in connection with the engagement of the expert; if a party only loses in part, the allocation of costs shall be based on the ratio of winning to losing the dispute. The findings of the expert shall in any case be binding on both parties with regard to the question of the existence or non-existence of defects.

9. Overall liability

- 9.1 Any further liability for damages than that provided for in No. 8 is excluded - regardless of the legal nature of the claim being asserted. This shall apply in particular to claims to damages due to culpa in contrahendo, as a result of other violations of obligations or as a result of tortious claims to compensation for material damage in accordance with Sec. 823 of the German Civil Code.
- 9.2 The limit stipulated under No. 9.1 shall also apply to the extent that the buyer demands compensation for expenses incurred in vain instead of a claim to compensation for damage instead of performance.
- 9.3 To the extent our liability for damages is excluded or limited, this shall also apply to personal liability for damages on the part of our executive staff, employees, other staff members, representatives and vicarious agents.

10. Place of performance and legal venue, application of German law

- 10.1 The place of performance for our delivery is our registered domicile if nothing to the contrary emanates from our order confirmation. The sole legal venue for all disputes is Mettmann. We shall also be entitled, however, to take action against the buyer at the court having jurisdiction over its domicile.
- 10.2 The law of the Federal Republic of Germany applies.

11. Data protection

We collect and store personal information about the buyer which is necessary for business transactions and other data provided voluntarily. We comply with the legal regulations when processing personal data of the buyer. Further information and details on the processing of personal data in our company can be found in the "JONAS Farben GmbH privacy notice for customers, suppliers, service providers and interested parties" on our website: www.jonas-farben.de/en/privacy.

12. Partial invalidity clause

If any of the provisions of these General Terms and Conditions of Sale and Supply violate mandatory law, this shall not affect the legal validity of the remaining provisions.