

General Terms and Conditions of Purchase Order of INEOS Phenol GmbH

1. General

Unless otherwise agreed to in writing, these General Terms and Conditions of Purchase Order shall exclusively apply to this and all future orders/contracts. We shall not be bound by the conflicting or additional terms of the Contractor ("Contractor") even if we have not expressly contradicted them or have accepted delivery without reservation.

2. Order

Each order/contract must be confirmed by Contractor in writing. The contract shall not have been concluded unless Contractor has accepted the order within two weeks of being sent or makes delivery during this period. Any oral side agreements must be set down in writing. If composition or bankruptcy proceedings have been initiated in respect of Contractor's assets and Contractor has not yet or not made full delivery to us, we shall be entitled to rescind the contract or - in the case of contracts for recurring performance - terminate the contract without notice.

3. Correspondence

In all correspondence Contractor must indicate the order number and the date of the order/contract.

4. Execution

Contractor must maintain a quality assurance system, e.g. pursuant to DIN ISO 9001 - 9003. We are entitled to review Contractor's system in a quality audit as agreed with him.

5. Subcontractors

The involvement of subcontractors shall require our prior written consent. Contractor shall subject the subcontractors to all of the obligations he has assumed in relation to us concerning the duties assumed by him and shall ensure compliance with such obligations.

6. Shipping

Contractor shall note the address indicated in the order/contract. When making shipments, the tariff, transport and packaging regulations of the railways, road transport, shipping, air transport, etc. shall be observed, particularly with regard to any existing customs and dangerous goods regulations. The mode of transport most economical for us is to be selected if we have not expressly stated particular transport regulations.

In addition to the forwarding address the order information (order no., order date, delivery office and the name of the recipient, if applicable) shall always be included in the transport documentation.

If sub-suppliers are being used, they shall indicate Contractor as their principal in correspondence and in the forwarding documents and indicate the order data.

The unit load weight (from 1 t onwards) shall be affixed to the unit load in a clearly visible and permanent manner.

Contractor is only entitled to make partial delivery/performance upon our authorization.

7. Information on Hazardous Materials, Product Information

The delivery items are to be labelled in accordance with the provisions of the Hazardous Materials Regulations and the EC/EU Directives for Hazardous Materials/Preparations.

Contractor undertakes to provide us in a timely manner prior to delivery with all of the necessary product information, e.g. safety data sheets, processing advice, labelling regulations, workers' protection measures, etc., including any amendments of the foregoing.

8. Delivery Period

Contractor is obligated to inform us without undue delay and in writing if circumstances have occurred and become known to him which will result in his inability to honor the specified delivery date.

Contractor may only claim as a defense that documents/information required from us have not been provided if he has not received such documents/information within a reasonable period despite having issued us a written notice.

9. Performance Certificates and Acceptance

Any performance certificates provided for under contract as well as the acceptance shall be recorded in writing.

10. Weights/Volume

In the event of discrepancies in weight the weight established by us upon the inspection of incoming goods shall prevail unless Contractor can prove that the weight calculated by him at the time of the passage of risk was correctly established in accordance with a generally accepted method. This clause shall apply accordingly with respect to volume.

11. Billing and Payment

Invoices must be issued in duplicate, whereby the duplicate copy must be clearly indicated as such. The order number must be contained in the invoice. Invoices shall be sent separately to the business address specified in our order/contract.

Unless another arrangement has been agreed to, invoices shall be paid by us within 45 days net. The payment period shall begin upon the delivery of the goods at the receiving point (shipping address) or acceptance of the work and receipt of the invoice at the billing address indicated on the order/contract. The time of payment shall have no effect on Contractor's warranty; payment shall not be deemed to be approval.

12. Notice of Defect

A notice of defect has been issued in a timely manner if, in the case of manifest defects, it has been issued to Contractor within a notice period of 2 weeks from the delivery of the goods. In the case of hidden defects, it is sufficient that the notice of defect is issued to Contractor within a period of 2 weeks from the discovery of the defect.

13. Warranty, Liability

We may demand at our option - in addition to our statutory warranty rights - that Contractor replaces the defective delivery or performance free of charge by a nondefective delivery or performance or, provided that Contractor is able to do so from a technical standpoint, that he remedies the defect without undue delay. In emergency cases, upon consultation with Contractor and at Contractor's expense, we may undertake the removal of the defect ourselves or have the defect removed by a third party. If Contractor is in default of the removal of the defect, we may also remove the defect ourselves or have it removed by a third party.

The statutory and/or contractually agreed warranty/guarantee claims shall become time-barred 24 months after the delivery or acceptance of performance, provided that the laws and/or the contract do not provide for a longer warranty/guarantee period.

In the event of notices of defect the warranty period shall be extended for the entire delivery or work by the time period between the notice of defect and the removal of the defect. The warranty period shall commence anew for the complete or partial new delivery, replacement or improvement of deliverables or work.

14. Intellectual Property

Contractor is liable for the fact that the patents or other intellectual property of third parties in the agreed receiving country are not infringed by the delivery or use of the items delivered or manufactured by him. Even if Contractor's own intellectual property rights exist, we, or the third parties authorized by us, shall be entitled to undertake repairs on the delivered items.

15. Insurance

Contractor must maintain liability insurance with terms customary to the industry, minimum coverage of 1,5 MM per instance of loss, for the duration of contract, including the guarantee and warranty period. Contractor must provide documentation of his insurance coverage upon request; lower levels of coverage shall be co-ordinated with us in the individual case.

All shipments directly addressed to us (e.g. deliveries under sales contracts, contracts for work and materials, maintenance contracts and specially manufactured products, but not the delivery of materials brought to our plants by Contractor for work contracts) are insured during shipment by us. To such extent Contractor shall deliver a waiver to his freight forwarder with respect to the indemnity insurance of the SLVS or similar coverage. Any premiums for such indemnity insurance or other self-insurance shall be borne by Contractor.

16. Information

All information, including drawings and other materials we require for assembling, operating, servicing or repairing the items of delivery shall be provided to us by Contractor in good time, without any special request and without charge.

17. Entry to the Plant Site/Construction Site

When entering our plant site/our construction site on foot or by vehicle the instructions of our trained personnel must be followed. Any entry onto our plant site/construction site on foot or by vehicles must be announced in advance in a timely manner. The provisions of the Road Traffic Regulations (StVO) must be observed. If work is to be rendered at the plant site/construction site, the appropriate building site regulations shall apply.

18. Liability

We and our employees shall only be liable for our gross negligence and intent, irrespective of the legal grounds for such liability. This shall not apply if the obligation which has been breached is of major significance for realizing the purpose of the contract or this concerns a contractual obligation which typically leads to dangers for the life and health of others.

19. Waste Disposal

To the extent waste within the meaning of waste management law has been created by Contractor's deliveries/work, he shall recycle or remove such waste, subject to any written agreement to the contrary, at his own expense in accordance with the regulations of waste management law. Title, risk and the responsibility under waste management law shall pass to Contractor upon the creation of the waste.

20. Confidentiality

Contractor undertakes to maintain secrecy concerning all of the information, knowledge and materials, e.g. technical and other data, measured values, techniques, business experience, business secrets, know-how, drawings and other documentation (hereinafter: "INFORMATION") received from us or disclosed in any other manner from our domain, and shall not disclose such INFORMATION to third parties and shall only use it for the purpose of executing the respective order/contract. Contractor undertakes to return all INFORMATION delivered to him in a tangible form such as documents, samples, specimens, or the like without undue delay upon our request without retaining any copies or notes. In addition, he shall destroy his own notes, compilations and evaluations containing INFORMATION without undue delay upon our request and shall confirm this to us in writing. We shall have ownership and the copyrights to all INFORMATION.

21. Advertising Materials

Reference to the business relationship existing between us is only allowed in informational and advertising materials upon our express written consent.

22. Prohibition of Assignment

Assignments by Contractor outside of the scope of Sec. 354 a German Commercial Code are excluded; exceptions shall require our written consent to become effective.

23. Contract Language, Venue and Applicable Law

Exclusive venue is the location of the registered office of our company. We are entitled, however, to enter claims before any court having jurisdiction over the location of Contractor's registered office.

German law as applicable between merchants having their registered office in the Federal Republic of Germany shall apply. The UN Treaty on Contracts for the International Sale of Goods of April 11, 1980 shall not apply. Trade terms shall be construed in accordance with the applicable Incoterms of the ICC, Paris.