

General Conditions of Sale and Delivery of INEOS PHENOL GmbH

1. General: Terms that vary from these conditions or those specified by law, especially Purchaser's conditions of purchase, shall only be considered binding if they have been confirmed by us in writing. Our unconditional delivery of goods, performance of services or acceptance of payments does not constitute a recognition on our part of conditions that vary from these general terms and conditions.

2. Quotations, Contracts: Our offers are conditional. A contract is only formed when we give written or preprinted order confirmation or when orders are filled by us.

Amendments, supplements or the cancellation of an agreement or these conditions, must be made in writing.

Any statement and notifications issued by the Purchaser after making the contract are only effective if they are made in writing.

3. Prices: Unless otherwise agreed, our prices do not include the cost of packing, insurance, freight and value added tax.

4. Payment: Payment will be effected against invoice with money to be in Seller's account with good value as mentioned on the invoice without set-off or deduction.

If due date falls on a Saturday or bank holiday other than a Monday, then payment shall be due on the preceding banking day.

If due date falls on a Sunday or Monday bank holiday, then payment shall be due on the following Frankfurt/Main banking day.

5. Tools and Models: These shall remain our property even if the Purchaser has paid all or a part of the costs

6. Prepayment, Security: We reserve the right to demand prepayment or security in an amount equal to the invoiced amount of the order in the event superceding conditions arise or we gain knowledge that our claim is jeopardized. Our demand shall be sent to Purchaser in writing. If the Purchaser fails to provide such prepayment or security within a reasonable time after receipt of the notice, we shall be entitled to withdraw from the contract immediately without giving additional notice.

7. Place of Performance: The place of performance shall be our place of supply or storage.

8. Shipment and Delivery: Unless agreed to otherwise, the goods shall be shipped at Purchaser's risk. Furthermore, we shall specify the manner of shipment, shipment route and carrier. Partial shipments are possible. Section 6 above is not affected by this provision.

9. Delivery Schedules: If we fail to comply with agreed to delivery schedules, Purchaser shall establish an additional delivery period of three (3) weeks or longer, if appropriate.

10. Transport Insurance: We are authorized to cover appropriate transport insurance on behalf and at the expense of the Purchaser in an amount at least equal to the invoiced value of the goods.

11. Retention of Title: The goods sold shall remain our property until all claims arising out of our business relationship with Purchaser have been satisfied. If the goods have been processed or finished by Purchaser, our retention of title shall extend to the new finished product.

If the goods have been processed, combined or mixed by Purchaser with goods of others, we acquire joint title pro rata, to that part of the goods that represents the invoiced value of our goods in relation to the total value of the other goods which have been processed, combined or mixed.

In the event our goods are combined or mixed with main goods of Purchaser or of any third party, Purchaser hereby assigns its rights to us with regard to the new product. If Purchaser combines or mixes our goods with main goods of a third party for compensation, Purchaser hereby assigns to us its right to compensation from such third party.

Purchaser may, in the ordinary course of its business, resell any goods which are subject to our retention of title. If, upon such resale, Purchaser does not receive the full purchase price in advance or upon delivery of such goods, it shall agree with its customer a retention of title in accordance with these conditions. The Purchaser hereby assigns to us all its claims arising from such resale and its rights arising from the said agreement for retention of title. When required by us, the Purchaser shall advise its customer of such assignment of rights and provide us with the information and documents necessary to enforce our rights. Notwithstanding the foregoing, Purchaser shall only be entitled to collect payments from claims from such resale to any third party as long as Purchaser properly satisfies its liabilities to us.

In the event that the security interests granted to us exceed the value of our claims, we shall, when requested, be obliged to release security interests which we deem appropriate.

12. Force Majeure: Conditions of Force Majeure shall relieve us from our delivery obligations. If there is a material change in the conditions that exist at the time this contract is concluded, we are entitled to withdraw from the contract. The same rights shall apply to interruptions in our supplies of energy or raw materials or industrial disputes, governmental decrees, breakdowns of transport or of our operations or if our suppliers fail for the foregoing reasons to deliver at all, or fail to deliver in a proper or timely manner.

13. Product Information: Information about our products, equipment, plant and processes is based on extensive research and our considerable experience in the field of applied engineering. We provide this information, which is to the best of our knowledge accurate, orally and in writing. We assume no liability other than as agreed in the terms of the individual contracts and we reserve the right to make technical modifications in the course of our product development. The aforesaid shall not relieve the Purchaser of its obligation to verify the suitability of our products and processes for the use or application intended by the Purchaser. These limitations shall also apply to the protection of third party intellectual property rights as well as applications and processes.

14. Complaints: All Purchaser complaints, particularly those regarding the quality or quantity of the goods, must be submitted to us in writing without delay, but not later than within ten (10) days from delivery of the goods or in the case of latent defects within ten (10) days from the discovery of such defects.

15. Warranty: In the event of justified claims arising from the quality of the delivered goods, we reserve the right, solely at our discretion, to either replace or repair the goods. If our repair fails to remedy the defects or the replacement goods are defective, the Purchaser shall be entitled at its discretion, to either adjust the purchase price or withdraw from the contract.

16. Delivery Shortages: In the event of delivery shortages, we shall, if reasonable, cover the deficiency or issue a credit for the appropriate amount.

17. Limitation of Liability: We can only be held liable for indemnification, for whatever legal grounds, in case of intentional misconduct or gross negligence on our part, or on the part of our legal representatives or on the part of those employed by us in the performance of our obligations or if the breach of our contractual obligations violates the essence of the contract. The aforementioned limitation of liability shall not apply when the goods we supplied to the Purchaser do not comply with the specific representation of quality made by us and such representation was intended to protect the Purchaser against any resulting damages. Further, the foregoing limitation of liability shall not apply to our liability for personal injury or damage to private property under the product liability law or other grounds for mandatory liability. In case of slight negligence our liability shall be limited to the invoiced value of the goods in question.

18. Statements of Account: Purchaser shall verify the correctness and completeness of statements of account, especially balance confirmations, as well as notes and settlements of accounts. Objections to statements of account shall be in writing and shall be sent within one month of receipt of the subjects statement. Any other objections shall be made without delay. Failure to make timely objections constitutes approval. In cases of legitimate legal objections, the Purchaser's statutory rights are unaffected by expiration of this term.

19. Place of Jurisdiction: If Purchaser is a merchant, the place of jurisdiction shall be our commercial domicile. If we institute legal proceedings against Purchaser, we have the option to also institute legal proceedings at the Purchaser's place of jurisdiction.

20. Applicable Law: The contract and the legal relationship with the Purchaser shall be governed by German Law. The United Nations Convention on Contracts for the International Sale of Goods of April 11, 1980 (BGBl. 1989 II, page 586) is not applicable.

21. Trade Terms: If any trade terms have been agreed pursuant to the International Chamber of Commerce INCOTERMS, the INCOTERMS 2000 shall apply.

22. Severability: Should any of these conditions be deemed wholly or partly invalid, this has no effect on the validity of the remaining conditions.