

GENERAL TERMS OF SALE AND SUPPLY

PPG POLIFARB CIESZYN SA in Cieszyn

The General Terms of Sale and Supply of Goods were adopted by resolution of the Management Board of PPG POLIFARB CIESZYN SA, are effective from 01 May 2014 and were published on the website www.ppg-polifarb.pl

1. DEFINITIONS.

- 1.1 In these Terms the following words and expressions shall have the following meanings:
- 1.1.1. **Incoterms** - the latest edition of the trade terms of the International Chamber of Commerce.
 - 1.1.2. **Buyer** - any natural person conducting business activity, legal person or an organisational unit without legal personality but having legal capacity, placing an order with the Seller.
 - 1.1.3. **Seller** - PPG POLIFARB CIESZYN SA seated in Cieszyn.
 - 1.1.4. **Goods** - any goods supplied to the Buyer by the Seller or upon the Seller's order.
 - 1.1.5. **Contract** – means any contract for the sale of goods within the meaning of Art. 535 of the Polish Civil Code or the contract of supply within the meaning of Art. 605 of the Polish Civil Code between the Seller and the Buyer, including the international contract of sale or supply.
 - 1.1.6. **Force Majeure** - in particular: war, riots, coup d'état, strikes at entities other than the parties, earthquake, explosion, storm, flood other natural and geological anomalies - which prevent the Parties from performing their obligations.
 - 1.1.7. **Terms** - these General Terms of Sale and Supply of Goods

2. GENERAL PROVISIONS

- 2.1. The terms specify the rights and obligations of the parties to contracts of sale or contract of supply where PPG POLIFARB CIESZYN SA. is the Selling party. The terms do not apply to consumer sale.
- 2.2. The terms constitute an integral part of all contracts of sale or contracts of supply concluded with the Seller, excluding any other terms which – according to the Buyer – could apply on the basis of any specification, order or other similar documents prepared by the Buyer.
- 2.3. Where the parties established their rights and obligations in a separate written agreement, the provisions of such agreement shall be given priority and the provisions hereof shall apply only to matters not regulated therein.
- 2.4. The Buyer shall read the provisions hereof before ultimately placing an order or agreeing upon all material elements of the contract and no later than upon the signing of contract (if made in writing) or placing the order.
- 2.5. No oral representations of the Seller's employee or representative constitute part of the Contract and can be considered as the Seller's representation or a term of the Contract unless such representations are confirmed in writing by the Seller or are given on the basis of a valid special power of attorney granted by the Seller.
- 2.6. Where the Buyer maintains permanent business relations with the Seller, then the acceptance of these Terms by the Buyer for one transaction means the acceptance of these Terms for all other contracts of sale or supply between the parties, unless an express reservation to that effect is made.
- 2.7. The Buyer must present appropriate registration documents at the Seller's request.
- 2.8. The Seller understands that the Goods shall be used for industrial purposes and shall not be used in any facilities manufacturing nuclear or biological weapons, or for any activity, including painting any of the aforementioned articles or facilities. The Buyer agrees not to use such articles in such facilities or for such activity and forthwith notify the Seller if the Seller's knowledge regarding the end use of these articles is incorrect.
- 2.9. Headings of particular sections of these Terms are included for convenience only and do not constitute basis for their interpretation.
- 2.10. Wherever a party is to give consent or an amendment is required hereunder, such consent or amendment must be made in writing, unless otherwise expressly stipulated in these Terms.

3. ORDERS AND CONCLUSION OF CONTRACT

- 3.1. The Buyer may place orders with the Seller in writing, by fax or e-mail.
- 3.2. PPG accepts orders for Goods from Monday to Friday, between 8:00 am and 04:00 pm.
- 3.3. The order should contain at least the following information:
 - 3.3.1. name and address of the Buyer's seat, Buyer's Tax Id. No. (NIP);
 - 3.3.2. designation of Goods (Goods code);
 - 3.3.3. quantity of ordered Goods;
 - 3.3.4. unit price of Goods;
 - 3.3.5. method of delivery according to Incoterms and the date and address of delivery;
 - 3.3.6. signature/designation of the person authorized to place orders on behalf of and for the Buyer.
- 3.4. The Seller shall confirm the acceptance of order no later than within 3 days from receipt thereof.
- 3.5. Any quantities and dates not expressly confirmed by the Seller are not binding on the Seller. The Seller reserves the right to correct the quantities of Goods ordered and the dates of delivery.
- 3.6. If the Supplier fails to provide comments to placed order within the deadline indicated in clause 3.5., it is considered to be accepted in full.

- 3.7. The Seller reserves the right to refuse to accept orders without giving any reason. In any case of refusal to accept an order, the Buyer shall have no right to make any claims towards the Seller.
- 3.8. If the Contract is the contract of sale based on samples, the Goods shall correspond with the samples to the extent feasible, considering the nature of Goods.
- 3.9. Upon acceptance of order by the Seller, pursuant to clause 3.5., the order becomes binding on the Parties. At that moment a contract for the sale or supply of Goods is concluded accordingly.

4. VARIATION AND TERMINATION

- 4.1. After the acceptance of order by the Seller pursuant to clause 3.5., the terms of Contract shall not be varied, unless the Buyer and the Seller accept the variation in writing or by e-mail.
- 4.2. The Contract may be terminated by the Buyer only in the cases stipulated therein or in the mandatory provisions of law and in any other cases, a prior written consent of the Seller must be obtained. Upon termination of the Contract by either party, unless the Contract is terminated due to the occurrence of Force Majeure or by the Buyer solely in connection with non-performance or improper performance of the Contract by the Seller, the Seller shall have the right to charge the costs of all the activities carried out by the Seller, aimed at proper performance of the Contract until its termination, including all the costs directly connected with the fulfilment of particular orders to the Buyer.

5. DELIVERY AND HANDOVER OF GOODS

- 5.1. The delivery of Goods shall be made on the agreed dates and at the agreed place.
- 5.2. Delivery date shall be the date of physical handover of Goods according to the agreed Incoterms formula along with the required documents to the Buyer and if the Buyer fails to accept the delivery, the moment of placing the Goods at the Buyer's disposal.
- 5.3. The risk of damage to or loss of the Goods shall pass to the Buyer in accordance with Incoterms agreed by the parties.
- 5.4. In the case of deliveries where the transport is arranged by the Seller and the deliveries performed at a place other than the Seller's seat or point of sale, the Buyer shall ensure safe and proper access to and exit from such place in order to avoid delays in delivery. Additionally, the Buyer shall provide appropriate infrastructure for the unloading of Goods (ensuring the presence of the Buyer's representative in justified cases). If the aforementioned measures are not in place, the Seller shall have the right to suspend delivery and demand from the Buyer the reimbursement of all the costs, including the costs of labour of the Seller, its employees and representatives.
- 5.5. Delivery date:
 - 5.5.1. for the products stocked in the warehouse – 48 hours in the territory of Poland;
 - 5.5.2. for the products manufactured according to the Buyer's request, should not exceed 15 working days; firm order lead time shall be each time confirmed by the Seller and shall correspond to the current time of manufacture.
- 5.6. The Seller has the right to perform the delivery before the expected date on the condition the early delivery date is agreed upon with the Buyer.
- 5.7. The Buyer shall sign all the documents connected with the performance of Contract, required by the Seller and ensure it is in the possession of, fully understands and uses the appropriate Material Safety Data Sheet (hereinafter the "Data Sheet") and complies with all the requirements therein enumerated. If the Buyer is not in the possession of the Data Sheet, it should forthwith contact the Seller. The Buyer shall also inform its customers, employees and representatives of the content of the appropriate Data Sheet.
- 5.8. If the Goods ordered are not collected for reasons attributable to the Buyer, the Seller, after setting an additional period of at least 7 days for the collection of Goods by the Buyer, may withdraw from the part of the Contract referring to the sale/supply of Goods that have not been collected.
- 5.9. If the Buyer fails to collect the Goods on time, the Seller shall have the right to demand from the Buyer the payment of contractual penalty of 0.1% of the value of uncollected Goods for each day above 7 days of delay. Additionally, the Seller shall have the right to seek damages in excess of the contractual penalty.
- 5.10. If the Seller withdraws from the Contract for reasons indicated in clause 5.9, the Seller shall have the right to demand from the Buyer the payment of contractual penalty of 20% of the value of Goods for the products made to stock (MTS) and 100% of the value of Goods for the products made to the Buyer's order (MTO), in relation to which the Seller withdrew from the Contract. Additionally, the Seller shall have the right to seek damages in excess of the contractual penalty.
- 5.11. In the case of a delay in the fulfilment of order (delivery) attributable to the Seller, the Buyer may demand from the Seller the payment of contractual penalty of 0.1% of the net value of order for each day of the delay, not more than the total of 10% of the value of the entire order.
- 5.12.
 - 5.12.1. The Purchaser is obliged to return the returnable packaging to the Seller (indicated on the inventory issue document as a returnable packaging) within 90 days of receipt of the Goods in returnable packaging.
 - 5.12.2. In case of the Purchaser's failure to keep the return date of the returnable packaging specified in point 5.12.1., the Purchaser shall be obliged to pay the Seller a contractual penalty of 2% of the value of the returnable packaging for each day of delay, but not more than 100% of its value.
 - 5.12.3. In case of damage to the returnable container by the Purchaser, the Seller reserves itself the right to charge the Purchaser with container repair costs or the costs of purchasing a new container, in the event that the repair was impossible or its costs would be higher than the value of the container. In addition, the Seller reserves itself the

right to charge the Purchaser with the costs of cleaning and treatment of the container in the event of contamination by substances other than the Goods.

6. PRICE

- 6.1.** Unless the parties agree otherwise in writing, the unit price for the Goods shall be the price given in the order on the basis of the price list received by the Buyer from the Seller, including one or more groups of products or on the basis of individual arrangements between the Seller and the Buyer.
- 6.2.** The price includes insurance fees and any other fees connected with the delivery as well as any customs duties, overheads, charges, and taxes, except for VAT.
- 6.3.** The Seller has the right to change the prices given in the price list.

7. PAYMENTS

- 7.1.** The Buyer is obliged to pay the Supplier for purchased Goods the price including VAT, at the rate applicable on the date of invoice, i.e. the amount resulting from the issued invoice, by transfer to the bank account indicated on the invoice.
- 7.2.** Payment for sold Goods shall be made on the basis of the invoice, within the deadline therein stipulated.
- 7.3.** The date of payment shall be the date of crediting the bank account of the Seller.
- 7.4.** The Seller has the right to charge the Buyer with interest at the statutory rate for the delay in payment for sold Goods.
- 7.5.** In the event of late payment by the Buyer of the invoices for delivered Goods, the Supplier reserves the right to continue the sale of Goods to the Buyer, provided that a 100% prepayment for the Goods is made prior to delivery.
- 7.6.** The Buyer shall have no right to set off receivables resulting from its claims against payments due to the Seller, unless the Seller's written consent is obtained.

8. QUALITY OF GOODS

- 8.1.** The Goods supplied by the Seller may vary by nature from detailed specifications, depending on raw materials and manufacturing methods used. Therefore, the Seller cannot guarantee full compliance with technical specifications and the labels describing them. The Seller guarantees that the Goods shall fall within the tolerance limits specified by the Seller in the Data Sheet and appropriate technical standards.
- 8.2.** The Seller reserves the right to use alternative raw materials and Goods manufacturing methods without sending notice therefore to the Buyer, on the condition however, that the Goods shall be fit for the purposes specified by the Buyer.
- 8.3.** Any Goods delivered by the Seller at the Buyer's request as "samples" shall be delivered for testing only. Then, only the Buyer shall be liable for any damage as a result of or in connection with such products.

9. LIABILITY AND COMPLAINTS

- 9.1.** Upon receiving the Goods from the Seller, the Buyer is obliged to check carefully whether the quantity and range of the Goods comply with the order.
- 9.2.** Any complaint concerning the range and quantity of Goods, terms of delivery and transport damage shall be made in writing, otherwise being null and void, and accompanied by a written report confirmed by the carrier, stating any discrepancy regarding quantity and range or any damage to the Goods, confirming the validity of the complaint. The complaint must be submitted not later than up to 3 days from the date of receipt of delivery, complaints submitted after this deadline shall not be considered.
- 9.3.** Quality complaints must be submitted by the Buyer to the Seller within the shelf life of Goods indicated on delivery document or on the packaging of Goods, complaints submitted after this deadline shall not be considered.
- 9.4.** Quality complaints of the Buyer should be submitted in writing, otherwise being null and void, and sent by fax or registered mail to the Seller. Complaints should be submitted within 7 days from detecting defects in the Goods.
- 9.5.** The Buyer is obliged to include in the contents of the complaint in particular: name of the faulty Goods, their code, type of packaging, quantity, batch number and the reason for complaint.
- 9.6.** Incomplete complaints shall not be considered.
- 9.7.** The date of submission of the complaint is the date of receipt by the Seller of a notification in writing.
- 9.8.** The Supplier shall consider complaints within 30 days or within the deadlines agreed upon with the Buyer, counting from the date of receipt of the complaint along with its full documentation. The Seller has the right to demand the return of faulty Goods
- 9.9.** In case of recognition of a quality complaint by the Seller, the Seller is obliged, at its discretion, to:
 - 9.9.1.** replace defective Goods with the Goods free of defects, at the cost of the Seller, within the period agreed by the parties,
or
 - 9.9.2.** reduce the value of the Goods according to the defect, after agreeing in writing on the size of reduction of price with the Buyer.
- 9.10.** In case of delivery of the quantity of Goods different than agreed (quantitative complaint) or the range other than the agreed range (range complaint), the Seller shall deliver, if possible, the missing quantity of Goods.
- 9.11.** If the Buyer fails to examine the products and send a complaint to the Seller, in the manner and time limits specified above, then the Seller shall not be liable to the Buyer for any loss of or damage to the Goods.
- 9.12.** The Buyer shall take all possible measures to minimise the damage connected with the use of defective Goods. The Seller shall not be held liable for any damage that could have been minimised, if the Buyer fails to take appropriate measures.
- 9.13.** The Seller is not liable for defects in the Goods:
 - 9.13.1.** past their shelf life date specified on the delivery document or the packaging of Goods (the Seller shall make sure that the shelf life of the Goods supplied is at least 3 months from delivery date);
 - 9.13.2.** arising during transport in case of receipt of Goods using the Buyer's transport;
 - 9.13.3.** resulting from improper storage by the Buyer or a third party, after the sale of Goods to the Buyer;
 - 9.13.4.** caused from inappropriate or erroneous use of Goods.
- 9.14.** The Seller shall not be held liable, if the Buyer grants any further warranties or guarantees for Goods to its customer.
- 9.15.** The Buyer is obliged, as a seller, to handle complaints regarding the Goods supplied by the Seller, filed by the customers conducting business activity - in line with the provisions of the Polish Civil Code.

- 9.16.** The Seller shall assist the Buyer in terms of technical expertise, in case of consideration by the Buyer of quality complaints reported to the Buyer by its customers.
- 9.17.** Recourse claims arising from customer complaints regarding the Goods of the Seller must be supported by the Buyer by a complaint report and the evidence of accepting the claims of the customer, as well as the evidence for the manner of handling the complaint. The Buyer shall send the aforementioned documents to the Seller for consideration, by registered mail or e-mail.

10. FORCE MAJEURE

- 10.1.** The parties shall not be held liable for any damages, losses, penalties or other liabilities that may arise as a direct result of force majeure.
- 10.2.** Any events that are caused by the negligence or deliberate action/omission of the parties or their subcontractors, agents, contractors, or customers shall not constitute Force Majeure events.
- 10.3.** The parties shall notify each other of the occurrence of Force Majeure and its termination within (1) week after the occurrence.

11. CONFIDENTIAL INFORMATION INTELLECTUAL PROPERTY RIGHTS

- 11.1.** The Buyer, without prior written consent of the Seller, shall not be entitled to disclose to any third parties, directly or indirectly, any technical, technological, organisational, accounting, financial, personal, commercial, statistical, and employee-related information or any other information constituting trade secrets of the Seller or any entities collaborating with the Seller, including the information received from the customers ("Confidential Information") obtained by the Buyer during and/or in connection with the sale/supply of Goods. Confidential Information may be used by the Buyer only for the fulfilment of order.
- 11.2.** The confidentiality obligation does not apply to the information:
- 11.2.1.** that has been published, is known and officially made public;
 - 11.2.2.** that must be disclosed under relevant regulations as demanded by state authorities authorised to do so;
 - 11.2.3.** to be disclosed by one of the parties with prior written consent of the other party.
- 11.3.** If the event Confidential Information must be disclosed, the Buyer shall notify the Seller thereof so as to mutually agree on the scope of information to be disclosed, as long as such disclosure does not constitute a violation of the law in force.
- 11.4.** A disclosure of Confidential Information by the Seller to the entities of the PPG Industries Capital Group does not constitute a breach of the confidentiality obligation referred to above.

12. FINAL PROVISIONS

- 12.1.** Seller's not insisting on strict performance of any of the provision hereof cannot be interpreted as waiver of any rights arising out of the aforementioned provisions and shall have no effect on the Seller's right to enforce them in the future.
- 12.2.** If any of the provisions of these Terms is invalid, in part or in full, due to its conflict with mandatory provisions of any act and as a result becomes ineffective or unenforceable, such provision shall not affect the validity, effectiveness or enforceability of the remaining provisions hereof. Such provision shall be replaced by the provision most closely expressing the Seller's intention.
- 12.3.** The construction, validity and performance of Contracts to which these Terms apply is governed by Polish law.
- 12.4.** Any disputes arising out of performance of Contracts to which these Terms apply shall be resolved by a common court having jurisdiction over the Seller's seat.