

General Terms and Conditions of Akzo Nobel Coatings CZ, a.s., Powder Coatings Division

I. Introductory Provisions;

1. These General Terms and Conditions (hereinafter only referred to as "Terms") constitute an integral part of "Agreements on trade terms", partial sales contracts or other contracts (hereinafter only referred to as "Contract") in which references to the Terms are made in accordance with Section 1751, subsection 1, of the Civil Code, and which are concluded between Akzo Nobel Coatings CZ, a.s., a company with the registered office at Vyskočilova 1481/4, 140 00 Praha 4 - Michle, Company Identification No.: 60792213, as a seller (hereinafter only referred to as "Seller") and a purchaser stated in the relevant Contract (hereinafter only referred to as "Purchaser").

2. Rights and obligations of the parties to the Contract shall be governed exclusively by the law of the Czech Republic. All disputes shall be resolved exclusively by the courts or other authorities as determined by laws, located in the Czech Republic, and the Seller and the Purchaser agree that the courts according to the official address of the Seller are competent to resolve any legal dispute.

3. It is possible to differ from the Contract and the Terms only in case of approval of the Seller provided in writing. The Purchaser and the Seller agree that they exclude the provisions of Section 1751 (2) of the Civil Code and the Contract will be concluded only if the draft of the Contract, including the Terms, is accepted without reservations.

4. The offer of the Seller's goods available in catalogs, the Internet and any other sales materials is not a binding offer for the conclusion of the Contract, but only a call for the Purchaser to submit a proposal for the conclusion of the Contract. The Contract is concluded at the moment of confirmation of receipt of the Purchaser's offer by the Seller (confirmation of receipt of the proposal is not considered a mere confirmation from the Seller that he has received the proposal of the Purchaser).

II. Delivery terms;

1. Time, place and method of delivery of goods. 1.1. The place of delivery is in the business premises of the Seller (warehouse) at the address specified in the Contract (delivery note) unless any other place was agreed by the contracting parties. 1.2. Delivery of goods is completed by handing and receiving the goods by the Purchaser or a carrier authorized by the Purchaser with confirming the delivery in the respective delivery note. 1.3. The Purchaser shall duly and timely accept the delivered goods and to confirm the acceptance in the delivery note any time within the working hours and on the date of agreed delivery. The Purchaser shall confirm the acceptance of goods in the delivery note in such a way that he attaches his signature, name of an authorized employee or a carrier (in block letters or printed) who takes the delivery over, official stamp and date of actual delivery of goods. The Purchaser or an authorized carrier is obliged to accept even a partial delivery of goods. In case the consignment

does not correspond to the list of items stated in the delivery note the disputed items (differences in quantity or quality) must be marked into the delivery note by the Purchaser in the presence of the driver. One copy of the delivery note remains with the Seller, the second one goes to the Purchaser. 1.4. The Purchaser is not entitled to refuse delivery of goods the amount of which does not differ by more than +/- 10% from the quantity of goods agreed in the Contract. 1.5. The Seller is entitled to refuse to deliver goods to the Purchaser in the time during which the Purchaser is in default of any payment, or if there exist a reasonable concern about the Purchaser's capability to fulfil his obligations towards the Seller. 1.6. The Seller is obliged to deliver goods properly packed on wooden pallets of the dimensions 80x120 cm (if required by the delivery volume) for the purpose of transport performed in a usual way for such a kind of article in trading relations. The Seller is not obliged to take the pallets from the Purchaser back. The Seller is entitled to demand payment in the amount of CZK 170.00 excl. VAT per 1 piece, for those pallets on which the goods is supplied. 1.7. In case of an own transport arranged by the Purchaser it is necessary to notify the Seller of number of pallets and total quantity of goods to be loaded in kg at least one day before the planned loading.

III. Reservation of property and passage of risk of damage;

1. Proprietary right to the goods delivered by the Seller to the Purchaser passes to the Purchaser only by complete and due payment of the price as per the relevant invoice.
2. The Purchaser is obliged to treat the goods of the Seller so that it will not be damaged during storage nor handling.
3. In case of any default in payment for the goods the Seller is entitled to require returning the goods which is the Seller's property from the Purchaser. The Purchaser agrees to release such goods without any undue delay. The Purchaser is responsible for all costs relating to the application of the reservation of property.
4. Risk of damage possible incurred to the goods passes to the Purchaser by the moment of receipt of the goods from the Seller.

IV. Product liability and claims;

1. Examination of the goods by the Purchaser. 1.1. The Purchaser shall examine the goods immediately at the delivery with due diligence, in particular check the quantity, apparently intact state of the goods and quality. 1.2. The Purchaser shall store or keep the delivered goods under the conditions regularly applied to keeping of this kind of goods and in accordance with the Seller's recommendations, which may also be given in the specification of a specific kind of goods. The Seller may, for this purpose, monitor the mode of storing the goods and the Purchaser shall allow the Seller to execute it. This clause 1.2. applies also to the goods under the warranty claim procedure.
2. Apparent defects and related claims. 2.1. The Purchaser is obliged to record in the delivery note any apparent defects that was found or could be found at the delivery, mainly missing goods, quality defects, etc. 2.2. Delivery of lower quantity of goods is not considered an apparent defect in quantity if this quantity is in

accordance with the data stated in the delivery note. In such a case it is considered a partial delivery or a part failure to perform the Contract. 2.3. Delivery of goods showing a weight deviation within +/- 1.5 % of declared net weight is not considered a defect in quantity.

3. Warranty and warranty period. 3.1. The Seller will provide the Purchaser with a warranty of quality of the supplied goods according to the valid Czech legal order according to the warranty periods specified in the product technical sheets, while the quality guarantee is provided only for properties expressly stated in the Contract or properties for which there are stated on the Product Data Sheets they are covered by the warranty. Stating a useful life period on packaging or in an advertisement does not provide a warranty.

4. Latent defects and related claim. 4.1. Latent defects, i.e. defects non-detectable during a technical inspection of the goods at the delivery, must be claimed by the Purchaser in writing within 24 hours of their detection or the moment when they could be detected while observing the principles of due diligence, whichever period is the earlier, or receipt of defect claim from a third person if such a defect claim was delivered to the Purchaser within the periods stated in this clause. 4.2. The defects may be claimed only if the storage conditions for the delivered goods, such as dry warehouses at the temperature within the range + 5° C to + 25° C and the recommended application as specified in the product technical sheet and on the product package are observed and adherence to generally applied standards in industry for the storage of goods. 4.3. Hidden defects, however, must be claimed no later than 30 days from the date of delivery of the goods to be defective. 4.4. Warranty claim is deemed timely filed if on the last day of the claiming period the claim is delivered to the address of the Seller by the registered mail, e-mail or fax to the contact person responsible. Periods calculated in days start from the date following the event decisive for their commencement. 4.5. The Purchaser's warranty claim for the product defects must contain in particular the following elements, to be considered valid: defective goods identification, its amount, its batch, invoice no., description of the defect, date of detection, way of becoming evident, requirement of a manner of settlement of the claim. Further, all necessary attachments proving the existence of the defect (e.g. delivery note, warranty claim report, certificate of the defect detection by an inspection body, etc.) must be enclosed.

5. Claims resulting from product liability. 5.1. In case of any product liability not having been claimed yet in writing, but already recognized by the Seller as legitimate, the Seller himself may remove the defect without any undue delay by a delivery of substituted goods and replacement of the defective goods with the new goods free from any defect and/or delivery of any missing quantity or providing a discount from the purchase price. 5.2. In case of delivery of substituted goods and replacement of the defective goods the Purchaser is obliged to return the claimed goods to the Seller in the condition and quantity as they were accepted, unless the goods have been consumed. All costs relating to the replacement and returning of the goods are borne by the Seller. 5.3. In case of any defects that have been duly and timely claimed by the Purchaser and recognized by the Seller as legitimate the Purchaser is entitled to demand removal of

such defects, in the following priority order: a) delivery of missing goods if it is possible within a reasonable time and purposeful; b) adequate discount of the purchase price if the defects do not obstruct their usual usage; c) replacement of the defective goods with the goods free from any defect; or d) withdrawal from any partial Contract concerning the defective goods and refund of purchase price only if none of the above stated methods of claim procedure can be applied. 5.4. Chosen method of claim procedure and removal of the defect must not incur extra unreasonable expenses to the Seller. 5.5. Any possible amount of damages resulting from the product defects is limited by the purchase price (excl. VAT) of the defective goods in question that was paid by the Purchaser for such goods and if the purchase price of the defective goods in question exceeds EUR 200,000 (excl. VAT) damages is limited to this amount. The Seller is not obliged to compensate for a loss of profit or loss of reputation of the Purchaser or contractual penalties or damages claimed by any third party against the Purchaser or the Seller. 5.6. Seller is not responsible for any damage caused by an unforeseeable and unreasonable impediment that arises independently of its will (hereinafter referred to as "Force Majeure") such as cases of the obstacles caused by the war, emergency, extraordinary situations, vehicle failures, failures of machinery and equipment, unavailability of resources (personnel, material, energy, etc.) that the Seller would be willing to accept, as well as fires, floods, storms or other disasters and catastrophes, strikes, disputes with employees and trade unions, orders or regulations or legal acts of any state or government, or any other event in the outside world that the Seller is unable to influence or are not under its control. The Seller is under no obligation to secure resources (personnel, material, energy, etc.) in a substitute way. In case that an event involving Force Majeure lasts for more than 6 months, the Seller is entitled to cancel the Contract without any penalty or obligation to compensate the Purchaser or any third party for any damage.

V. Rights and obligations of the Purchaser;

1. The Purchaser undertakes: 1.1. to accept goods delivered by the Seller; 1.2. to make payments of any payables due to the Seller within the time of maturity. Unless otherwise stated on the invoice, the maturity of any monetary obligation is 30 days from the date of issue of the tax document; 1.3. to secure correct storing and transport of the goods according to the Seller's instructions and in a way to maintain a good quality of the goods and to prevent from any damages to the goods as a consequence of incorrect storage or transport; 1.4. to acquaint all authorized employees with the contractual terms and conditions agreed with the Seller, in particular the terms and conditions concerning manner of placing orders and filing warranty claims; 1.5. Purchaser is obligated to pay to the Seller the due claims in full, regardless of any claims made by the Purchaser to the Seller, including the right to a discount on the price of the goods, the counting of receivables and any other reasons that could lead to a reduction in the amount of the Seller's receivable payable to the Purchaser; 1.6. The Purchaser is obligated to pay to the Seller in full the amount that the Seller had to spend on recovering any

receivables from the Purchaser.

2. The Purchaser is obliged to protect trademarks, trade names of products and corporate name "Akzo Nobel Coatings CZ, a.s.". The Purchaser is not allowed to use these trademarks, trade names of products and corporate name in relation to any other business activity carried out by the Purchaser. The Purchaser shall always perform his business activity in such a way that it will protect the goodwill, the credit of the Seller and the goods; the Purchaser shall refrain from any deceptive, misleading and immoral conduct or advertising that will or could damage the Seller or the goods.

3. No rights and obligations of the Purchaser arising from the Contract or these Terms may be passed nor assigned to other party without a prior written approval from the Seller.

4. The Purchaser undertakes to proceed in accordance with all applicable laws, including national and international legal regulations on controlling and exporting the purchased goods from the Seller, in the purchase of goods under the Contract, sale, export, dispatch or granting of the right to use the goods purchased or granting a license to use it.

VI. Rights and obligations of the Seller;

1. The Seller undertakes: 1.1. to deliver goods to the Purchaser properly according to the Contract provided that no serious operational reasons impede the delivery; 1.2. to inform the Purchaser by e-mail or by phone immediately after he discovers he will not be able to deliver the ordered goods to the Purchaser for whatever reasons; 1.3. to ensure that the goods comply with the generally binding legal regulations and standards; 1.4. to notify the Purchaser of any alterations relating to the Contract performance, mainly to inform the Purchaser of every change in the range of assortment or pricelist catalogue.

2. The Seller is entitled: 2.1. to monitor the mode of transporting and storing the goods; 2.2. at the Seller's own discretion to verify fulfilment of the Purchaser's obligations specified by the Contract and these Terms; 2.3. to terminate the Contract on the basis of its decision, in which case the Purchaser or any third party is not to be entitled to any compensation or any damage that would result from termination of the Contract.

3. The contracting parties agree that upon a call made by the Seller they shall realize a joint meeting within 10 working days of such a call. Performance of the Contract and these Terms, further cooperation, adoption of necessary actions or required amendments to the Contract, any of these subjects may be included in the agenda of this meeting.

4. The contracting parties may agree that the Seller shall provide a technical assistance, an expert's consulting and training of employees and co-workers of the Purchaser for the purpose of deepening the cooperation and improving the competitiveness of the goods sale.

VII. Confidentiality agreement;

1. The contracting parties undertake to keep confidentiality of any facts and information that form a trade secret of the other contracting party or are considered confidential information.

2. For the purpose of the Contract, any information meeting the legal definition shall be considered a trade secret, especially technical an production solutions and technical documentation.

3. Confidential information mean any other information concerning the activity under the Contract that are not deemed a trade secret but the relevant contracting party wishes to keep them in secrecy and marks them "confidential".

4. Trade secret or confidential information of either contracting party may be disclosed and used by the other contracting party (e.g. for business purposes, for publishing in a specialized brochure or public presentation) only upon a written approval of the entitled contracting party.

The Terms are issued as of 25. 09. 2017 and enter into force as of 01. 10. 2017.