

General Conditions of Sale of Hempel Products and/or Services (GERMANY)

Effective as of June 2021

1. DEFINITIONS

Buyer means an entrepreneur (§ 14 BGB), a legal entity under public law or a special fund under public law, who purchases the Products and/or Services from the Seller.

Conditions means these General Conditions of Sale of Hempel Products and/or Services.

Contract means the agreement between the Seller and the Buyer for the sale and purchase of the Products and/or Services incorporating these Conditions, including all separate warranty agreements or performance guarantees.

Intumescent Products means those Products comprising intumescent paints, coatings and related products as well as their packaging, sold by the Seller to the Buyer under the Contract.

Products means all paints, coatings and related products including Intumescent Products, as well as their packaging, sold by the Seller to the Buyer under the Contract.

Seller means the Hempel entity accepting the order from the Buyer and issuing the invoice for the Products and/or Services.

Services means the technical advice and other services being provided by the Seller to the Buyer under the Contract.

2. SCOPE

(a) These Conditions set out the terms and conditions on which the Seller supplies the Products and/or performs the Services to the Buyer unless otherwise expressly agreed in writing by the Seller.

(b) Any terms and conditions which the Buyer purports to apply in a purchase order, confirmation letter or any other document provided by the Buyer shall not form part of the Contract. The Seller shall not be bound by conflicting purchasing conditions provided by the Buyer even if the Seller has not explicitly rejected or contradicted such conflicting conditions. This requirement of consent shall apply in any case, for example even if the Seller carries out the delivery to the Buyer without reservation in the knowledge of the Buyer's general terms and conditions.

(c) The legality, validity and enforceability of other clauses in these Conditions will not be affected if one of the clauses is or becomes illegal, invalid or unenforceable.

3. QUOTATIONS AND ORDER ACCEPTANCE

The Seller's quotation is an invitation to the Buyer to make an offer and does not constitute a binding offer to the Buyer. By ordering or by accepting the quotation (e.g. by issuing a purchase order), the Buyer shall be deemed to have made an offer to purchase the Products and/or the Services from the Seller subject to these Conditions. The Seller is only bound by such offer when the order is accepted in writing by the Seller (e.g. by issuing an order confirmation) or by delivering the Products and/or Services.

4. PRICES AND PAYMENT TERMS

(a) The price for the Products and/or Services shall be the price agreed by the Seller in writing. All prices exclude taxes, customs and import tariffs and duties and delivery costs that the Buyer must pay. The price for Products includes the Seller's standard packaging but is excluding other fees e.g. tinting fee, small order fee etc.

(b) Prices are based on raw materials, manufacturing and other related costs incurred by the Seller. In the event of an increase in such costs to the Seller of 5% (five percent) or more between the conclusion of the Contract and the date of agreed delivery, the Seller reserves the right to adjust the prices to directly reflect such changes. In such event, the Buyer has the right to withdraw from the contract.

(c) The Buyer must pay the invoice amount in full within 30 (thirty) days from the date of the invoice or as otherwise stated in the invoice. Payment by the Buyer must be made in the currency specified in the invoice. The Seller has the right to send the invoice by email to the email address of the Buyer, if this email address is known to the Seller. Upon expiry of the above payment period, the Buyer shall be in default. Interest shall be charged on the purchase price at the statutory default interest rate applicable at the time during the period of default. The Seller reserves the right to claim further damages caused by default. The claim to commercial maturity interest (§ 353 HGB) vis-à-vis merchants shall remain unaffected.

(d) The Buyer shall only be entitled to rights of set-off or retention insofar as his claim has been legally established or is undisputed. In the event of defects in the delivery, the Buyer's counter rights shall remain unaffected.

5. DELIVERY, TITLE AND RISK

(a) The Products are to be delivered "DAP" (Incoterms 2020) at the place and date specified in the order and the Seller reserves the right to invoice the Buyer for all delivery costs.

(b) If acceptance has been agreed, this shall be decisive for the passing of risk. The statutory provisions of the law on contracts for work and services shall also apply accordingly to an agreed acceptance. If the Buyer is in default of acceptance, this shall be deemed equivalent to handover or acceptance.

(c) If the Buyer is in default of acceptance, if he omits an act of cooperation or if the delivery of the Seller is delayed for other reasons for which the Buyer is responsible, the Seller is entitled to demand compensation for the resulting damage including additional expenses (e.g. storage costs). For this the Seller charges a lump-sum compensation in the amount of EUR 50,00 per calendar day, beginning with the delivery period or - in the absence of a delivery period - with the notification that the goods are ready for dispatch.

(d) If it becomes apparent after conclusion of the contract (e.g. by filing for insolvency proceedings) that the claim of the Seller to the purchase price is endangered by the Buyer's lack of ability to pay, the Seller shall be entitled to refuse performance in accordance with the statutory provisions and - if necessary after setting a deadline - to withdraw from the contract (§ 321 BGB). In the case of contracts for the manufacture of unacceptable items (custom-made products), the Seller may declare the withdrawal immediately; the statutory provisions on the dispensability of setting a deadline shall remain unaffected.

(e) Title:

(1) The Seller reserves title to the goods sold until all its present and future claims arising from the purchase contract and an ongoing business relationship (secured claims) have been paid in full.

(2) The goods subject to retention of title may neither be pledged to third parties nor assigned as security before full payment of the secured claims. The Buyer shall notify the Seller immediately in writing if an application for the opening of insolvency proceedings is filed or if third parties seize the goods belonging to the Seller (e.g. seizures).

(3) If the Buyer acts in breach of contract, in particular if he fails to pay the purchase price due, the Seller shall be entitled to withdraw from the contract in accordance with the statutory provisions and/or to demand the return of the goods on the basis of the reservation of title. The demand for return does not at the same time include the declaration of withdrawal; the Seller is rather entitled to demand only the return of the goods and to reserve the right of withdrawal. If the Buyer does not pay the due purchase price, the Seller may only assert these rights if the Seller has unsuccessfully set the Buyer a reasonable deadline for payment beforehand or if such setting of a deadline is dispensable under the statutory provisions.

(4) Until revocation according to (c) below, the Buyer shall be entitled to resell and/or process the goods subject to retention of title in the ordinary course of business. In this case the following provisions shall apply in addition.

(i) The retention of title shall extend to the full value of the products resulting from the processing, mixing or combination of the goods of the Seller, whereby the Seller shall be deemed to be the manufacturer. If, in the event of processing, mixing or combination with goods of third parties, their right of ownership remains, the Seller shall acquire co-ownership in the ratio of the invoice values of the processed, mixed or combined goods. In all other respects, the same shall apply to the resulting product as to the goods delivered under reservation of title.

(ii) The Buyer hereby assigns to the Seller by way of security all claims against third parties arising from the resale of the goods or the product, or in the amount of our possible co-ownership share in accordance with the above paragraph. The Seller accepts the assignment. The obligations of the Buyer mentioned in paragraph 2 shall also apply in consideration of the assigned claims.

(iii) In addition to the Seller, the Buyer shall remain authorized to collect the claim. The Seller undertakes not to collect the claim as long as the buyer meets his payment obligations to the Seller, there is no defect in his ability to pay and the Seller does not assert the reservation of title by exercising a right in accordance with paragraph 3. If this is the case, however, the Seller can demand that the buyer informs the Seller 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. Furthermore, in this case the Seller shall be entitled to revoke the Buyer's authority to further sell and process the goods subject to retention of title.

(iv) If the realisable value of the securities exceeds the Seller's claims by more than 10%, the Seller shall release securities of our choice at the request of the Buyer.

(f) The Buyer shall thoroughly inspect all Products on delivery and notify the Seller as soon as reasonably practicable of any apparent damage to, defect or shortage in, any Products. If the Buyer fails to give such notice, the Products shall be deemed to be in all respects in accordance with the relevant purchase order and accepted by the Buyer, save to the extent that there is a latent defect which is not reasonably obvious on inspection.

(g) It is the Buyer's responsibility to obtain all licences, exchange control documents and other consents needed for the import and use of the Products. The Buyer shall not be discharged from its obligations under these Conditions if the Buyer fails to obtain a licence or other consent(s).

6. FORCE MAJEURE

(a) The Seller is released from its obligation to deliver the Products and/or Services on the delivery date, if events beyond its reasonable control prevent the Seller from performing its obligations (Force Majeure). Should such events continue to prevent the Seller from performing its obligations for 60 (sixty) consecutive days, either party may cancel the Contract.

(b) The Seller may withhold, reduce or suspend delivery of the Products and/or Services to reasonably allocate its supply capacity between the Buyer and its other customers if Force Majeure prevents the Seller from delivering all the Products and/or Services and fully complying with orders from its other customers. In such event, the Buyer is entitled to cancel the undelivered order(s). This clause sets out the only remedies available to the Parties in the event of Force Majeure.

7. THE SELLER'S WARRANTY

(a) If the delivered item is defective, the Seller may initially choose whether the Seller provides subsequent performance by eliminating the defect (rectification of defects) or by delivering a defect-free item (replacement delivery). The right of the Seller to refuse subsequent performance under the statutory requirements shall remain unaffected.

(b) Restrictions:

(i) The Seller's warranty excludes damage which is caused by mechanical damage, welding or other heating, bacterial attack, pollution, electromechanical actions, damage during repair, deterioration beneath applied coatings or friction, except for ordinary wear and tear. The Seller is only liable under this warranty, if the Buyer (or where relevant, its subcontractor) has:

(aa) prepared all surfaces before coating, coated the object correctly and maintained them after coating, all in accordance with the Product specifications and any guidance issued by Seller,

(bb) transported, stored, handled and used the Products in accordance with all information given to the Buyer by the Seller and any international customs of the trade,

(cc) made a claim documenting the alleged defect in or damage to the Products immediately when the Buyer first became aware or could reasonably have become aware of the defect or the damage,

(dd) allowed the Seller reasonable time and access to inspect the Products, the area of their application and allows the Seller to inspect any maintenance or other relevant records (which the Buyer must keep in accordance with good practice),

(ee) complied with its obligations under these Conditions, including making timely payment of the purchase price, and

(ff) stopped using the Products as soon as the Buyer detected or could have detected the defect.

(ii) Restrictions for Intumescent Products:

The Seller shall not be liable for breach of the warranty in this clause 7 if the applicable non-conformity arises:

(aa) because the Buyer alters the relevant Intumescent Product, or mixes or uses it in conjunction with any unapproved substance,

(bb) in whole or in part, due to wilful damage, abnormal or highly variable environmental conditions; or

(cc) in whole or in part, due to any negligence, misuse of the relevant Intumescent Product, inadequate specification of coating thickness and/or critical/limiting temperature or inadequate or inappropriate surface preparation or coating application by any person other than the Seller or its agents.

(b) The Seller shall be entitled to make the subsequent performance owed dependent on the Buyer paying the purchase price due. However, the Buyer shall be entitled to retain a reasonable part of the purchase price in proportion to the defect.

(c) The Buyer shall give the Seller the time and opportunity necessary for the subsequent performance owed, in particular to hand over the goods complained about for inspection purposes. In the event of a replacement delivery, the Buyer shall return the defective item to the Seller in accordance with the statutory provisions. The subsequent performance

shall neither include the removal of the defective item nor the reinstallation if we the Seller is not originally obliged to install it.

(d) The Seller shall bear or reimburse the expenses required for the purpose of testing and subsequent performance, in particular transport, travel, labour and material costs as well as any dismantling and installation costs in accordance with the statutory provisions, if a defect actually exists. Otherwise, the Seller may demand reimbursement from the Buyer of the costs incurred as a result of the unjustified demand for the removal of the defect (in particular testing and transport costs), unless the lack of defect was not apparent to the Buyer.

(e) If the supplementary performance has failed or a reasonable period of time to be set by the Buyer for the supplementary performance has expired unsuccessfully or is dispensable according to the statutory provisions, the Buyer may withdraw from the purchase contract or reduce the purchase price. In the event of an insignificant defect, however, there shall be no right of withdrawal.

(f) Claims of the Buyer for damages or compensation for futile expenses shall exist only in accordance with Section 8, even in the case of defects, and shall be excluded in all other respects.

8. LIABILITY OF THE SELLER, LIMITATION PERIOD

(a) Unless otherwise provided for in these GTC including the following provisions, the Seller shall be liable for any breach of contractual and non-contractual obligations in accordance with the statutory provisions.

(b) The Seller shall be liable for damages - irrespective of the legal grounds - within the scope of strict liability for intent and gross negligence. In the case of simple negligence, the Seller shall only be liable, subject to statutory limitations of liability (e.g. care in our own affairs; minor breach of duty), only

(i) for damages resulting from injury to life, body or health,

(ii) for damages resulting from the violation of an essential contractual obligation (obligation whose fulfilment is essential for the proper execution of the contract and on whose compliance the contractual partner regularly relies and may rely); in this case, however, the Seller's liability is limited to the compensation of the foreseeable, typically occurring damage.

(c) The limitations of liability resulting from (b) shall also apply to third parties as well as to breaches of duty by persons (also in their favour) whose fault the Seller is responsible for according to statutory provisions. They shall not apply if a defect has been fraudulently concealed or a guarantee for the quality of the goods has been assumed and for claims of the Buyer under the Product Liability Act.

(d) Due to a breach of duty which does not consist of a defect, the Buyer may only withdraw or terminate the contract if the Seller is responsible for the breach of duty. A free right of termination by the Buyer (in particular pursuant to §§ 650, 648 BGB) is excluded. Otherwise, the statutory requirements and legal consequences shall apply.

(e) Notwithstanding § 438 (1) No. 3 BGB, the general limitation period for claims arising from defects of quality and defects of title shall be one year from delivery. If acceptance has been agreed, the limitation period shall commence upon acceptance.

(f) If the goods are a building or an object which has been used for a building in accordance with its normal use and has caused its defectiveness (building material), the period of limitation in accordance with the statutory regulation shall be 5 years from delivery (§ 438 para. 1 No. 2 BGB). Other statutory special regulations on the period of limitation shall also remain unaffected (in particular § 438 para. 1 No. 1, para. 3, §§ 444, 445b BGB).

(g) The above limitation periods of the law on sales shall also apply to contractual and non-contractual claims for damages of the Buyer based on a defect of the goods, unless the application of the regular statutory limitation period (§§ 195, 199 BGB) would lead to a shorter limitation period in an individual case. Claims for damages of the Buyer pursuant to Section 8 (a) and (b) (i) as well as under the Product Liability Act shall be subject to the statutory limitation periods.

9. INTELLECTUAL PROPERTY RIGHTS

The Seller (or Hempel A/S) is and remains the owner of all intellectual property rights related to the Products and/or Services, including know-how, patents, patent applications, inventions, trademarks, technical information, documentation, data as well as any copyright relating hereto. The Buyer does not acquire any rights to any intellectual property rights or other deliverables specifically developed by Seller to fulfil the Contract, such rights shall remain the exclusive property of the Seller (or Hempel A/S).

10. COMPLIANCE, EXPORT CONTROL AND SANCTIONS

The Buyer undertakes that it is and shall in connection with this Contract, remain in compliance with applicable laws and regulations, including but not limited to those relating to anti-bribery and corruption, and sanctions provisions and export control regulations of the UN, US, UK and EU. If

the Buyer is in breach of this clause, the Seller is entitled to either suspend or terminate the Contract immediately.

11. MISCELLANEOUS

(a) The Buyer may not assign its rights and obligations under the Contract.

(b) The Contract establishes neither a partnership nor a joint venture between the Seller and the Buyer, and neither of the parties shall be construed as partner or other business associate of the other.

(c) A waiver of any right or remedy under this Contract shall only be effective if given in writing and shall not be deemed a waiver of any subsequent breach or default.

12. CHOICE OF LAW AND JURISDICTION

(a) Any dispute arising out of the Contract shall be governed, construed and enforced in accordance with the laws of the Federal Republic of Germany shall apply under exclusion of international uniform law, in particular the UN Convention on Contracts for the International Sale of Goods.

(b) The exclusive - also international - place of jurisdiction for all disputes arising directly or indirectly from the contractual relationship shall be the registered office of the Seller. In all cases, however, the Seller shall also be entitled to bring an action at the place of performance of the delivery obligation in accordance with these General Terms and Conditions or a prior individual agreement or at the general place of jurisdiction of the Buyer. This can include admiralty arrest proceedings against a vessel named in the quotation or the order, any sister ships or, if permitted under local law, other vessels under the same or associated management or control. Priority statutory provisions, in particular regarding exclusive jurisdiction, shall remain unaffected.