

GENERAL TERMS AND CONDITIONS OF ZINSER GMBH • DAIMLERSTRASSE 4 • 73095 ALBERSHAUSEN / GERMANY

1. SCOPE

1.1. These General Terms and Conditions (hereinafter "Terms") apply to all contracts between the company ZINSER GmbH (hereinafter "ZINSER") and its customers (hereinafter "customer") for the sale and production of goods and provision of services (hereinafter "the contract"), regardless of whether ZINSER produces the item or service itself or procures it by third parties. However, they apply only if the customer is a business entity covered by the provisions of § 14 BGB, a legal entity under public law or a public special asset.

1.2. These Terms constitute a framework agreement between ZINSER and the customer which is valid for all future contracts, without ZINSER having to point to it again at the contract conclusion. ZINSER has the right to change the Terms from time to time. They become integral part of the contract in the respectively latest version, if and insofar as ZINSER immediately notifies the customer of changes. These Terms can be viewed anytime at the registered office of ZINSER and will be sent to the customer upon request. The Terms can also be viewed and downloaded at www.zinser.de.

2. SUPPLEMENTARY PROVISIONS

2.1. In individual cases reached agreements take precedence over these Terms. Decisive for their content is the written agreement between ZINSER and the customer.

2.2. Differing, conflicting and complementary customer terms and conditions only apply, if ZINSER accepts them in written form (§126 BGB). The unconditional execution of a customer's order with knowledge of the customer's terms does not lead to their inclusion.

2.3. The customer shall not sell, export or re-export, directly or indirectly, to the Russian Federation or Belarus or for use in the Russian Federation or Belarus any subject matter of the contract or parts hereof. The customer shall undertake his best efforts to ensure that the purpose of sentence (1) is not frustrated by any third parties further down the commercial chain, including by possible resellers. The customer shall set up and maintain an adequate monitoring mechanism to detect conduct by any third parties further down the commercial chain, including by possible resellers, that would frustrate the purpose of sentence (1). Any violation thereof shall constitute a material breach of an essential element of this Agreement, and ZINSER shall be entitled to seek appropriate remedies, including, but not limited to:

(i) termination of this Agreement; and

(ii) a penalty of 50% of the total value of this Agreement or price of the goods exported, whichever is higher.

The customer shall immediately inform ZINSER about any problems in applying the aforementioned, including any relevant activities by third parties that could frustrate the purpose of this paragraph. The customer shall make available to ZINSER all information concerning compliance with the obligations under this paragraph within two weeks of the simple request for such information.

3. WRITTEN FORM REQUIREMENT

Legally relevant declarations that the customer executes towards ZINSER after a contract conclusion, in particular notices of defect, deadlines and configuration declarations, require the written form, § 126 BGB. The written form, § 126 BGB, is also required for the waiver of the requirement of the written form.

4. CONTRACT CONCLUSION

4.1. The customer's order is considered a binding contract offer. A contract between ZINSER and the customer comes off only when ZINSER confirms the customer's order in written form or if the customer accepts a revised order confirmation by ZINSER or does not veto it immediately. The latter does not apply in the case of significant deviations of the order confirmation from the order.

4.2. Public available documents or documents made available to the customer that relate to the performance of ZINSER (in particular catalogs, technical documentation, calculations and other product specifications), represent neither an offer from ZINSER to the conclusion of a contract, nor do they have relevance to the content of a contract concluded later on. They do particularly not constitute any agreement on the legal and factual nature, particular not an agreement on the legal and factual nature as defined by § 434 Abs.1 S.1 BGB.

5. TERMS OF DELIVERY, NONAVAILABILITY OF GOODS OR SERVICES

5.1. If a date is specified in the order confirmation issued by ZINSER, on which the performance of ZINSER matures (delivery date), then this delivery date becomes part of the contractual agreement if the customer does not object immediately.

5.2. ZINSER is liable to the customer – subject to further limitations in these conditions – for a damage caused to the customer due to delay, only if ZINSER is responsible for the delay.

5.3. Subject to timely self delivery. ZINSER is not liable for delays that occur due to delayed self supply of ZINSER by a supplier, if there were no doubts on the reliability of the supplier at the time of assignment.

5.4. ZINSER is entitled to provide partial services, to request the acceptance and charge the related service, if this is reasonable to the customer.

5.5. In case of a take-back obligation for packaging of ZINSER (e.g. §§7 and 8 packaging ordinance), the customer who is not end consumer, has to return the packaging at his own expenses and risk to ZINSER.

5.6. as acceptance is to take place, the subject of the contract shall be considered accepted if the delivery and, insofar as ZINSER is also responsible for installation or service provision, installation or service provision is complete, ZINSER has informed the client of this with reference to the acceptance process in accordance with the present § 5.6 and has requested that he provides acceptance, 12 working days have passed since delivery or installation/service provision or the client has begun using the subject of the contract (e.g. has commissioned the delivered system) and, in this case, 6 working days have passed since delivery or installation/service provision, and the client has failed to issue acceptance within this period for another reason other than due to a defect highlighted by ZINSER which renders use of the purchase item impossible or considerably impedes it.

6. DEFAULT OF ACCEPTANCE OF THE CUSTOMER

If the customer should be in default with the acceptance of goods or services provided by ZINSER, or if the customer omits a statutory act of cooperation (or delays e.g. according to § 642 BGB) or if there should be delays of the delivery out of other reasons within the responsibility of the customer, the customer has to compensate ZINSER for the thereby incurred damage.

7. RETENTION OF TITLE

An item delivered to the customer remains in the ownership of ZINSER until the full payment of the claim underlying this delivery from ZINSER. If payment is fully or partially against securities or guarantees, ZINSER reserves the property until the return of the security or guarantee certificate or until a doubtless waiver of the rights from the security or guarantee. The customer is entitled to alienate or to process the good subject to the reservation of title in the due course of business. In case of processing, combining or mixing the good with other goods the retention of title of ZINSER is carried forward to the product to its full value. In this case ZINSER is considered as the manufacturer of the product. If property rights of third parties to a product exist, ZINSER acquires joint ownership of the product proportional of the value of the good of ZINSER to the value of the property of the third party or parties. The customer hereby assigns claims which he acquires due to the resale of the subject under title retention of ZINSER as well as claims which the customer acquires due to the resale of a good on which ZINSER acquires rights towards third parties, already now in the amount of the claim to ZINSER. ZINSER accepts the assignment.

8. PRICES, PRICE CHANGES

8.1. Unless otherwise agreed, the prices of ZINSER valid at the moment of the contract conclusion apply; these are always to be understood ex works and exempt VAT.

8.2. Costs of transportation and transport insurance, as well as charges, customs duties, taxes and fees are to be borne by the customer.

9. CREDITING OF PAYMENT OF THE CUSTOMER

ZINSER will offset payments of the customer first against costs, then against interests and then against the principal claim. If several principal claims exist, the oldest enjoys priority.

10. NETTING PROHIBITION

Customers can choose from netting and retention only insofar as his claim is undisputed or finally established. In case of defects of the goods delivered by ZINSER the rights of the customer remain unaffected.

11. WARRANTY CLAIMS

11.1. Insofar as a default exists, ZINSER is entitled to determine the type of supplementary performance, in consideration of the type of fault and the legitimate interests of the customer. A supplementary performance is to be considered as failed in these contracts after the third abortive attempt. (This paragraph does not apply in case of recourse according to § 478 BGB).

11.2. In case of supplementary performance for faults ZINSER is just insofar obliged to pay the necessary expenses, in particular costs for transport, travel, labor and material, as these do not increase by the fact that the good was moved to another place than the domicile or the commercial branch of the customer to which it was delivered. (This paragraph does not apply in case of recourse according to § 478 BGB).

11.3. The customer is obliged, at the request of ZINSER, to return defective parts for supplementary performance to ZINSER and thereby to avoid any damage to the parts by professional packing and professional shipping.

11.4. The warranty claims of customers including damage claims on newly manufactured objects lapse after one year. This does not apply in case of recourse according to § 478 BGB, furthermore this does not apply in the cases according to §§ 438 Abs. 1 Nr. 2 BGB and 634a Abs. 1 Nr. 2 BGB. The liability for defects on not newly manufactured objects is excluded. The above disclaimer, as well as the above ordinance about the limitation period do not apply to damage claims due to injury of life, body or health or due to grossly negligent or deliberate breach of duty by ZINSER or by auxiliary persons of ZINSER.

11.5. Warranty claims of the customer do not apply for damages ZINSER is not responsible for arising from faulty handling, excessive use or inadequate maintenance after commissioning to the customer.

12. LIABILITY FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES

12.1. In case of liability of ZINSER for damages the following applies:

a. If the claims are based on deliberate or grossly negligent breach of duty through ZINSER or through representatives or auxiliary persons of ZINSER, ZINSER is liable for compensations under the statutory provisions.

b. Unless otherwise agreed under a. and as far as there is no breach of essential contractual obligations, liability for damages of ZINSER is excluded.

c. If essential contractual obligations are violated, the liability of ZINSER is limited to the typical contractual, foreseeable damages.

12.2. The exclusions and limitations in paragraph 12.1. do not only apply for contractual, but also for other, particularly tort liability claims. They also apply to claims for reimbursement of futile expenses in lieu of performance.

12.3. The exclusions and limitations of liability in paragraph 12.1. and 12.2. do not apply to observe any existing claims according to §§ 1, 4 Produkthaftungsgesetz (product liability law) or for culpable injury to life, body or health. They also do not apply insofar as ZINSER has accepted liability for the condition of the good or a performance success or a purchasing risk and the warranty case occurred or the procurement risk has been realized.

12.4. A liability arising from the acceptance of a procurement risk regards ZINSER only when ZINSER has explicitly taken over the risk of procurement in written form.

12.5. Insofar as the liability of ZINSER is excluded or limited, this also applies to the personal liability of employees, agents and auxiliary persons.

12.6. A reversal of the burden of proof is not involved in the aforementioned regulations.

13. APPLICABLE LAW, PLACE OF PERFORMANCE AND JURISDICTION

13.1. The law of the Federal Republic of Germany applies.

13.2. Place of performance for all services under this contract is D-73095 Albershausen.

13.3. For contracts with merchants, corporate entities under public law, public special assets and with foreigners who have no domestic jurisdiction, jurisdiction is D-73095 Albershausen. ZINSER has also the right to sue at the domicile of the customer.

14. FORCE MAJEURE / ACTS OF GOD

In case of unpredictable and/or inevitable adverse events for which ZINSER bears no responsibility, and which cannot be avoided or compensated for by adequate and reasonable measures, ZINSER's contractual obligations shall be temporarily suspended without any adverse consequences for ZINSER, and shall resume only after the adverse event has ended. Such adverse events include, but are not limited to:

- Natural hazards such as flooding or drought, earthquake, storm of wind force 8 and above, congestion of ports and other routes of transportation, fire, or any measure taken by a public authority, which has been taken in reaction to any such event
- Political risks such as war, civil war, revolution, unrests, embargoes, calls for boycott, changes of legislation, customs intervention, limitations to monetary transactions, confiscations or destruction, epidemics and plagues, or any measure taken by a public authority, which has been taken in reaction to any such event
- Cases of hardship or economic impracticality, which may deem the fulfillment of ZINSER's contractual obligations unreasonable

15. OTHERS

If any provision of this Agreement should be or become invalid, the validity of the other provisions of this agreement shall not be affected. In this case, the parties are obliged to replace the invalid provision by a provision that corresponds economically to what the parties would have agreed, if they had known about the ineffectiveness.