

**General Terms and Conditions
for the purchase and sale of
Farbenwerke Wunsiedel GmbH,
Landgrafenweg 5, 95632 Wunsiedel, Germany**

§ 1 General information / Scope of application / Purchasing

- (1) Our General Terms and Conditions for the purchase and sale (hereinafter referred to as "GTC") apply exclusively to our purchasing and sales transactions.
- (2) We do not recognize any terms and conditions of our contractual partner that conflict with or deviate from our GTC, e.g., their general terms and conditions of purchase or sale, unless we have expressly agreed to their validity in writing.
- (3) Our GTC shall also apply if we carry out the delivery to the customer without reservation in the knowledge of terms and conditions of the customer that conflict with or deviate from our GTC.
- (4) All agreements made between us and the customer for the purpose of executing this contract are set out in writing in this contract.
- (5) Our GTC apply only to entrepreneurs within the meaning of section 310 (1) of the German Civil Code (BGB).
- (6) Our GTC shall also apply to all future transactions with the contractual partner until new or amended GTC are incorporated. We shall notify our contractual partner of any changes to the GTC without delay.
- (7) If we act as the buyer, we are entitled to the full statutory rights.

§ 2 Offer / Product Specifications

- (1) If the customer's order qualifies as an offer in accordance with § 145 BGB (German Civil Code), we can accept it within 2 weeks. This is usually done by means of a written order confirmation.
- (2) Our offers are subject to change, in particular with regard to price, quantity, and delivery time, unless otherwise stated in the order confirmation. This also applies to repeat orders.
- (3) Information on quality and quantity is provided to the best of our knowledge. We reserve the right to make deviations, provided these are within the scope of customary quality and quantity tolerances and are reasonable for the customer.
- (4) Unless otherwise agreed, we guarantee tolerances in accordance with DIN 6174 of a maximum of DE = 1.0 for color deviations and a maximum of +/- 0.6 for the values DL, Da, and Db.
- (5) Our application-related advice, whether verbal or written, is non-binding, even insofar as it concerns any third-party property rights, and does not release the customer from their own obligation to test the products delivered by us with regard to their suitability for the intended processes and purposes.

§ 3 Invoices / Prices / Terms of payment / Rights of set-off and retention

- (1) The customer agrees to the electronic transmission of invoices, for example by email.
- (2) Payments must be made in euros.
- (3) Statutory value added tax is not included in our prices. It will be shown separately on the invoice at the statutory rate on the date of invoicing.
- (4) Public charges and duties as well as customs duties are also not included in the prices and will therefore also be invoiced separately.
- (5) Unless otherwise stated in the order confirmation, the purchase price is due without deduction upon receipt of the invoice or equivalent payment schedule. The customer is in default if they do not pay within 30 days of receipt of the invoice or equivalent payment schedule. The statutory provisions regarding the consequences of default in payment apply.
- (6) The customer shall only be entitled to set-off and retention rights if their counterclaims have been legally established, are undisputed, or have been recognized by us.

§ 4 Delivery time / Default of acceptance by the customer / Delivery conditions in purchasing

- (1) The start of the delivery period specified by us is subject to the clarification of all technical questions.
- (2) Compliance with our delivery obligation also requires the timely and proper fulfillment of the customer's obligations. We reserve the right to raise the defense of non-performance of the contract [Einrede des nicht erfüllten Vertrages].

- (3) If the customer defaults on acceptance [Annahmeverzug within the meaning of sections 293 ff. BGB - German Civil Code] or culpably [schuldhaft within the meaning of Section 276 (1) and (2) BGB - German Civil Code] violates other obligations to cooperate, we shall be entitled to demand compensation for the damage incurred by us in this respect, including any additional expenses. We reserve the right to assert further claims or rights.
- (4) If the conditions of § 4 section 3 of these GTC are met, the risk of accidental loss or accidental deterioration of the purchased item shall pass to the customer at the point in time at which the customer is in default of acceptance [Annahmeverzug] or payment [Schuldnerverzug].
- (5) If we act as the buyer, deliveries shall be made free of charge, the delivery times specified by the seller shall be binding, and we shall be entitled to the statutory rights in the event of a delay in delivery.

§ 5 Liability in the event of a delay in delivery

- (1) We shall be liable in accordance with the statutory provisions if the underlying purchase contract is a fixed-date transaction [Fixgeschäft] within the meaning of section 323 (2) No. 2 BGB - German Civil Code - or section 376 German Commercial Code (HGB). We shall also be liable in accordance with the statutory provisions if, as a result of a delay in delivery for which we are responsible, the customer is entitled to assert that its interest in the further performance of the contract has ceased to exist.
- (2) We shall also be liable in accordance with the statutory provisions if the delay in delivery [Lieferverzug] is due to an intentional or grossly negligent [grob fahrlässig] breach of contract for which we are responsible; any fault on the part of our representatives or vicarious agents shall be attributed to us. If the delay in delivery is due to a grossly negligent [grob fahrlässig] breach of contract for which we are responsible, our liability for damages shall be limited to the foreseeable, typically occurring damage.
- (3) We shall also be liable in accordance with the statutory provisions if the delay in delivery [Lieferverzug] for which we are responsible is due to a culpable breach of a material contractual obligation; in this case, however, our liability for damages shall be limited to the foreseeable, typically occurring damage.
- (4) Further legal claims and rights of the customer remain reserved.

§ 6 Reservations of withdrawal / partial deliveries

- (1) If it becomes impossible or unreasonably difficult for us to fulfill our contractual obligations as a result of force majeure, we shall be entitled to withdraw from the contract. Force majeure refers to external, unforeseeable, and unavoidable obstacles, such as labor disputes, natural disasters, shortages of raw materials and energy, fire, pandemics, war and riots, or other events for which we are not responsible, regardless of whether they occur in our own business or in a third-party business on which the manufacture or transport of the purchased item essentially depends.
- (2) In the event that we have concluded a specific hedging transaction with our supplier and are let down by them for reasons beyond our control, we shall be entitled to withdraw from the contract with the customer.
- (3) If facts become known that significantly impair the customer's creditworthiness, in particular attempts to enforce execution against the customer's assets, the application for or opening of insolvency proceedings against the customer's assets, or the submission of an affidavit, we shall be entitled to demand advance payment or security or to withdraw from the contract.
- (4) We are entitled to make partial deliveries unless this is unreasonable for the customer. Partial deliveries are considered separate transactions.

§ 7 Inspection for defects / Liability for defects

- (1) Claims for defects [Mängelansprüche] by the customer require that the customer has properly fulfilled its obligations to inspect and give notice of defects in accordance with section 377 German Commercial Code - HGB.

Notifications of defects must be made in writing [Textform within the meaning of section 126b German Civil Code - BGB] to be effective.

If the customer processes the delivery themselves or has it processed by others, their obligation to inspect includes checking the delivery under operating conditions before starting production.

The customer must notify us of obvious defects, such as clearly visible transport damage, incorrect or short deliveries, immediately [unverzüglich within the meaning of section 121 (1) German Civil Code – BGB], but no later than one week after delivery, otherwise the delivery shall be deemed approved in accordance with section 377 (2) German Commercial Code - HGB.

If a defect becomes apparent at a later date that could not be detected during proper inspection, we must be notified of the defect immediately, but no later than one week after discovery, otherwise the delivery shall be deemed approved in accordance with section 377 (2) German Commercial Code - HGB.

- (2) If we act as the buyer, we are only obliged to carry out a simplified incoming goods inspection. This comprises a random inspection of the delivered batch for obvious defects. We shall report hidden defects at our discretion either verbally or at least in writing as soon as they are discovered in the normal course of business. The supplier waives the objection of late notification of defects for all defects reported within 14 days of receipt of the goods or, in the case of hidden defects, within 14 days of discovery.
- (3) The customer is obliged to give us the opportunity within a reasonable period of time to convince ourselves of the existence of a reported defect, in particular to make the rejected goods or samples thereof available to us.
- (4) If there is a defect [Mangel] in the purchased item, we shall be entitled, at our discretion, to subsequent performance [Nacherfüllung within the meaning of section 439 (1) German Civil Code - BGB] in the form of rectification of the defect [Nachbesserung] or delivery of a new item [Nachlieferung] free of defects. In the event of subsequent performance [Nacherfüllung], we shall be obliged – in relation to the place of performance of the subsequent performance – to bear all expenses necessary for the purpose of remedying the defect, in particular transport, travel, labor, and material costs; however, we shall only bear removal and installation costs if the prerequisite of fault-based liability [verschuldensabhängige Haftung] for damages is met.
- (5) If, within the scope of subsequent performance [Nacherfüllung within the meaning of section 439 (1) German Civil Code - BGB], the customer has incurred expenses for removal and installation as well as for attaching the purchased item to another item in accordance with the type of purchased item and its respective contractual purpose, we are obliged to reimburse the customer for the necessary expenses incurred in this respect. However, this only applies if the defect was not yet apparent at that time or was not discovered as a result of gross negligence on the part of the customer.
- (6) If the subsequent performance [Nacherfüllung within the meaning of section 439 (1) German Civil Code - BGB] fails, the customer is entitled to demand withdrawal [Rücktritt vom Vertrag] or reduction [Minderung des Kaufpreises] at their discretion.
- (7) We shall be liable in accordance with the statutory provisions if the customer asserts claims for damages based on intent or gross negligence, including intent or gross negligence on the part of our representatives or vicarious agents [Erfüllungsgehilfen]. Insofar as we are not accused of intentional or grossly negligent breach of contract, our liability for damages shall be limited to the foreseeable, typically occurring damage.
- (8) We shall be liable in accordance with the statutory provisions if we culpably breach an essential contractual obligation; however, even in this case, our liability for damages shall be limited to the foreseeable, typically occurring damage. An essential contractual obligation exists if the breach of duty relates to an obligation on whose fulfillment the customer relied and was entitled to rely.
- (9) Insofar as the customer is otherwise entitled to compensation for damages instead of performance due to a negligent [fahrlässig] breach of duty, our liability is limited to compensation for foreseeable, typically occurring damage.
- (10) Liability for culpable [schuldhaft] injury to life, limb, or health remains unaffected. This also applies to mandatory liability under the German Product Liability Act.
- (11) Unless otherwise specified above, liability is excluded.

- (12) The limitation period [Verjährungsfrist] for claims for defects is 12 months from the start of the statutory limitation period. This does not apply in the case of the sale of an item that is normally used for a building and has caused the respective defect.
- (13) The limitation period in the case of delivery recourse pursuant to section 445b of the German Civil Code -BGB - remains unaffected.

§ 8 Total liability

- (1) Any liability for damages beyond that provided for in § 7 is excluded, regardless of the legal nature of the claim asserted. This applies in particular to claims for damages arising from culpa in contrahendo, other breaches of duty, or tortious claims for compensation for property damage pursuant to section 823 German Civil Code - BGB.
- (2) The limitation according to § 8 section 1 also applies if the customer demands compensation for useless expenses instead of a claim for compensation for damages in lieu of performance.
- (3) Insofar as our liability for damages is excluded or limited, this also applies with regard to the personal liability for damages of our employees, workers, staff, representatives, and vicarious agents.

§ 9 Retention of title

- (1) We retain title to the purchased item until all claims and ancillary claims, including future ones, arising from the existing business relationship with the customer have been fulfilled, regardless of the legal basis and even if payments are made on specific claims. In the case of an existing current account [Kontokorrent], the reservation refers to the recognized balance. If the customer acts in breach of contract, in particular in the event of default in payment, we shall be entitled to take back the purchased item. Our taking back of the purchased item constitutes a withdrawal [Rücktritt] from the contract. After taking back the purchased item, we shall be entitled to sell it; the proceeds of the sale shall be offset against the customer's liabilities, less reasonable costs of sale.
- (2) The customer is obliged to treat the purchased item with care. In particular, they are obliged to insure it adequately at their own expense against fire, water, and theft damage at replacement value. If maintenance and inspection work is necessary, the customer must carry this out in good time at their own expense.
- (3) In the event of seizures or other interventions by third parties, the customer must notify us immediately in writing so that we can take legal action in accordance with section 771 ZPO (German Code of Civil Procedure). If the third party is unable to reimburse us for the judicial and extrajudicial costs of a lawsuit in accordance with section 771 German Code of Civil Procedure - ZPO, the customer shall be liable for the loss incurred by us.
- (4) The customer is entitled to resell the purchased item in the ordinary course of business. However, the customer hereby assigns to us all claims in the amount of the final invoice amount (including VAT) of our claim, which accrue to the customer from the resale against its customers or third parties, irrespective of whether the purchased item has been resold without or after processing. The customer remains authorized to collect this claim even after the assignment. Our authority to collect the claim ourselves remains unaffected by this. However, we undertake not to collect the claim as long as the customer meets their payment obligations from the proceeds received, is not in default of payment and, in particular, no application for the opening of composition or insolvency proceedings has been filed or payments have been suspended. If this is the case, however, we may demand that the customer 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.
- (5) The processing or transformation of the purchased item by the customer is always carried out on our behalf. If the purchased item is processed with other items that do not belong to us, we shall acquire co-ownership of the new item in proportion to the value of the purchased item (final invoice amount, including VAT) to the other processed items at the time of processing. The same applies to the item created by processing as to the purchased item delivered under reservation.
- (6) If the purchased item is inseparably mixed with other items that do not belong to us, we shall acquire co-ownership of the new item in proportion to the value of the purchased item (final invoice amount, including VAT) to the other mixed items at the time of mixing. If the mixing is carried out in such a way that the customer's item is to be regarded as the main item, it is agreed that the customer shall transfer proportional co-ownership to us.

The customer shall hold the resulting sole ownership or co-ownership in safekeeping for us.

- (7) The customer also assigns to us the claims to secure our claims against him which accrue against a third party through the connection of the purchased item with a piece of real estate.
- (8) We undertake to release the securities to which we are entitled at the customer's request insofar as the realizable value of our securities exceeds the claims to be secured by more than 20%; the selection of the securities to be released is at our discretion.

§ 10 Place of jurisdiction / Place of performance /

Confidentiality / Authoritativeness of the German version

- (1) If the contractual partner is a merchant [Kaufmann], our place of business in Wunsiedel, Germany, shall be the exclusive place of jurisdiction. However, we shall also be entitled to sue the contractual partner at any other legal place of jurisdiction.
- (2) The law of the Federal Republic of Germany shall apply exclusively. The validity of the UN Convention on Contracts for the International Sale of Goods (CISG) is excluded.
- (3) Unless otherwise stated in the order confirmation, our place of business in Wunsiedel, Germany, shall be the place of performance.
- (4) If we act as the seller, the parties undertake to maintain confidentiality regarding the agreed prices and the knowledge and documents obtained in the course of the cooperation. These may only be used for the purpose of implementing the agreement.
- (5) The German version of the General Terms and Conditions shall always be authoritative.