

CONDITIONS OF PURCHASE

1. General

- (a) In these conditions "Buyer's order" means the order forwarded herewith, "Buyer" means the PPG entity indicated on the Buyer's order as "Legal Entity to Invoice", "Supplier" means the entity indicated on Buyer's order as "Vendor", "goods" means goods or other materials provided by Supplier stated on Buyer's order and "services" means services to be provided by Supplier stated on Buyer's order. References to the goods include their appropriate packaging and labelling.

2. Order/Acceptance/Contract

- (a) Supplier that accepts Buyer's order fully acknowledges the existence of the Conditions of Purchase and unreservedly accepts them. Any contrary conditions imposed by the Supplier will only be applicable if formally accepted by the Buyer in writing. The present version of the Conditions of Purchase will apply as from their acceptance and they will apply to all future relations between parties, unless the Buyer communicates a more recent version in any form whatsoever.
- (b) Supplier shall agree to the terms of the Buyer's order within 5 days of its receipt.
- (c) If Supplier does not expressly agree to the terms of the Buyer's order, the former is deemed having agreed to it upon delivery of the goods or provision of services to Buyer.

3. Delivery of Goods/Provision of Services

- (a) Supplier shall deliver the goods or complete provision of the services upon the delivery or completion date(s) stated on Buyer's order at the latest or within a reasonable time after the despatch of a Buyer's order if no date is specified.
- (b) Delivery of goods and provision of services to Buyer shall be made at the place(s) and by the method(s) specified in Buyer's order or, if no such specifications are fixed, at Buyer's premises from which Buyer's order is despatched.
- (c) Supplier shall deliver the quantity of goods stated on Buyer's order. However, Buyer may at its discretion accept a quantity variation and pay for the actual quantity delivered accordingly.
- (d) All drums, containers and other-packaging shall be included in the price stated in Buyer's order, shall be non chargeable and non-returnable unless otherwise stated on Buyer's order.
- (e) Each delivery of goods or services shall be made with the labelling and packaging mentioned in the Buyer's standard specification; if no Buyer's standard specification exists, it shall comply with the relevant European and Belgian standards.
- (f) It shall be indicated at the outside of the labelling and packaging the relevant European and Belgian requirements, the order specifications, the name of the Supplier and the details on the goods or services delivered.
- (g) Supplier shall obtain and comply with any necessary export/import licences, permits or consents (including work permits or consents) for the supply of the goods and the services.

4. Price and Payment

- (a) Unless otherwise stated on Buyer's order, the agreed price stated on the Buyer's order for the goods and/or services is exclusive of VAT but inclusive of all other duties, fees or taxes and of all costs, including the transportation costs, for delivery or provision to Buyer, and shall not be subject to adjustment without Buyer's written consent.
- (b) Supplier's invoices shall not be valid for payment by Buyer unless they show separately Buyer's order number, VAT rate, the amount of VAT charged and Supplier's VAT registration number. Unless otherwise stated on Buyer's order, payment of Buyer shall be due ninety (90) days from the date of receipt of a valid invoice from Supplier for the end of a month. Supplier may not invoice Buyer until delivery of the goods to Buyer or until completion of the services to be provided to Buyer.
- (c) Payment by Buyer shall be without prejudice to any claims or rights which Buyer may have against Supplier and shall not constitute any waiver of such claims or rights. Buyer may withhold payment of any sums due under the contract in the event of any dispute with or claim against Supplier without prejudice to Supplier's rights if such dispute or claim is received in its favour.
- (d) Buyer may, by notice in writing to Supplier, set off any or all of the monies owing by Buyer to Supplier for the goods or services supplied against any indebtedness of the Supplier to the Buyer or any of its group companies without prejudice to any other remedies of Buyer in respect of any default by Supplier.

5. Risk and Title

- (a) Full title to the goods shall pass upon delivery to Buyer provided that where goods are transferred to Buyer in connection with the performance of services by Supplier, title to such goods shall pass to Buyer on substantial incorporation into or onto the premises or other property of Buyer or on completion of the services whichever is the earlier. Risk in the goods shall pass to Buyer upon acceptance of the goods or the services by the Buyer.
- (b) If Buyer furnishes to Supplier materials free of charge for use in the manufacture of goods for supply to Buyer under the order, such materials shall at all times remain in the ownership of Buyer but shall be at Supplier's risk from the point of receipt by Supplier. Supplier shall only use such materials for the purpose of manufacturing goods under the contract, shall not subject such materials to any charge, lien or encumbrance and shall where reasonably practicable keep such materials separate and clearly identified as Buyer's property.
- (c) Title to all items provided by Buyer to Supplier for or in connection with the goods or the services stated in the Buyer's order shall remain at all times with Buyer and Supplier shall not exercise, assert or purport to exercise or assert any lien of whatever nature in connection with said items.

6. Warranties and Liabilities

- (a) In the case of goods, Supplier warrants to Buyer that:
- (i) the goods delivered shall comply with the agreed specification or if no agreed specification exists, it shall comply with Supplier's standard specification, or if no Supplier's standard specification exists, it shall comply with any description or sample of the goods, or if no description or sample of the goods exists, it shall be the best of the kind provided in trade, of sound design and free of defects in materials and workmanship;
 - (ii) the goods shall be fit for any purpose which is specified by Buyer or may reasonably be inferred from the contract or dealings between the parties relating thereto, or if no such specification or indication exists, any purpose for which they are designed;
 - (iii) the goods shall comply with all national, local and other applicable laws and regulations, in particular all health and safety, labelling and other applicable regulations and with all relevant European and Belgian Standards and generally accepted best industry practices;
 - (iv) in the case of goods delivered to premises of Buyer, Supplier shall comply with all Buyer's site regulations as notified by Buyer to Supplier from time to time and with other requests of Buyer; and
 - (v) the goods shall be free of any charge, lien or encumbrance.
- (b) In the case of services, Supplier warrants to Buyer that:
- (i) the services shall comply on completion of their provision to Buyer with the agreed specification or, if no agreed specification exists, it shall comply with Supplier's standard specification, or if no Supplier's standard specification exists, it shall comply with any description or demonstration of the services, or if no description or demonstration of the services exist, it shall otherwise be the best of the kind provided in the trade and be to Buyer's reasonable satisfaction and free of defects in materials and workmanship;
 - (ii) the services shall be provided with the highest standards of care, skill and workmanship generally accepted within the trade;
 - (iii) Supplier shall hold as bailee and treat with the highest degree of care and skill generally accepted within the trade all items or other materials of Buyer provided to Supplier for or in connection with the provision of the services;
 - (iv) the services and their provision shall comply with all national, local and other applicable laws, regulations with health and safety, labelling and other applicable regulations and with all relevant European and Belgium Standards and generally accepted best industry practices;
 - (v) in the case of services provided on or at premises of Buyer, Supplier shall comply with all Buyer's site regulations as notified by Buyer to Supplier from time to time and with other requests of Buyer.
- (c) Supplier's warranties in Clauses 6(a) and (b) are referred to as "Supplier's Warranties". If Buyer determines that the goods and/or services or any of them fail to comply with any of Supplier's Warranties the Buyer may at its own discretion within a period of fourteen (14) business days after discovery of such failure:
- (i) reject all such goods and/or materials already delivered, including any or all goods and or materials not affected by the failure to comply, if the latter ones are of no interest for the Buyer anymore and require the immediate refund of any monies already paid for the goods rejected and cancel the contract with regard to the goods rejected; or
 - (ii) require Supplier to make good the default or replace the goods or re-perform the services free of charge to Buyer's satisfaction within eight (8) days after Buyer's request; or
 - (iii) make good, modify, repair or otherwise correct the goods or re-perform the services on its own or by a third party at Supplier's cost and Supplier shall immediately on demand reimburse Buyer its costs and expenses of such making good, modification, repair, correction or re-performance; or
 - (iv) cancel the entire contract.
- (d) Goods which are alleged not to comply with Supplier's Warranties shall as far as practicable be preserved by Buyer for inspection by Supplier (provided that Supplier inspects the goods within four (4) days of being notified of the alleged defect by Buyer) and shall, if reasonably practicable, be returned to Supplier at Supplier's cost.

- (e) Supplier shall indemnify Buyer, its employees, agents and contractors against any direct or indirect losses, damages, proceedings, liabilities, claims, costs and expenses which may be suffered or incurred by Buyer, its employees, agents or contractors and Supplier shall hold Buyer harmless against any claims from third parties, arising from:
 - (i) any goods and/or services failing to comply with any of Supplier's Warranties; or
 - (ii) any goods and/or services being defective and/or causing direct or indirect loss or damage (whether to property or persons) under any applicable laws or regulations; or
 - (iii) any late or incomplete delivery of goods or performance of services under the contract; or
 - (iv) any other breach of the contract by Supplier or any negligent act of Supplier, its employees, agents or contractors, whether or not causing or contributing to death and/or personal injury.
- (f) Supplier shall take out and maintain insurance with a reputable insurance company against any loss or damage whatsoever to Supplier's employees, to Buyer or its employees or property or to any third party, caused by Supplier's or its sub-contractors' defaults in performing its obligations or otherwise in a minimum sum but without limit in the case of death or personal injury of Euro 5 million or any one occurrence or such other sum as may be specified by Buyer's order and shall provide evidence of such insurance coverage to Buyer upon Buyer's request.
- (g) Buyer reserves the right for itself and its representatives to inspect generally the manufacturing of goods and the provision of services and Supplier irrevocably grants Buyer the right to enter its premises for those purposes. Three (3) days prior written notice shall be given by Buyer to Supplier before inspection. No such general inspection shall imply any acceptance by Buyer or affect any liability of Supplier under the contract.
- (h) Supplier shall on Buyer's request use reasonable endeavours to assign to Buyer the benefit of any warranty which Supplier may have from sub-contract manufacturer of the goods, suppliers of raw materials for the goods or from sub-contract providers of the services.

7. Force Majeure

Are only considered as force majeure, circumstances which could not have been foreseen by a professional such as Supplier, which are totally beyond Supplier's control and which can in no way be cured or avoided by Supplier. Supplier shall immediately inform Buyer of any situation of force majeure, indicate the probable duration of such force majeure situation and take all necessary measures to reduce consequences on the contract with the Buyer. In case the contract with the Buyer provides for urgent deliveries of goods or services, Supplier shall, at its own cost, have these goods and/or services provided to Buyer by a third party. If the delivery of the goods or services to Buyer or its customer(s) is materially impaired for a period of over thirty (30) days, Buyer may without liability suspend or terminate (in whole or in part) the contract.

8. Intellectual Property; Third Party Claims; Secrecy

- (a) All designs, drawings, prints, samples and specifications prepared by Buyer for the purposes of the contract, and any such materials prepared by Supplier for the purposes of the contract and representing, containing or embodying proprietary designs or other intellectual property of Buyer or prepared by Supplier in accordance with Buyer's commission or specification shall remain or become Buyer's property and shall be returned to Buyer upon completion, cancellation or termination of the contract. Supplier undertakes, on request from Buyer, to execute or procure the execution of (as the case may be) such documentation, authorisations, declarations or oaths as may be reasonably required to vest full right, title and interest in the rights concerned in Buyer. Supplier shall not disclose any such materials or any part of them to a third party, or make any use of them, without Buyer's consent.
- (b) Supplier shall indemnify Buyer against any losses, damages, proceedings, liabilities, claims, costs and expenses which may be suffered or incurred by buyer arising out of use or sale of the goods by Buyer or provision of services resulting in:
 - (i) any actual or alleged infringement of the rights of a third party under any patent, registered design, copyright, design right, trade name, service mark of trade name or other intellectual property right; and
 - (ii) any action, claim, cost or penalty due to breach of any enactment, regulation or order of any government or other authority relating to the provision of the services or state or condition of the goods as delivered to Buyer.
- (c) Supplier shall not use any trade marks or trade names required by Buyer to be applied or used by Supplier in relation to the goods or the services in any manner not approved by Buyer.
- (d) Clause 8 (b) (i) shall not apply to the extent that the goods are manufactured strictly in accordance with the Buyer's designs or other specifications or on Buyer's instructions, incorporate property of Buyer or any trade mark, trade name or design of Buyer.
- (e) Supplier shall procure that its officers, agents or employees shall not during or after the contract disclose or allow to be disclosed to any person any confidential information relating to the business affairs or property of Buyer or any of the goods or services.

9. Miscellaneous

- (a) The contract may not be assigned by Supplier and Supplier may not sub-contract manufacture of the goods or provision of the services without the Buyer's prior written consent.
- (b) Notices must be in writing and in English to the Buyer's or Supplier's address. They are deemed delivered on the first working day after delivering by hand or (subject to confirmation of transmission) by telex, facsimile or e-mail or, on the fifth working day after being placed with return receipt by A-class post to Supplier's or Buyer's address.
- (c) No failure by Buyer to enforce any provision of the contract shall be construed as a release of its rights relating thereto or to sanction any further breach. No remedy for Buyer conferred by any of the provisions of the contract is intended to be exclusive of any other remedy, and every remedy will be cumulative and in addition to every other remedy.
- (d) The provisions of Clauses 6(d), 6(e) and 8 shall survive any termination of the contract.
- (e) If any of the clauses of these Purchase conditions or part of such clause, would be declared void or non applicable, all other clauses remain fully applicable.
- (f) The contract shall be governed by and construed in accordance with Belgian law. Supplier hereby agrees, for Buyer's exclusive benefit, that the Belgian courts shall have sole jurisdiction to hear all claims or proceedings connected with the products, services or the contract. Buyer may nevertheless bring claims in any other court of competent jurisdiction.