

SABIC GENERAL TERMS AND CONDITIONS OF SALE

(Edition April 2017)

Section 1 – General:

Section 1.01 - Contract Formation: Unless otherwise agreed in writing, these general terms and conditions of sale (“GTCs”) apply to all sales and purchases of products by and between the relevant selling entity within the SABIC group of companies (“Seller”) and the entity purchasing from the Seller (“Buyer”) identified in the Contract. “Contract” as used in these GTCs shall mean any agreement for sale and purchase of Seller’s products (“Products”) concluded by either (i) Buyer placing a purchase order for Products and Seller confirming acceptance of the same in writing; or (ii) Buyer and Seller agreeing on a sale contract or any other document in writing evidencing the key commercial terms of the transaction. **Any alternative set of terms and conditions of purchase proposed or counter-proposed by Buyer shall not apply.** Once a Contract is concluded, no changes shall be binding unless mutually agreed by both Buyer and Seller by formation of a new Contract. Cancellation by Buyer of a Contract must be subject to Seller’s written acceptance and may be subject to compensation.

Section 1.02 – No Resale: Unless otherwise expressly agreed to in the Contract, in order to promote its safe and effective use, all Products sold by Seller are provided solely for use or consumption by Buyer, and any resale or similar transfer of Products to unrelated third parties is prohibited. Seller reserves the right without further obligation or liability to Buyer to discontinue the manufacture and sale of the Products upon either (i) 30 days’ notice to Buyer, or (ii) if required by law, immediately upon notice to Buyer.

Section 2 – Delivery Terms:

Section 2.01 – Failure to take Delivery: Parties acknowledge that any shipment schedules or delivery dates indicated in the Contract are estimates only and time shall not be of the essence. In the event that Buyer fails to take delivery of Products or any part of thereof and/or fails to provide any instructions, documents, licenses, consents or authorisations required to enable such Products to be delivered in accordance with the Contract, Seller shall have the right, at its sole option, to store, resell or dispose of the same in any manner at Seller’s absolute discretion. Buyer shall indemnify and save Seller harmless against all costs and expenses including, without limitation thereto, storage, disposal, demurrage and/or insurance charges arising from such failure to take delivery.

Section 2.02 – Quantity and Quality Determination: Notwithstanding the quantity of Products ordered and stated in each Contract, Seller may supply an excess or deficiency of Products of up to 10% of the weight or volume ordered and Buyer shall pay for the quantity so supplied. Seller shall measure, sample and test Products in its customary manner at the loading location to determine the quantity and quality of Products delivered. The results of such measurement, sampling and testing shall be treated, in the absence of fraud or manifest error, as conclusive and binding as to the quantity and quality of Products loaded.

Section 2.03 – Risk and Title: Risk of loss of Products shall pass to Buyer in accordance with the agreed Incoterm stipulated in the Contract and title to the Products shall pass simultaneously with the passing of risk.

Section 3 - Warranties:

Section 3.01 - Warranties: Seller warrants that at the last point before title transfers to Buyer, it shall have good title to the Products and the Products shall be free of lien and encumbrances. Seller further warrants that at the last point before risk of loss transfers to Buyer in accordance with the applicable Incoterm, Products will meet either (i) the data sheet specifications as published at the date of conclusion of the Contract at www.sabic.com or as may be amended or updated, from time to time, (ii) the manufacturers' specifications as set forth in the applicable product certification delivered to Buyer, or (iii) such other specifications as shall have been expressly agreed in writing by Buyer and Seller. **Save as aforesaid, any and all conditions, warranties or representations relating to Product quality, condition, merchantability or their suitability or fitness for any purpose whatsoever, whether express or implied and whether by law or in oral or written statements made by or on behalf of Seller to Buyer are hereby excluded (save to the extent that exclusion thereof is not permitted or is ineffective by operation of law).**

Section 3.02 – Exclusive Remedy: Any claims by Buyer for breach of warranty under Section 3.01 must be made to Seller within 5 (five) business days of such delivery of the Products, failing which Buyer shall no longer be entitled to raise and enforce such claim. Should Seller be found to be liable for a breach of warranty in Section 3.01, Seller's total liability shall be limited to the replacement of the non-conforming Products with Products in compliance with the warranty or, if mutually agreed by the Parties, a full or partial refund of the purchase price paid. In no event shall Seller's liability, whether based in contract, warranty, negligence or other tort, strict liability or otherwise, exceed the purchase price for the Products. This is Buyer's exclusive remedy for breach of warranty. Buyer should not return Products until Seller agrees that Buyer may do so. **This limited warranty is given only to Buyer and does not extend to any subsequent purchaser or transfer of Seller's products. Buyer is not entitled to extend or transfer this warranty to any other party.**

Section 3.03 – Intellectual Property: Any sale of Products, or suggestions Seller makes about possible applications, designs or uses of Seller's Products shall not, by implication or otherwise, convey any license to or transfer of any intellectual property rights related to the Products and owned by or licensed to Seller nor are they a recommendation for use of such Products, applications or designs which may infringe any intellectual property right. Buyer assumes all risks of any intellectual property infringement claims resulting from the use, (re)sale or processing of the Products, whether singly or in combination with any other materials. In the event that Buyer receives any claim from a third party alleging that Products, as delivered to Buyer, infringe such third party's intellectual property rights, Buyer shall promptly inform Seller and strictly follow Seller's instructions in any response to such claim. In such case, Seller shall have the right to defend Buyer and if necessary will either, at Seller's discretion, if possible replace such Products with non-infringing Products or, refund the purchase price of such Products. The foregoing sentence states the entire obligation of Seller for intellectual property infringement by any Products sold under the Contract.

Section 4 – Product Safety:

Section 4.01 – Technical Advice and Other Services: Buyer is responsible for the design, processing, testing and labeling of any product that Buyer makes using Products sold by Seller, and Buyer will not rely on any advice, recommendation or information obtained from Seller's product literature or websites,

including any design aid or other service made available by Seller, or any representation or statement made by, or on behalf of, Seller about the suitability of Products or services Seller provides for any purpose. Buyer has tested and investigated products sold by Seller sufficiently, to form an independent judgment concerning their suitability for the use, conversion or processing intended by Buyer and will not make any claim against Seller, or hold Seller liable in any manner, with respect to any technical advice, statements, data, services or recommendations furnished (or failed to be furnished) by Seller.

Section 4.02 – Buyer’s Acknowledgement: Buyer acknowledges that Products may be hazardous if so indicated in the Products’ Material Safety Data Sheet (MSDS) and that it is familiar with, and shall take all steps necessary to inform, warn, and familiarize its employees, agents, customers, and contractors who may handle Products, of all hazards pertaining to and proper procedures for safe use of Products and of the containers or equipment in which Products may be handled, shipped, or stored. Buyer also undertakes to label as appropriate any materials that it makes or resells that include Products.

Section 4.03 – Medical Application: Buyer understands that Seller’s Products are not intended for use in any medical application involving permanent implantation in the human body, or any such implantation lasting longer than 29 days and agrees not to use any of Seller’s Products for any such application, or for any other application into which, to Buyer’s knowledge, Seller has previously declined to sell Products.

Section 5 – Payment:

Section 5.01 – Contract value: The total contract value shall be computed based on the quantity stated in any shipping or delivery document and the agreed Product unit price as stated in the Contract, or if not so stated, be Seller’s listed prices in effect at the time of shipment. Seller shall be entitled to, with prior written notice to Buyer, increase the price of the Products in the event of unforeseen circumstances including without limitation any increase in the cost of procuring raw materials, wage and non-wage labour costs, energy costs, import and export costs, taxes, duties and other levies and costs based on any change in regulations or modifications of rates of exchange.

Section 5.02 – Payment Terms: Payment for Products shall be made to Seller in full in U.S. Dollars or such other currency set out in the Contract without any deduction, withholding or setoff whatsoever and in immediately available and freely transferable funds within the period set out in the Contract, or in the event that the payment period is not set out in this Contract, within seven (7) days after the bill of lading date (with the date of the bill of lading counting as day zero). Where the last day for payment falls on a Saturday or on a weekday other than Monday which is not a banking day in the country where Buyer or issuing bank is located, then any such payment shall be made on the nearest preceding banking day. Where the last day for payment falls on a Sunday or a Monday which is not a banking day in the country where Buyer or issuing bank is located, then any such payment shall be made on the next following banking day. If full payment is not received by Seller as aforesaid, Buyer shall pay Seller interest on the amount outstanding at the rate of 1% per month for the period of delay beginning on the due date until the date of payment.

Section 5.03 – Payment Method: Payment shall be in accordance with the payment method set out in the Contract. All banking charges imposed or levied by the bank making the payment for telegraphic transfers shall be for the account of Buyer and all banking charges imposed or levied by the bank receiving the payment (if any) shall be for the account of Seller. Payment by Letters of Credit (L/C) shall be effected by a clean workable, irrevocable, unconditional and confirmed L/C issued by a bank accepted by Seller and “tested Telex” or “SWIFT”. In the event that Seller fails to receive payment from the issuing bank for any reason other than default by Seller in producing the contractual documentation within the required time frame as stipulated in the L/C, Buyer agrees that Seller shall be entitled to claim the full outstanding amount

due under the L/C against the Buyer as principal debtor without prejudice to Seller's other rights and remedies to recover payment, in law or in equity.

Section 5.04 – Taxes, Duties and Other Charges: Seller will pay all taxes or other charges imposed upon Products which accrue or are incurred by Seller prior to transfer of risk in Products to Buyer. Buyer will pay all taxes or other charges imposed upon Products that accrue or are incurred after transfer of risk in Products to Buyer.

Section 5.05 – Change in Buyer's Financial Circumstances: If, in Seller's judgment, reasonable doubt exists as to Buyer's financial responsibility, or if Buyer is past due in payment of any amount whatsoever owing to Seller or its affiliates, Seller shall have the right, without prejudice to any other remedies, to suspend performance, decline to ship, or stop any material or goods in transit, until Seller receives payment of all amounts owing to Seller or its affiliates, or adequate assurance of such payment.

Section 6 – Limitation of Liability and Claims:

Section 6.01 – Liability for Defective Products: To the extent that the Seller's liability under the applicable law may be excluded, Seller shall not in any way be liable for loss, injury, damage or expenses of whatever nature which result, whether directly or indirectly, from the purchase, import, ownership, possession, storage, use, defect, and failure of the Products sold pursuant to this Contract.

Section 6.02 – Aggregate Liability: If Section 6.01 does not apply for any reason whatsoever; or in circumstances where the Seller has not effectively excluded liability to the Buyer under or in connection with this Contract, Seller's aggregate liability to Buyer, in connection with Products or in connection with the Seller's obligations under this Contract, shall be limited to the price payable or paid by Buyer for the Products to which such claim, demand, loss, injury, damage or expenses relates.

Section 6.03 – No Consequential Loss: **To the extent that the Seller's liability under the applicable law may be excluded, in no event, including the negligent act or omission on its part, shall either party be liable to the other, whether under this Contract or otherwise in connection with it, or in contract, tort, negligence, equity, breach of statutory duty or otherwise howsoever arising, in respect of:**

- (i) any special, incidental, punitive, indirect or consequential losses or expenses (whether or not foreseeable); and**
- (ii) if and to the extent that they might otherwise not constitute special, incidental, punitive, indirect or consequential losses or expenses, all of the following:**
 - (a) loss of anticipated profits;**
 - (b) loss of goodwill;**
 - (c) loss of use; and**
 - (d) loss of commercial opportunities whether or not foreseeable.**

Section 7 – Termination of Contract:

Section 7.01 – Termination: Either party may terminate this Contract immediately by giving written notice to the other party (the "Defaulting Party") if the Defaulting Party commits a breach of any of the provisions of this Contract and, in the case of such a breach which is capable of remedy, fails to remedy the same within ten (10) days after receipt of a written notice giving full particulars of the breach and requiring it to be remedied.

Section 7.02 – Accrued Obligations: Termination of this Contract shall be without prejudice to any other right or remedy or any accrued obligations or liabilities of either party.

Section 8 – Export Controls:

Section 8.01 – Export Law Compliance: Buyer shall ensure that it is compliant to all export control laws and regulations of the country of origin and /or shipment of the Products as well as in relation to any technology or software Buyer receives from Seller. In the event Seller has reasonable grounds for believing that the aforesaid export control laws and regulations will not be complied with, Seller may, at its sole discretion (and without prejudice to any other rights), terminate or forthwith suspend delivery under this Contract until further notice or decline to commence or complete loading hereunder on notifying Buyer either in writing or orally (followed by written confirmation). Buyer certifies that it will not use or knowingly support the use by others of such products, technology or software in the design, development, production or use of nuclear, chemical or biological weapons, land mines or ballistic missiles. At all times, Seller will be entitled to decline to sell or ship to any party appearing on the Denied Persons List published by the Bureau of Industry and Security of the U.S. Department of Commerce, or identified in any similar governmental publication.

Section 9 – Force Majeure:

Section 9.01 – Definitions: For the purpose of this Article 9:

"Affected Party " means the party with respect to whom a Force Majeure Event has occurred.

"Force Majeure Event" means any event or circumstance, the occurrence and the effect of which the party affected thereby is unable to prevent and avoid notwithstanding the exercise of reasonable foresight, diligence and care on the part of that party. Without prejudice to the generality of the foregoing, the following shall be regarded as a Force Majeure Event:

- (a) any act of God, explosion, flood, lightning, tempest, fire or accident;
- (b) war, hostilities (whether war was declared or not), invasion, act of foreign enemy;
- (c) rebellion, revolution, insurrection, military or usurped power or civil war;
- (d) riot, civil commotion or disorder, sabotage or requisition;
- (e) acts, restrictions, regulations, by-laws, prohibitions or measures of any kind on the part of any governmental, parliamentary or local authority
- (f) import or export regulations or embargoes;
- (g) strikes, lock-outs or other industrial actions or trade disputes affecting Seller (whether involving employees of the of the Seller or of a third party); and
- (h) default of suppliers or subcontractors of the Seller (where such default arises from a Force Majeure Event).

Section 9.02 – Force Majeure Relieve: Neither party shall be liable to the other party, or be deemed to be in breach of this Contract, by reason of any delay in performing or any failure to perform any of its obligations (other than the obligation to pay the contract price), if the delay or failure was due to a Force Majeure Event; Provided that the Affected Party shall, as soon as reasonably possible, serve on the other party written notice thereof specifying the particulars of the Force Majeure Event and the estimated period during which the Affected Party is unable to perform and discharge its obligations. The Affected Party shall take all action reasonably within its powers to minimise the duration and effect of the Force Majeure Event on the Affected Party.

Section 10 – Governing Law:

Section 10.01 – Governing Law: These GTCs, the Contract and all relationships arising out of or related thereto shall be governed and construed in accordance with the laws of the country of incorporation of the Seller.

Section 10.02 – Dispute Resolution: Any dispute arising in any manner out of or related to these GTCs or the Contract, if cannot be resolved by friendly consultations within thirty (30) days from the date on which either Party delivers a dispute notice to the other Party, such dispute shall be submitted to and finally resolved by binding arbitration in Shanghai in accordance with the rules of the China International Economic and Trade Arbitration Commission (“CIETAC”) for the time being in force, which rules are deemed to be incorporated by reference into this Section. Any arbitration pursuant to this Section shall be decided by an arbitral tribunal comprising three (3) arbitrators. Each of Seller and Buyer shall each appoint one (1) arbitrator, and the third (3rd) and presiding arbitrator (to act as the chairman of the arbitral tribunal) shall be appointed by agreement between the Parties or, failing within twenty (20) days of the appointment of the two Party-nominated arbitrators, by the Chairman of CIETAC. Any arbitral award(s) and any confirmation(s), direction(s) or requirement(s) of the arbitral tribunal shall be binding on both Parties.

Section 10.03 – Legal Fees and Costs: The Party which loses the arbitration conducted pursuant to this Section 10 shall bear the costs of the arbitration and enforcement of the arbitral award (including the costs of witnesses and reasonable attorneys’ fees) unless the arbitration award decides otherwise. During the course of any controversy or arbitration, each Party continues to have the obligation to perform its obligations and the entitlement to enforce its rights under this Contract except those subject to such controversy or arbitration.

Section 10.04 – Convention Exclusion: The provisions of the United Nations Convention on Contracts for the International Sale of Goods (April 1980) are expressly excluded from application to these GTCs and Contract.

Section 11 – General:

Section 11.01 – Assignment: Neither party may assign or transfer any of its rights or obligations under this Contract or any part thereof without the prior written consent of the other party.

Section 11.02 – Entire Agreement: This Contract supersedes all previous agreements and understandings between the parties with respect to the sale and purchase of Products, and may not be modified except by a written document that expressly states the intention of the parties to modify this Contract, and signed by the duly authorised representatives of the parties.

Section 11.03 – Non Waiver: No failure on the part of either party to exercise, and no delay on its part in exercising, any right or remedy under this Contract will operate as a waiver thereof, nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy.

Section 11.04 – Confidentiality: The parties shall keep strictly private and confidential any information relating to this Contract or any transaction or dealings between them pursuant to this Contract.

Section 11.05 – Severability: In case any provision in this Contract shall be, or at any time shall become invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not in any way affect or impair any other provision of this Contract but this Contract shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 11.06 – Surviving Obligations: The obligations of the parties under this Contract which by their nature would continue beyond the termination, cancellation or expiration of this Contract will survive such termination, cancellation or expiration.

END