

TERMS AND CONDITIONS OF SALE

1. **GENERAL:** These General Terms and Conditions of Sale (GTCs) will only apply to business contacts with professional business operators in the sense of the German Civil Code (BGB). Unless a detailed product sales agreement is in place between AkzoNobel and Buyer covering the sale of the Products, all Products sold or otherwise provided by AkzoNobel are sold or provided exclusively on the basis of these Terms and Conditions of Sale. No differing or supplemental terms or conditions shall be applicable unless expressly agreed to by AkzoNobel in writing. Upon acceptance of these GTCs Buyer accepts the validity of these GTCs for all future business transactions. Any agreement requires written form for clarification and evidence. Delivery terms shall be interpreted in accordance with the latest INCOTERMS valid at the date the order is accepted. In case that the Buyer uses deviating general terms, we only regard a contract concluded if our following rules re inspection obligations (4.), the retention of title (6.), warranty (7. and 8.) and the choice of forum and law will be deemed agreed.

2. **OFFER / ACCEPTANCE:** A quotation from AkzoNobel does not constitute an offer but an invitation to Buyer to make an offer. In all cases Buyer's offer shall be deemed based on these Terms and Conditions of Sale. An agreement comes into effect only when AkzoNobel accepts Buyer's offer. No representation shall be made with regards to additional information provided in connection with an offer in drawings, pictures, or information regarding size and weight or any information regarding the usability of the Products, unless expressed in writing. Any information regarding shelf life of the Products shall be calculated from the date of production, not from delivery.

3. **DELIVERY / TRANSFER OF RISK:** Unless otherwise agreed to by AkzoNobel in writing the delivery term is EXW. AkzoNobel is free to choose the shipping method and is not held to choose the cheapest option. Communicated delivery times only constitute estimates and will not be binding. Risk of loss in the Products will transfer to Buyer upon tender of the Products to Buyer or the carrier at AkzoNobel's shipping facility. Oversell or undersell are allowed as far as they are customary in trade. If Buyer is in default of acceptance, AkzoNobel may upon its own choice send the Products to Buyer at Buyer's costs or even store the Products outside. In this case AkzoNobel will not compensate any random loss in connection with that. Any of AkzoNobel's duties to deliver are subject to the fact that AkzoNobel will be delivered, itself. Buyer will pay for the quantity delivered and may not reject any delivery of Product on the grounds of variation of quantity where such variation is not more than 10% of the quantity ordered.

4. **OBLIGATION TO INSPECT:** Buyer has to inspect the Products upon delivery (duty to inspect and to reprehend). This obligation entails the duty to perform spot tests and all sensible test-applications. Buyer has to submit all reprehensions right away and in writing, including a detailed description of the scope the kind of the alleged defect. If defects were not detectable with the spot tests and test applications, Buyer's deadline for submitting a claim will be 6 Months from delivery

5. **PRICE AND PAYMENT:** Unless otherwise agreed by the Parties in writing, the price for the Products will be the price quoted plus value added tax and any other tax that may apply in respect of the Products. The weights, numbers and volumes determined by AkzoNobel will be decisive for calculation-purposes, unless Buyer objects within 14 days from delivery. Buyer must not withhold payment of any amount due to AkzoNobel because of any set-off, counter-claim, abatement or similar deduction, unless the latter counter-claim is accepted by AkzoNobel or validly established in court. 30 days from the invoice date Buyer will fall behind without any explicit warning. A payment is deemed to be effected if the payment is credited to AkzoNobel. All payments have to be free of costs and charges for AkzoNobel. In every other event Buyer will immediately reimburse AkzoNobel for any and all costs incurred or expended.

6. **RETENTION OF TITLE:** Title in the Products delivered will remain vested in AkzoNobel until the purchase price has

been paid in full (retention of title). Pending payment Buyer will hold the unused Products in trust for AkzoNobel. Except for in a case of default Buyer may sell the Products in the ordinary course of its business. Buyer hereby assigns all claims in connection with the resale of the Products to AkzoNobel (extended retention of title). Buyer is entitled to collect these claims on behalf of AkzoNobel, unless being in default. If the Products delivered are processed, AkzoNobel shall be considered the manufacturer of the newly produced goods and shall directly acquire sole title to the newly produced goods. If the processing involves the use of other materials not supplied by AkzoNobel, AkzoNobel shall directly acquire joint title to the newly produced goods in the proportion of the invoice value of the Products delivered by AkzoNobel to the invoice value (or, if the invoice value cannot be determined to the market value) of such other materials. If the Products delivered by AkzoNobel are combined or blended with material owned by Buyer, which has to be considered the main material, Buyer shall transfer to AkzoNobel joint title to the newly produced goods in the proportion of the invoice value of the Products delivered by AkzoNobel to the invoice value (or, if the invoice value cannot be determined to the market value) of the main material. Buyer holds in custody for AkzoNobel any sole or joint ownership in the Products and the newly produced goods as set forth above at no expense for AkzoNobel and will insure those goods against defects or loss. Buyer hereby assigns all rights deriving from this insurance coverage to AkzoNobel. AkzoNobel hereby accepts this assignment. If Buyer is in default, AkzoNobel is entitled to retreat from the sale and to take back the Products or to claim from Buyer the cession of the right of trover against any third party. Should a security right obtained in connection with these Terms and Conditions exceed AkzoNobel's claims by more than 15 %, AkzoNobel hereby waives such security right to the extent it exceeds its own claims by more than this degree.

7. **WARRANTY / BUYER'S RIGHTS:** At the time of transfer of risk and loss the Products conform to AkzoNobel's standard Product specifications. These Specifications include all statements with regards to the Products, which can be found in the Security Data Sheets and the Product Data Sheets. AkzoNobel makes no further representations with regards to the Products. In case of justified warranty claims, we will deliver new Products. In case of an entrepreneurial regress between the Buyer and its customer in the sense of Sect. 445 of the German Civil Code, it will be the assumption that at the moment of delivery to the Buyer the Product was free of defects or that Buyer has inspected the Products, but failed to reprehend (unless this assumption is improper in the light of the kind of Product or defect). If buyer claims such damages from AkzoNobel in connection with an entrepreneurial regress, Buyer will be treated as having used all legitimate defense allowed by contract or by law against his own customer (especially the refusal of supplementary performance due to disproportionality and the limitation of reimbursement of expenses to a reasonable degree).

8. **LIABILITY:** In the case of a defect of the Products AkzoNobel will only compensate Buyer for indirect damages if AkzoNobel has (at least jointly) caused these indirect damages by gross negligence. All claims for compensation will be time barred after one year from delivery to the Buyer. Nothing in this section will limit or exclude AkzoNobel's liability for any matter in respect of which it is unlawful for AkzoNobel to exclude or restrict its liability, especially in connection with the harm to life, health, physical integrity, matters based on the Product-Liability act or in connection with core-contractual-obligations (Kardinalpflichten) or if the Products fail to have the warranted features (zugesicherte Eigenschaften).

9. **FORCE MAJEURE:** AkzoNobel will not be liable in any respect for failure to perform its obligations if hindered or prevented, directly or indirectly by an act of God, strike, lockout, administrative order or any other unforeseen disaster (Force Majeure). In the event that the duration of a Force Majeure is unreasonably long, AkzoNobel is entitled to withdraw from any obligation it may have to supply the Products to Buyer without the Buyer having any right to compensation.

10. **EXPORT CONTROL AND ECONOMIC SANCTIONS:** With respect to the Products Buyer is obliged to regard all export control rules and all economic sanctions laws. **TECHNICAL ADVICE:** If AkzoNobel provides written or oral technical advice around the use of the Products, such advice will not create a legal relationship and no secondary obligation

regarding the sales agreement. Such technical service will not exempt Buyer from its obligations to inspect and to reprehend (including the duty to run test applications).

11. **LAW AND DISPUTE RESOLUTION:** These GTCs are subject to the laws of the Federal Republic of Germany with an exclusion of the United Nations Convention of Contracts for the International Sale of Goods (CISG). Competent courts for any dispute between AkzoNobel and Buyer will be the courts in Cologne or at the statutory seat of the Buyer, upon AkzoNobel's choice.

12. **DATA PROTECTION:** We collect and process data of our customers for the fulfillment of existing agreements, for the purpose of customer care, and in order to keep customers informed about prices and offers. We use statistic tool for the evaluation of credit-worthiness