

TRADE TERMS AND CONDITIONS

The terms and conditions specified herein apply to the sale of PolyOne products

1. IN GENERAL

These terms and conditions ("Terms and Conditions") shall exclusively govern the sale and purchase of all products sold by the limited-liability company PolyOne ČR, s.r.o., Corporate ID Number (IČO) 26689537, having its registered office in Prague 8 – Karlín, Pobežní 620/3, Postal Code 186 00, and by any of its controlled entities in the Czech Republic. Issuance of purchase orders by the Purchaser shall constitute full acceptance of these Terms and Conditions. If, in the issuance and confirmation of purchase orders the Seller and the Purchaser refer to any mutually contradicting trade terms and conditions, the contract shall be deemed made in spite of that, with the contents determined to the extent to which the Seller's and the Purchaser's trade terms and conditions do not contradict each other. To the extent to which the Seller's and the Purchaser's trade terms and conditions do contradict each other, the general provisions of legal regulations shall be applied. If the Seller or the Purchaser excludes it not later than without undue delay following the confirmation of the purchase order, no contract shall be deemed made. In case of disputes between the Seller and the Purchaser regarding the superiority of the individual components of the contract, the following order of priority applies: (i) the purchase order and the confirmation of the purchase order; (ii) annexes contained in the confirmed purchase order such as, for instance, minutes of a meeting; (iii) these Terms and Conditions; (iv) trade usage between the Seller and the Purchaser. Other PolyOne CR s.r.o. affiliated entities may sell to the Purchaser under these Terms and Conditions, based on the letter of understanding entered into between such an affiliated entity and the Purchaser that these Terms and Conditions shall control all sales between them and control over contradictory provisions in any Buyer's document.

2. LIMITED LIABILITY

Subject to paragraph 3 and unless explicitly specified otherwise herein, the Seller guarantees a legitimate and unencumbered ownership right and that the Product will correspond to any published specifications of the Seller, or to such other quality standards and/or dimensions specified herein. If the Products should not comply with these specifications and if such a fulfilment should simultaneously constitute a material breach of the contract, the Purchaser shall be entitled to a delivery of new Products free from defects or to a delivery of missing Products, to a repair of the Products, to a reasonable discount on the purchase price, or to a withdrawal from the contract. If such a fulfilment should constitute an immaterial breach of the contract, the Purchaser shall be entitled to a repair of the Products or to a reasonable discount on the purchase price. The Purchaser explicitly agrees that the colour is subject to variations caused by the nature of the material, and that it is not included in this guarantee. Any recommendations to the Purchaser regarding the use of the Product have been based by the Seller on the information provided by the Purchaser, which the Seller considers reliable, but the Seller provides no guarantee in respect of the results that the Purchaser may achieve in any specific application of the Product. Subject to the aforementioned and save for the cases where explicitly specified otherwise herein, the Seller makes no representation or provides no guarantee whatsoever in respect of the Product, whether explicit or implicit, regarding the marketability or fitness for any specific purpose. The Seller provides no guarantees which would exceed the Product's description, whether the Product is used alone or in combination with any other substance or within the scope of any process. All the representations and guarantees provided by the relevant laws are explicitly excluded and the right to such representations and guarantees is contractually waived.

3. LIMITATION OF LIABILITY

Immediately upon acceptance of the Products by the Purchaser at the moment of their delivery or collection, the Purchaser shall state in writing in the official documents on the delivery or acceptance whether the Products are apparently damaged in any manner or whether they contain any apparent defects caused by their forwarding or transportation. Irrespective of the aforementioned, the Purchaser shall immediately upon acceptance inspect the Products in order to discover any damage, defects and non-compliance with specifications. The Purchaser must notify the Seller in writing of the existence of each complaint relating to the Product (whether resulting from the contract, from a breach of contractual terms and conditions, from negligence, from the full liability, from another breach or otherwise) within ten (10) days following the receipt of a specific quantity of the Product which is the subject of the complaint; failure to give such a written notice by the Purchaser within the relevant time limit shall constitute an absolute and unconditional waiver of the right to any and all such complaints, irrespective of whether the Purchaser has ascertained any facts constituting a reason for such a complaint or whether the further processing, production, another use or resale of such a Product have actually occurred. The application of Section 2104 of Act No. 89/2012 Coll., the Civil Code ("the New Civil Code"), is hereby explicitly excluded. The Seller has a right to choose the manner in which it will eliminate the defects of the Products.

The Purchaser assumes the entire risk arising out of violation of a patent or of other intellectual property due to any use of the Product by the Purchaser in combination with other substances or within the scope of any production process. The Seller's liability for any damage resulting from a breach of contractual terms and conditions or from any other cause, whether pursuant to these Terms and Conditions or otherwise, shall by no means exceed the portion of the purchase price relating to the part of the Product which has given rise to the Purchaser's claim to such damages. By no means shall the Seller be liable to the Purchaser for compensation in respect of any accidental, consequential or special damage, lost profit in particular. **Any and all limitations and exclusions of the Seller's liability shall also apply to the personal liability of the Seller's employees with a fixed agreed salary and of other employees, collaborators and agents of the Seller acting within the scope of performance of their contractual obligations.** The provision of this paragraph does not affect the Seller's liability for any damage caused to a human being in respect of their natural rights, or caused by the Seller wilfully or as a result of gross negligence.

4. ORDERING AND RESTRICTIONS

All offers presented by the Seller are subject to confirmation and are non-binding, through which the application of the provisions of Section 1732(2) of the New Civil Code is explicitly excluded. All purchase orders and acceptance of purchase orders must be in written form. The Seller reserves the right to cease producing any Product sold pursuant to these Terms and Conditions at any time, unless the Purchaser and the Seller are bound by a previous general contract requiring the Seller to notify the Purchaser of such a termination of production.

5. PAYMENTS

Unless the Seller orders or agrees otherwise, all invoices shall be payable within thirty (30) days following the date of issuance of the invoice by the Seller. The Purchaser shall remit all payments pursuant to these Terms and Conditions to the account specified on the front side of the invoice. The Seller shall have a right to deduct all bank charges. If the Seller justifiably determines that the Purchaser's financial standing has deteriorated or has otherwise become unsatisfactory to the Seller, the Seller may demand an advance payment be made or a satisfactory security be provided by the Purchaser, and the Seller may suspend the dispatching of the Products until the Purchaser has made such payments or provided such a security; such a step taken by the Seller shall mean no alteration of the payment terms pursuant to these Terms and Conditions. Irrespective of any contradictory provision, the Seller has a right to credit any payments first in favour of the Purchaser's debts payable at the earliest, namely in the following order: the costs, the interest on overdue payment and finally the principal. All late payments shall bear annual interest on overdue payment amounting to one (1) month's EURIBOR rate plus 8 %, which shall accrue on a daily basis. The Seller's right to damages remains hereby unaffected and the application of Section 1971 of the New Civil Code is hereby excluded. The Seller shall have a right to withdraw from this contract, if the Purchaser should be in arrears with the payment of the purchase price for more than fifteen (15) days. If the Purchaser should be in arrears with any payments owed to the Seller for more than fifteen (15) days, the Seller shall have a right: (i) to defer the dispatching of any Products ordered by the Purchaser until the Purchaser has made such payments; and (ii) to demand from the Purchaser an immediate payment in return for any other Products ordered by the Purchaser prior to their dispatching.

6. GOVERNMENTAL RESTRICTIONS

If an existing or future law, order of the government, legal regulation or decision pursuant to any existing or future legal regularization should prevent the Seller from increasing or reevaluating the price as specified in these Terms and Conditions, or cancel or decrease any price or price increase pursuant to these Terms and Conditions, the Seller and the Purchaser shall, on the basis of a mutual written notice, endeavour to find mutually acceptable alterations so as to reconcile these Terms and Conditions with such a law, order of the government, legal regulation or decision. If the parties should fail to agree on such alterations and on their implementation within sixty (60) days following such a notice, the Seller shall subsequently have a right to withdraw from the relevant contract with immediate effect on the basis of a written notice sent to the Purchaser.

7. ADJUSTMENT OF PRICE AND OF TERMS AND CONDITIONS

The Seller may adjust the price and/or the date of forwarding and delivery of the Products at any time prior to their forwarding, with the exception of such cases where a different pricing mechanism is agreed between the Seller and the Purchaser in writing. Simultaneously, the Seller may, following the receipt of a purchase order, reflect the increased prices of fuel and taxes associated with the product's sale/forwarding into the price of the Products. Unless specified otherwise, all prices are given in Euros.

8. TAXES

The Seller's invoices shall include value added tax, and such value added tax shall constitute a separate accounting entry in the invoice. The Seller shall not be liable to the Purchaser for any other taxes or fees whatsoever, unless specifically and mutually agreed upon by the parties.

9. TRANSFER OF OWNERSHIP RIGHT

The ownership right to the Product shall pass over to the Purchaser on shipment of the Product, i.e. at the moment of handover of the Product to the first carrier for transport. The Seller assumes the risk of loss until the Purchaser receives the Product. The Purchaser assumes all the risks and liabilities arising out of the unloading, deposition, warehousing, handling and use of the Product or arising out of compliance or non-compliance with the relevant laws and regulations regulating or governing such activities. The Seller bears no liability for the failure

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of any unloading equipment or materials used by the Purchaser, whether delivered by the Seller or not. Save to the extent attributable to the Product sold pursuant to these Terms and Conditions and non-compliant with the explicit guarantees specified in paragraph 2, the Purchaser shall indemnify and defend the Seller and compensate the Seller for any and all costs, expenses, damage, judgments or other loss (including the costs of investigation, litigation and a reasonable attorney's fee) arising out of the selection, use, sale and further processing by the Purchaser of the Product sold pursuant to these Terms and Conditions. Irrespective of the aforementioned, if the contract should be withdrawn from due to the Purchaser's inability to make timely payments, the ownership right shall be deemed to have remained with the Seller and the risks shall be deemed to have passed over to the Purchaser. All of the Purchaser's claims against third parties in relation to the ownership right to the Products shall automatically be transferred to the Seller.

10. FORCE MAJEURE

Either party may suspend the performance pursuant to these Terms and Conditions (save for the payment in return for any Product already received) in the event of: (1) force majeure, explosion, fire, flood, hurricanes; (2) strikes, lock-outs or other industrial disturbances or riots; (3) war, whether declared or undeclared; (4) compliance with any relevant law, regulation, order or directive, whether foreign or domestic, in particular export permit restrictions, orders or regulations relating to the right of precedence, assignment, allocation or pre-emption (first refusal) or relating to a revocation of the Seller's or of the Purchaser's authorization to operate their respective production facilities; (5) lack or other failure of any equipment used for the production or transportation, lack of labour power, electric current, fuel or raw materials; (6) total or partial stoppage of production due to a normal turn of the Seller's plant; or (7) any other cause or causes of whatever kind or nature lying reasonably beyond the failing party's control, whether similar or dissimilar to the enumerated causes ("force majeure"). If force majeure should render any party unable to perform its obligations pursuant to these Terms and Conditions and/or pursuant to the relevant purchase order/relevant purchase orders, such a party shall give a written notice to the other party with a specification of all the details (including the estimated period of duration of such force majeure) not later than within 72 hours following the occurrence of the given cause and, after such a notice has been given, the said party may suspend the performance of its obligations pursuant to these Terms and Conditions to the extent to which they are affected by such force majeure and for the period of duration of such force majeure, but not exceeding such a period. As soon as possible, the said party shall reasonably promptly rectify such force majeure. After the force majeure has ceased to exist, the performance shall be resumed but, save for a mutual agreement, no such delays shall be regarded as a prolongation of the period of duration of the relevant purchase order/relevant purchase orders, or shall impose an obligation on the Seller to replace the deliveries or on the Purchaser to purchase any quantities thus left out. The settlement of any strikes or lock-outs relating to the parties to these Terms and Conditions shall be exclusively at the discretion of the party at which such a problem has occurred, and the aforesaid requirements for rectification of any force majeure event within a reasonable period of time shall not demand that such strikes and lock-outs be settled through acceptance of the requirements raised by the employees involved in them, if considered inappropriate by the party at which such a problem with employees has occurred.

11. INDEMNIFICATION FOR SAFETY AND HEALTH

The Purchaser confirms that the Seller has provided to the Purchaser Documentation containing information regarding the safety of the Products as required pursuant to the relevant laws and regulations, which includes a warning along with information regarding the safety and health protection in relation to the Product and/or to the containers for such a Product. The Purchaser is obliged to disseminate such information so as to warn against the potential risks such persons of whom the Purchaser may reasonably expect that they might be exposed to such risks, in particular the employees, agents, suppliers and customers of the Purchaser. If the Purchaser should fail to disseminate any such warnings and information, the Purchaser shall indemnify the Seller and assume any and all liability arising out of such failure to disseminate the aforementioned or being somehow connected with it, in particular the liability for any injury, illness, death and damage to property.

12. DELIVERIES

The dates of the deliveries, as specified in the offer, are for information only and the Seller has a right to make partial deliveries, unless explicitly agreed otherwise by the parties. The Seller shall make every effort to ensure that the Products are delivered on such dates. However, if the Seller and the Purchaser have explicitly agreed in the contract of purchase that the precise time of fulfilment shall be relevant to the performance of the debt, the Purchaser shall be entitled to a contractual fine amounting to 0.5 % of the value of the invoice for each completed week of default. In any case, the Seller's liability in respect of the non-performance of any delivery or in respect of any late delivery shall not exceed 5 % of the value of the fulfilment in return for such deliveries, with any other claims excluded. The Seller may use any and all evidence to prove that the damages are lower than the amount claimed by the Purchaser. The Seller may deliver to the Purchaser the quantity of the Products with a quantity tolerance, which may differ depending on the quantities ordered by the Purchaser, as follows: (1) from 50 to 99 kg, +/- 25 %; (2) from 100 to 249 kg, +/- 15 %; (3) from 250 to 499 kg, +/- 10 %; (4) more than 500 kg, +/- 5 %. Subject to observance of the aforementioned quantity tolerance thresholds, the quantity delivered by the Seller shall be regarded as the quantity validly ordered by the Purchaser. The provision of Section 2098 of the New Civil Code is hereby excluded.

13. LACK OF PRODUCT

Unless stipulated otherwise in a previous general contract then valid between the Purchaser and the Seller, the Seller may – during the period of time when the demand for the Product exceeds the Seller's available offer, as a result of force majeure or for another reason – divide the Product among itself (for the Seller's own production uses), its customers and the Purchaser in such a manner as the Seller considers equitable and feasible. Any deliveries made in accordance with such decisions, which the Seller may adopt, shall be accepted by the Purchaser as full and complete fulfilments by the Seller. Save for an event of force majeure, if the Purchaser should not be satisfied with the Seller's decision, the Purchaser shall have a right to terminate the relevant purchase order/relevant purchase orders: (i) on the basis of a written notice of termination, with the period of notice of 10 days commencing on the day of delivery of the notice of termination to the Seller; but (ii) solely if the entire Product received so far by the Purchaser has been paid and is encumbered with no further obligations as at the day of posting of the notice of termination. In case of force majeure, the Seller shall not be obliged to purchase the material from third parties for the purpose of its resale to the Purchaser, and the Seller shall not be liable for any increased costs incurred by the Purchaser as a result of purchasing a substitute material from a third party either.

14. DATA PROTECTION

The Purchaser hereby agrees that any data in connection with the business relation existing between the Purchaser and the Seller may be processed by the Seller in accordance with the relevant laws and regulations.

15. ASSIGNMENT/TRANSFER

The Purchaser may assign/transfer rights and/or delegate duties/obligations hereunder only with the prior written consent of the Seller.

16. INTEGRATION

Neither party shall demand any supplementation, amendment to or release from the obligation to observe any provision of these Terms and Conditions, unless such an alteration has been made in writing and signed and specifically indicated by the other party as a supplement to this contract. No amendment or supplement to this contract may be made through an acceptance, release or in any other form presented by the Purchaser and containing any additional or different terms and conditions, and the Seller hereby notifies the Purchaser of the Seller's rejection of such additional terms and conditions. If any of the provisions of these Terms and Conditions should be declared invalid or inapplicable, it shall not affect the validity of the remaining provisions.

17. TRANSLATION

These Terms and Conditions exist in a Czech version and in an English version. In order to exclude any doubts, the parties have agreed that, in case of disagreement between the two versions, the English version shall prevail.

18. GOVERNING LAW AND JURISDICTION

These Terms and Conditions shall be governed by the laws of the Czech Republic, without reference to the conflict of laws principles and with the express exclusion of the Vienna Convention on the International Sale of Goods. Any dispute arising out of the making, implementation or interpretation of this contract of sale between the Purchaser and the Seller shall be subject to the exclusive jurisdiction of the courts of the Czech Republic.