
General Terms and Conditions of Sale and Delivery

January 2019

1. Scope of Application

- 1.1 The following General Terms and Conditions of Sale and Delivery solely govern any offer, sale or delivery effected by KRONOS INTERNATIONAL, Inc. and KRONOS TITAN GmbH (hereinafter: “**Supplier**”) to business owners for business purposes, to legal entities or to special property entities under public law (hereinafter: “**Purchaser**”).
- 1.2 Any contradicting or diverging terms and conditions of purchaser shall be deemed accepted only and only insofar as expressly agreed in writing by Supplier.
- 1.3 In case of an ongoing business relationship, the current version of these General Terms and Conditions forms part of the agreement even if express reference has not been made anymore.
- 1.4 The following provisions shall apply to the contractual relationships of the parties in the following priority:
 - (a) individual contractual agreements entered into between the parties;
 - (b) these General Terms of Sale and Delivery;
 - (c) statutory law.

2. Offers and Acceptance

- 2.1 A contractual agreement shall only be constituted by virtue of an order confirmation issued by the Supplier or by virtue of performing a delivery by the Supplier.

3. Delivery Period, Delay, Impossibility of delivery

- 3.1 The Supplier shall only be responsible for complying with delivery periods agreed if Purchaser has properly fulfilled its own contractual obligations. Otherwise, the delivery period shall be reasonably extended except where and insofar as the Supplier is responsible for the delay.

4. Dispatch and Passing of Risk

Delivery shall be effected CIP Incoterms 2010 unless otherwise expressly agreed.

5. Warranty

If the products delivered are defective, the statutory provisions shall apply according to the following modifications:

- 5.1 The Supplier shall perform supplementary performance by, at his discretion, either repairing the goods or delivering new goods.
- 5.2 The warranty shall not cover damages caused by incorrect or negligent use, defective or negligent handling, inappropriate production equipment and facilities or inappropriate operating supply items, chemical, electrochemical or electrical influences, as long as Supplier is not responsible for such aforementioned cause or reason respectively.
- 5.3 The warranty period concerning repair work carried out and replacements delivered in connection with supplementary performance shall end no later than upon expiry of the initial warranty period applicable in relation to the original good delivered.
- 5.4 The warranty period shall be one year starting from the transfer of risk, except where the mandatory provisions of sections 478, 479 German Civil Code apply. This neither applies to loss or damage based on an intentional or grossly negligent breach of duty on the part of the Supplier or a legal representative or vicarious agent of the Supplier nor to loss or damage arising from injury to life, limb or health based on an intentional or grossly negligent breach of duty on the part of the Supplier or a legal representative or vicarious agent of the Supplier. The statutory limitation period shall apply in this respect.
- 5.5 The preceding provision 5.5 shall also apply to claims relating to the delivery of defective goods based on tort law.

6. Liability

- 6.1 The Supplier's liability for damages and expenses shall be excluded, except for
 - a) loss or damage based on the violation of a material contractual obligation. In such a case, the Supplier's liability shall be limited to compensation of the foreseeable, typically occurring loss or damage. A material contractual obligation shall in particular be an obligation that is such that the Agreement or an individual purchase agreement can only be duly and properly executed if it is fulfilled and the Purchaser generally can and does rely on compliance therewith;
 - b) loss or damage resulting from a violation of a guarantee issued by the Supplier;
 - c) loss or damage based on an intentional or grossly negligent breach of duty on the part of the Supplier or a legal representative or vicarious agent of the Supplier;

- d) loss or damage arising from injury to life, limb or health based on an intentional or grossly negligent breach of duty on the part of the Supplier or a legal representative or vicarious agent of the Supplier;
- e) claims based on strict liability pursuant to strictly applicable law, in particular pursuant to the Product Liability Act.

The preceding provisions do not change the allocation of burden of proof provided for in statutory law.

7. Prices and Payment

- 7.1 Unless otherwise agreed, prices shall be CIP Incoterms 2010 plus the statutory value added tax payable at the time of the respective individual purchase order.
- 7.2 Unless otherwise agreed, payments shall be made in cash within thirty (30) calendar days of the date of invoice, without any deductions. The statutory provisions concerning interest on maturity shall apply.
- 7.3 Purchaser is neither entitled to offset counterclaims against claims of the Supplier nor allowed to invoke the right of retention, unless those claims are either uncontested by the Supplier, are ready for final judgment or have been finally decided by a court ruling or if the claims are based on the delivery of defective goods, provided that the delivery is divisible.
- 7.4 Upon notice, Supplier may suspend performance of delivery and service if after formation of the contract it becomes apparent that Purchaser will not be able to fulfil a considerable part of its obligations under the contract due to its considerably impaired creditworthiness.

8. Retention of Title

- 8.1 The Supplier reserves title to the delivered products (hereinafter: "**ROT Goods**") until such time as all claims arising from the supply contracts are settled in full. The legal basis for the Supplier's claims against the Purchaser is irrelevant. For the purposes hereof, the term "claims" shall also include amounts outstanding based on a negative current account balance. The Purchaser shall store the ROT Goods for the Supplier free of charge. The Purchaser may sell ROT Goods only within its normal course of business.

9. Final provisions

- 9.1 Place of performance regarding both payment and delivery is at the registered office of the Supplier.
- 9.2 These General Terms and Conditions of Sale and Delivery and the entire legal relationships between the Supplier and the Purchaser shall be governed solely by German law with the application of the UN Convention on the International Sale of Goods (CISG) excluded.

- 9.3 Any dispute arising out of or relating to these General Terms and Conditions or the supply relationship of the Parties shall be finally settled in accordance with the Arbitration Rules of the German Institution of Arbitration (DIS) without recourse to the ordinary courts of law. The place of arbitration is Cologne, Germany. The number of arbitrators is one (1). The language of the arbitral proceedings is English.
- 9.4 The Purchaser is advised in accordance with section 33 of the German Federal Data Protection Act (BDSG) that the Supplier saves the contractual data in machine-readable form and processes these data as required according to the purpose of the contractual relationship. All data shall be kept confidential.
- 9.5 Amendments and supplements to the agreements entered into must be made in writing. This shall also apply to the amendment or waiver of this written form requirement. There are no verbal subsidiary agreements. Additional agreements, provisos, amendments and supplements entered into and made by our employees shall be valid only after written confirmation of the Supplier.
- 9.6 Should individual provisions of these General Terms and Conditions of Sale be wholly or partially invalid or unenforceable, this shall not affect the validity of the other provisions. The respective provision shall be replaced by a valid and enforceable provision which comes closest to the economic intention of the Parties as expressed in the original provision. Any omission shall be remedied by such a provision which the Parties would have agreed on had they recognized the need for such a provision when the Agreement was concluded.