



General Terms and Conditions of Trade Updated 1 January 2010

I. Scope of application

- Our terms of delivery and payment below apply to all our deliveries and services. We shall not be bound by any conflicting conditions set by the purchaser. Our offers are subject to change without notice unless expressly agreed otherwise.
- If our delivery and payment terms are already known to the purchaser, they shall continue to apply to future transactions without being restated.
- Section I(2) shall not apply to purchasers who are not registered traders ('Kaufleute').
- Supplementary agreements, amendments or deviations from these conditions shall only be valid if agreed between the supplier and the purchaser in writing.

II. Prices

- Statutory value added tax shall be added to the agreed prices at the rate in force on the day of delivery.
- Prices shall be calculated on the basis of the weights, numbers of items and quantities determined by us unless contradicted by the recipient without delay.
- In the event of any material change to order-related costs after a contract has been signed, the parties shall be obliged to agree on the adjustment of the prices.
- Section II(3) shall not apply to purchasers who are not registered traders ('Kaufleute').

III. Technical application advice

- We provide technical application advice to the best of our knowledge. All information concerning the suitability and use of our merchandise shall not release the purchaser from his obligation to examine and test the products' suitability for the intended processes and purposes.

IV. Delivery

- Unless expressly agreed otherwise, delivery shall be effected from our factory or distribution centre.
- If collection is agreed, the risk of accidental loss and/or accidental deterioration of the goods shall pass to the purchaser when he is notified that the goods are ready to be collected. In all other circumstances, the risk shall pass to the purchaser the moment the consignment has been handed over to the freight forwarder. The type of shipping and the shipping route shall be selected by us. Higher costs owing to differing requests made by the purchaser shall be charged to him.
- Reasonable delivery in stages shall be permitted.
- In the event of operational disruption, late delivery or non-delivery by our suppliers which is substantial, unforeseeable and for which we cannot be held responsible and in the case of operational interruption due to a shortage of raw materials, energy or labour, strikes, lock-outs, difficulties in procuring transport, traffic disruptions, official decrees or cases of force majeure affecting us or our suppliers, the delivery time shall be extended by the duration of the impeding circumstances if they are relevant to the availability of the merchandise in question. We shall notify the purchaser of the start and end of such hindrances without delay. If delivery is delayed by more than a month for this reason, both we and the purchaser shall be entitled to withdraw from the contract with respect to the quantity affected by delayed delivery to the exclusion of claims for compensation.
- Should delivery take place using returnable containers, they are to be sent back empty carriage paid within 90 days of the receipt of delivery. Any loss or damage to a container which has not reached the supplier shall be charged to the purchaser, assuming he is responsible. Returnable containers may not be used for other purposes or to hold other products. They are solely intended for the transport of the goods delivered. Inscriptions and labels may not be removed.
- We will not accept the return of disposable packaging. Instead, we shall notify the purchaser of a third party who will take charge of recycling the packaging in accordance with the packaging regulations.

V. Payment

- Our invoices are payable within 30 days net from the date of invoice. Discount shall only be allowed once all previous invoices have been paid. Invoices for less than €250 are subject to immediate payment without cash discount.
- In the event of default on payment, default interest to the amount of 8% above the respective base rate shall be charged. Both we and the purchaser shall be at liberty to prove a higher or lower loss.
- The submission of bills of exchange shall not constitute cash payment and shall only be permissible as payment with our prior consent. Any discount or bill charges shall be borne by the purchaser.
- Withholding and offsetting payment owing to claims by the purchaser contested by us are ruled out.
- Section V(4) shall not apply to purchasers who are not registered traders ('Kaufleute').
- The non-payment of due invoices or other circumstances indicating the significant deterioration of the purchaser's financial situation following the conclusion of contract shall entitle us to call in all receivables stemming from the same legal relationship with immediate effect.

VI. Reservation of ownership

- We shall reserve ownership of the goods supplied until complete payment of the purchase price. If the purchaser is a registered trader, the following shall apply: The goods supplied shall remain our property until full payment of all claims arising from the ongoing business relationship with the purchaser. The reservation of ownership shall remain in effect even if individual claims have been included in current accounts, and the balance has been drawn and acknowledged. Purchase price claims shall not be deemed discharged despite payment as long as we are still subject to liability in this connection, for example in the case of payments made by cheque or bill of exchange.
- Any processing or combining of the goods by the purchaser shall be carried out on our behalf, without this resulting in any commitment on our part. In the event of processing or combining of the goods with other items not belonging to us, the purchaser hereby transfers to us, for the purposes of securing our claims, joint ownership of the new goods in the ratio of the value of the retained goods to the other processed items, with the proviso that the purchaser shall keep the new goods on our behalf.
- The purchaser shall be entitled to dispose of the purchased goods in the normal course of business provided he meets his obligations to us from this business relationship with us in good time.

- The purchaser hereby cedes to us by way of security his claims arising from the sale of goods to which we have ownership rights to the extent of our proportional ownership of the goods sold. If the purchaser combines or mixes the goods supplied with goods belonging to a third party in return for payment, the purchaser hereby cedes to us by way of security his remuneration claims against the third party up to the amount of the invoice value of the goods supplied. We accept this cession.
- At our request, the purchaser must provide us with all information required on the extent and condition of the goods belonging to us and the claims ceded to us, and notify his customers of such cession.
- The purchaser shall be obliged to carefully store the goods subject to retention of title and to safeguard them against loss and damage at his own expense. The purchaser hereby cedes in advance any claims arising from insurance policies to us. We accept this cession.
- If the value of the securities lodged exceeds our outstanding claims by more than 10%, we may release such securities at our own discretion at the request of the purchaser.
- The right of the purchaser to dispose of the products subject to our reservation of ownership and to collect outstanding claims ceded to us shall expire as soon as the purchaser ceases to make payments and/or becomes insolvent. On the onset of such circumstances, we shall be entitled to require the immediate surrender of all those goods subject to our reservation of ownership to the exclusion of rights of retention without setting a period of grace fulfillment or exercising the right of withdrawal.
- Should the reservation of ownership be invalid under the laws of the country where the goods are located, the purchaser must at our request lodge an equivalent security. If the purchaser fails to comply with this request, we shall be entitled to demand immediate cash settlement of all outstanding invoices, irrespective of any agreed payment schedule.

VII. Guarantee and liability

- The statutory warranty periods shall apply.
- Obvious defects, incorrect deliveries and incorrect quantities are to be reported in writing without delay and no later than within 14 days of the delivery of the goods concerned. We must be notified in writing of hidden defects within 7 days of their discovery.
- The purchaser is responsible for checking – if necessary by means of test processing – whether the goods delivered are suitable for the intended use. This shall apply particularly in the case of the admixture of thinners, hardeners, paint additives or other components not supplied by us.
- In the event of justified complaints, we shall make up the shortfall or replace the goods. If the goods cannot be replaced or the replacement delivery is also defective, the purchaser shall have the right to demand the cancellation of the sale or a price reduction.
- If the purchaser is a not registered trader as defined by the German Act on General Terms and Conditions of Trade:
 - Notifications of hidden defects must be reported in writing within the statutory warranty period. This shall also apply if a warranty period longer than the statutory warranty period has been agreed.
 - In the event of justified reports of defects of goods which have or have not been processed, the purchaser shall only be entitled to demand a replacement. If the replacement is faulty, the purchaser shall have the right to demand the cancellation of the contract or a price reduction at his discretion.
- Claims for compensation from the purchaser based on the violation of our contractual or legal obligations are ruled out if the loss or damage was not caused intentionally or through gross negligence. This does not apply to any loss or damage caused through the culpable violation of an obligation that goes to the root of the contract or to claims for compensation based on the German Product Liability Act.
 - We accept no liability for consequential loss or damage based on contractually typical circumstances and which we could not have foreseen.
 - The limitations of liability also apply to the personal liability of our subcontractors and vicarious agents.
- Liability for assured characteristics shall not be limited by the above provisions.
- If thinners, hardeners, paint additives or other components not supplied by us are combined with the product supplied, or are used in conjunction with it, the guarantee shall only apply if these components were flawless and suitable.

VIII. Legal venue and place of performance

- The place of performance for all obligations stemming from the business relationship or the individual contract is the respective shipping point; the place of performance for payment is our head office.
- The legal venue for any disputes arising from this contract shall be, at our discretion, either our principal place of business or the purchaser's general legal venue. This also applies to all disputes involving documents, bills of exchange or cheques.
- Sections VIII(1) and VIII(2) do not apply to purchasers who are not registered traders ('Kaufleute') as defined by the German Act on General Terms and Conditions of Trade or to small traders.
- The contractual relationship with our purchasers shall be exclusively governed by the Law of the Federal Republic of Germany. The applicability of the CISG (United Nations Convention on Contracts for the International Sale of Goods dated 11 April 1980) is hereby expressly ruled out.

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