

## PURCHASE ORDER GENERAL CONDITIONS ("GENERAL CONDITIONS") (Rev. 07/2016)

- 1. ACCEPTANCE.**  
1.1 This Purchase Order contains the entire contract between the parties with respect to the goods or work specified. This Purchase Order will be deemed accepted by Seller by: (i) written confirmation by Seller; (ii) electronic acknowledgement (including an acknowledgement through Buyer's electronic procurement program) by Seller; or, (iii) commencement of performance or shipment by Seller of the goods, services or work ordered. Buyer expressly objects to and rejects any provision, terms or conditions of any of Seller's printed forms or other writings whether additional to, different from or inconsistent with those contained or referred to herein.
- 2. INVOICES/ PAYMENTS.**  
2.1 Seller's invoices shall be in such format and medium (including, without limitation, being in electronic medium as part of Buyer's electronic procurement program) as Buyer may direct from time to time. The Seller may invoice Buyer on or at any time after delivery of the goods or performance of the services, as the case may be, and each invoice shall quote the Purchase Order number stated in this Purchase Order. Payments may be made by check, wire transfer, Buyer's Corporate Purchasing Card, or other means mutually agreed upon from time to time. Unless otherwise specified herein, specified payment terms shall begin and payment shall be due after acceptance of the goods or work covered by this Purchase Order at Buyer's designated premises, or receipt by Buyer of proper invoices, whichever is later. Buyer shall be entitled to set off against the invoiced amount any sums owed to it by the Seller whether or not such sums are owed to the Buyer under this Purchase Order or otherwise.
- 3. PRICES.**  
3.1 The price of the goods or services shall be as stated in this Purchase Order and, unless otherwise stated, shall be inclusive of all charges for packaging, packing, shipping, carriage, insurance and delivery of the goods to the delivery address, taxes (including all value-added tax and/or import duties), duties, imposts or levies (where applicable) to the production, transportation, storage, sale, or delivery of the goods or the performance of the services. If the price(s) is not stipulated herein, this Purchase Order is not to be filled at any price(s) higher than the last price(s) previously quoted to Buyer by Seller. Unless otherwise specified herein, buyer shall not change the prices specified in the terms of this Purchase Order, nor shall raise the price in any event without prior acceptance and written consent from Buyer.  
3.2 If at any time prior to the completion of this Purchase Order, Buyer receives from another source an offer to supply goods of like quality to that offered by Seller at a price which results in a price lower than the delivered price then in effect hereunder ("Favorable Prices"), Buyer may request Seller to meet such competitive offer. If within five (5) working days after the date of Buyer's request Seller shall not have agreed to meet the competitive offer, Buyer, at its option, may purchase the goods from the competitive source and the quantity so purchased shall be deducted from this Purchase Order. Buyer anticipates that it may receive competitive offers from third parties to supply the goods on Favorable Prices through an internet web based trading platform (an "On-line Offer"), and if Seller is provided with a written or electronic invitation to participate in the applicable on-line event that may result in an On-line Offer at least seven (7) calendar days prior thereto, the Seller will meet, or not meet, the Favorable Prices of the On-line Offer during the on-line event. Seller's failure to meet such Favorable Prices during the on-line event shall be deemed a decision not to meet such Favorable Prices regardless of whether Seller specifically notifies Buyer thereof.
- 4. CHANGES.**  
4.1 Buyer may by written notice make changes within the scope of this Purchase Order. Upon such notice the parties shall negotiate an equitable adjustment in price and/or time for performance.
- 5. PACKING AND SHIPPING.**  
5.1 Seller shall pack, mark and prepare the goods for shipment in a manner which will prevent damage or deterioration, secure the lowest transportation rates, comply with carrier regulations and otherwise conform to Buyer's instructions. Seller shall bear all fees for packing, crating or cartage unless stated in this Purchase Order.
- 6. SCHEDULING AND DELIVERY; RISK AND TITLE.**  
6.1 Deliveries of goods or performance of work shall be strictly in accordance with the schedule referred to in this Purchase Order and in the exact quantities ordered, and if no delivery date is specified, within a reasonable time. Seller will notify Buyer immediately if the schedule cannot be met. Buyer shall be entitled to calculate and deduct 1% of the total price of this Purchase Order as per delay for one day from the funds payable to Seller by Buyer since the second day of delay in delivery; if such amount is insufficient to cover the loss of Buyer, then Buyer shall reserve the right to investigate the responsibility of compensation and cancel any or all of the orders or services contained in this Purchase Order if goods are not delivered or work performed in accordance with the delivery or work schedules provided by Buyer. Buyer shall be entitled to reject any goods or services which are not delivered in accordance with the provisions of this Purchase Order.  
6.2 Risk of damage to or loss of the goods shall pass to Buyer upon delivery to Buyer in accordance with this Purchase Order. Title in the goods shall pass to Buyer upon delivery, unless payment for the goods is made prior to delivery, when it shall pass to Buyer once payment has been made.
- 7. WARRANTIES.**  
7.1 Seller warrants that it has complete and unencumbered title over the goods provided by it and that: (a) all goods, services and work furnished will conform to the requirements of this Purchase Order (including but not limited to all applicable descriptions, specifications, drawings, data and samples, whether supplied by Seller or Buyer) and will be of first class material and workmanship, and free from defects including defects in design, and will be merchantable; (b) all goods and their sale or use alone or in combination will not infringe any applicable patents, trademarks, trade secrets, proprietary rights or any other rights of any third party; and, (c) in performance of this Purchase Order, Seller has complied or will comply, and all goods or work or services furnished hereunder have been produced or furnished in full and complete compliance, with all applicable national, provincial, and local laws and ordinances and all lawful orders, rules and regulations thereunder.  
7.2 Without prejudice to any other remedy, if any goods or services are not supplied or performed in accordance with this Purchase Order, then Buyer shall be entitled: (i) to require the Seller to repair the goods or to supply replacement goods or services in accordance with this Purchase Order within 7 days; or (ii) at the Buyer's sole option, and whether or not Buyer has previously required the Seller to repair the goods or to supply any replacement goods or services, to treat this Purchase Order as discharged by the Seller's breach and require the repayment of any or all of the price which has been paid.
- 8. INSPECTION.**  
8.1 Buyer reserves the right to inspect and expedite the goods, and their fabrication, at the facilities of Seller or its suppliers. Inspection by Buyer does not relieve Seller of any warranties or obligations hereunder. Buyer shall be entitled to inspection and acceptance of all goods or services at place of delivery, notwithstanding any prior payment or inspection at source. Buyer, however, is not required to inspect the goods prior to their use.
- 9. USE OF INFORMATION.**  
9.1 All specifications, drawings, samples, designs and other data or information ("Information") furnished by Buyer to Seller hereunder or in contemplation hereof or developed by Seller in connection herewith shall remain Buyer's property. All originals and copies of such documents shall be returned to Buyer upon request. Unless such Information was previously known to Seller free of any obligation to keep it confidential, or has been or is subsequently made public by Buyer or a third party, it shall be kept confidential by Seller and used only with respect to this Purchase Order. This obligation of confidentiality shall be valid forever and shall survive the termination or cancellation of this Purchase Order, or any part hereof.
- 10. BUYER'S PROPERTY.**  
10.1 All tools, tooling, dies, molds, patterns, machinery, fixtures, equipment, software, and any other property furnished to Seller by Buyer or paid for by Buyer for use in the performance of this Purchase Order shall be and remain the sole property of Buyer, subject to immediate removal upon Buyer's request without legal proceedings, notice or liability, used only in filling orders of Buyer, held at Seller's risk for any loss or damage, kept insured by Seller while in Seller's custody or control in an amount equal to the replacement cost thereof, the loss payable to Buyer, and kept free of any lien, attachment, levy, claim or security interest or encumbrance of any kind whatsoever not caused by Buyer. If requested by Buyer, Seller shall affix labels on each of Buyer's property (in such form and in such manner reasonably acceptable to Buyer), acknowledging that such property is the Buyer's property.
- 11. ALLOCATION.**  
11.1 Unless otherwise specified herein, in the event that Seller is unable to produce/deliver the goods required hereunder by Buyer due to a circumstance that legally excuses Seller from its full performance (e.g., a force majeure circumstance), Seller shall allocate its available supply of the goods among its internal uses and current contract purchasers on a basis no less favorable to Buyer than a pro rata basis.

**12. DEFAULT.**

12.1 Upon default by either party in performing any obligation hereunder, the other party may give notice in writing of such default to the defaulting party. Unless the default is cured within fifteen (15) days after giving notice, this Purchase Order may be immediately terminated by the party giving notice. Such termination shall not relieve the party in default from any obligations under or from liability for breach of this Purchase Order. Notwithstanding the foregoing, if any goods shipped does not conform to its warranties, Buyer may, without prejudice to any of its rights, terminate this Purchase Order without Seller having the right to cure the default. Waiver by either party of a single default, or a succession of defaults, shall not deprive such party of any rights arising by reason of any other default.

**13. INDEMNIFICATION.**

13.1 Seller agrees to bear all losses and costs caused by violation of any provision under this Purchase Order. Seller agrees to indemnify, defend and hold harmless Buyer and its officers from and against any personal injury (including employees of Seller and Buyer), property damage, costs (including reasonable attorneys' fees), losses (including loss of profit) or liabilities for damage associated with performance of this Purchase Order, and any lawsuit in connection with this Purchase Order, provided that such losses or costs are not solely caused by Buyer's fault. This indemnity shall survive the termination or cancellation of this Purchase Order, or any part hereof.

**14. INSURANCE.**

14.1 For work or services done for Buyer on premises designated by Buyer, Seller shall furnish Buyer, prior to commencement of the work or services, certificates of insurance showing that Seller has worker's compensation, employer's liability, and comprehensive general liability (including automobiles) coverages in the minimum amounts and form as may be specified by Buyer, which coverages shall not be allowed to change or expire until all services or work have been completed and accepted.

**15. DISPUTES.**

15.1 Buyer and Seller each irrevocably submits to the exclusive jurisdiction of the courts in the place where Buyer is located for the purposes of any suit, action or other proceeding arising out of this Purchase Order or the transactions contemplated hereby ("Proceedings"); provided, however, that Buyer shall be entitled to initiate Proceedings against Seller in any other court of competent jurisdiction if, in Buyer's opinion, a judgment from Buyer's jurisdiction would be difficult to enforce against Seller or take any judicial and preservative measures. Seller irrevocably and unconditionally waives any objection to the jurisdiction of venue of any such Proceedings as set forth above.

**16. CANCELLATION.**

16.1 Buyer reserves the right to cancel this Purchase Order, or any part thereof, at any time, without cause, by written notice to Seller. In such event, Buyer shall pay for all goods or services delivered, completed, and accepted by Buyer and a reasonable settlement shall be reached, consistent with the price specified in this Purchase Order. Upon receipt of notice of cancellation hereunder, Seller shall, unless otherwise directed, immediately discontinue all work in process and immediately cancel all orders or subcontracts given or made pursuant to this Purchase Order.

**17. COMMERCIAL BEHAVIOR.**

17.1 Seller agrees that, if Seller's employees, agents or representatives provide gifts to Buyer's employees, agents or representatives (except for symbolic gifts in small amount), Seller shall immediately report to Buyer's vice president of Purchasing and Distribution Department, and Buyer shall be entitled to immediately terminate this order and investigate the legal responsibilities of Seller.

17.2 Seller adheres to fair and honest business operation and business ethics during performance of this Purchase Order, and guarantees that it and its staff comply with all laws, regulations, taxation and government regulations of the place in which the Buyer is located and the Supplier Code of Conduct set out from time to time at <https://procurement.ppg.com/Supplier-Network/Global-Supplier-Code-of-Conduct>.

17.3 Seller proves that during the survival of this Purchase Order, its directors, officers or employees do not and will not agree to directly or indirectly pay or promise to pay money, loans or gifts to any of the following parties: (i) any official or person of any government agency, unit or team, (ii) any political party or its officials or candidates, (iii) any other person, if Seller knows or should know that the relevant money, loans and gifts will directly or indirectly be given to the officials or personnel of the government agency, unit or organization, or a political party or its officials or candidates, (iv) employees of any customer or potential customer, or (v) any other personnel or team, provided such payments violate the laws or policies or any other applicable laws of China or the country where the party receiving payments is located.

17.4 Seller agrees to fully cooperate with the work of Buyer and the auditor appointed by it when Buyer and the auditor appointed by it makes any written or oral inquiry about the performance of this Article.

17.5 Seller hereby certifies that any Buyer's director, shareholder, manager or employee or the relatives of such people (including spouses, themselves and parents, children and siblings of spouses) shall not be the employees of Buyer or its affiliates, nor any employee of Buyer or its affiliates shall directly or indirectly hold any economic benefit of Seller.

17.6 Seller promises that it has all government approvals and qualifications required by performance of this Purchase Order.

17.7 Seller guarantees that it holds all required authorizations to provide the products under this Purchase Order or work product, and guarantees to Buyer that such products or work product shall not infringe the intellectual property rights of any third party.

**18. REPRODUCTIONS.**

18.1 This Purchase Order, and all documents relating hereto and thereto, may be stored and/or reproduced by any means or process including electronic or mechanical means. Any reproduction shall be admissible into evidence as the original in any litigation without regard to whether the original is in existence. If a party signs this Purchase Order (whether in writing, by a computer generated signature, or by a signature created, transmitted, received, or stored by electronic means) and then transmits an electronic facsimile of the signature page, (including, without limitation, in PDF format), the receiving party may rely upon such electronic facsimile as an originally executed signature page without any modification or change to this Purchase Order, unless such modification or change is noted on such electronic facsimile by the transmitting party.

**19. MISCELLANEOUS.**

19.1 (a) The failure of either party in any one or more instances to insist on performance of any of the provisions hereof, or any part thereof, shall not be construed to be a waiver of such provision, or any part thereof in the future; (b) This Purchase Order, any obligation and any interest herein or any monies due or to become due herein, may not be assigned or subcontracted by Seller without the prior written consent of Buyer; (c) The remedies herein reserved by Buyer shall be cumulative, and additional to any other or further remedies provided in law or equity; (d) If any provision of this Purchase Order is held by any court or arbitration agency to be invalid or unenforceable in whole or in part, the validity of the other provisions of this Purchase Order and the remainder of the provision in question shall not be affected thereby; (e) Seller is an independent contractor, and Seller and its staff are not the agent or employee of Buyer. Seller shall have no authority to make statements, representations or commitments of any kind or take any other action binding on Buyer, except as specifically provided in this Purchase Order; (f) This Purchase Order is executed in English, and in the event this Purchase Order is translated into a language(s) other than English, this version in English shall be controlling on all questions or interpretations and performance; (g) This Purchase Order, including all documents referenced herein, contains the entire agreement of the parties with regard to the subject matter hereof, supersedes any prior communications, commitments or contracts between the parties relating to the subject matter hereof, and no modification of this Purchase Order shall be of any force or effect unless reduced to a writing that specifically references this Purchase Order, states an express intent to modify or amend this Purchase Order, and is signed by the parties; (h) This contract is made under the laws of the country where Buyer is located (without giving effect to the conflict of law principles thereof) and this contract shall be governed by and construed in accordance with the applicable laws of such country, and in the previous regard, Seller and Buyer mutually agree that the United Nations Conventions on Contracts for the International Sale of Goods does not apply to this Purchase Order or the sale by Seller to Buyer of the goods; and (i) Buyer reserves the right to change these General Conditions without prior notice; provided, however, that any particular Purchase Order shall be subject to the version of the General Conditions provided therewith.