

SABIC® GENERAL TERMS AND CONDITIONS OF SALE

(REVISION NUMBER 1 DATED 1 MARCH 2008)

In this General Terms, the following words will mean:

“SABIC”	means Saudi Basic Industries Corporation a company carrying on business under the laws of the Kingdom of Saudi Arabia (“KSA”) of P O Box 5101, Riyadh 11422, including its Affiliates who are the producer/Seller of the Products.
“the Buyer”	Means the person (or entity) who is the buyer the Products to be sold, as described in SABIC’s written quotation (“Product Offer”) ; and includes its assignee(s) or successors-in-title.
“the Products”	means the polymer products which Buyer buys and SABIC is to supply to the Buyer in accordance with these General Terms and Conditions and the Product Offer.

1. Sale and Purchase

Subject to availability and upon the terms and conditions as set out herein, SABIC will sell and deliver the quantities of the Product to the Buyer, and the Buyer agrees to purchase, pay for and take delivery of these quantities of the Product as set out herein. Individual sales will be based on the acceptance by the Buyer of a written quotation by SABIC (“the Product Offer”), within the stated validity period thereof.

2. Sales Contract

2.1 All sales by SABIC including delivery of individual consignments of the Product to Buyers will be governed by these General Terms and Conditions of Sale (“the General Terms”) and the terms of the Product Offer including any annexure (collectively referred to as “the Sales Contract”).

In the event of any conflicting provisions between the Product Offer, these General Terms and/or other applicable document or correspondence, the terms and conditions of the Product Offer, and

then these General Terms shall always prevail and take precedence and shall supersede any such conflicting terms and conditions.

2.2 No other conditions, warranties, guarantees, representations or verbal or written exchanges with the Buyer shall be of any force or effect. Without prejudice to the generality of the foregoing, SABIC will not be bound by any standard or printed terms presented by the Buyer; unless expressly incorporated in SABIC's Product Offer.

3. Quality

The quality of the Product shall be as published in the corresponding data sheet ("the Specification") for the relevant products, which is available on www.sabic.com and as may be attached to the Sales Contract provided that SABIC may at any time change or vary the specification and/or discontinue the production of such product with or without prior notice to the Buyer. Unless otherwise agreed, SABIC makes no representation as to the fitness of or use or application of the Product for any particular purpose.

4. Quantities

4.1 While SABIC will make best endeavors to deliver the full quantities purchased by the Buyer, and in such consignments and intervals as indicated in the Product Offer, such deliveries will be subject to availability and SABIC do not accept any liability towards the Buyer in the event that the actual deliveries differ from that set out in the Sales Contract.

4.2 Where delivery of the Product is to be made in bulk, SABIC reserves the right to deliver up to ten per cent (10%) more or 10% less than the quantity ordered with appropriate adjustment in the price, and the quantity so delivered shall be deemed to be the quantity ordered.

5. Price and Currency

5.1 The price shall be expressed in the contracted currency per metric ton ("MT") for the delivered Product and is exclusive of any value added tax, excise or levies of a similar nature outside of the KSA.

5.2 Unless otherwise stated, the quoted prices will be for the quantity stated in the Product Offer; and SABIC may adjust the price in the event the Buyer requires a small quantity.

6. Payment Terms

6.1 SABIC will invoice the Buyer for and in respect of each sale and individual consignment of Product delivered under the Sales Contract. (Product offer)

6.2 The Price of each delivery, as invoiced by SABIC shall be payable by the Buyer to SABIC's Sellers nominated bank account; free of bank charges, deductions or withholdings of whatever kind or nature ("Purchase Price").

6.3 Unless otherwise stated in a Product Offer, payment of the Purchase Price by the Buyer shall be by Letter of Credit ("L/C") in a format acceptable to SABIC, payable at sight. Buyers shall so establish a clean L/C within ten (10) days after acceptance of SABIC's offer; failing which SABIC will not be obliged to deliver the Products.

6.4 The L/C shall be confirmed and irrevocable (a) established with and issued by first-class bank and made available at a local counter in Riyadh; and (b) in the case of multiple consignments such L/C shall be maintained by Buyer, in sufficient amount(s), payable upon presentation by SABIC of original documents such as:

(a) SABIC's invoice

(b) Bill of Lading ("B/L")

6.5 Buyer shall be responsible for and pay all bank charges outside of the KSA.

6.6 In the event that a Buyer is in default in respect of any delivery and if the other consignments have been delivered but not paid for, shall become due and payable in immediate available funds, notwithstanding any previous agreement or arrangement to the contrary.

6.7 Notwithstanding anything set out above, SABIC reserves the right to in its sole discretion vary the agreed payment terms and/or to cancel or changes any credit arrangement or terms granted to Buyers.

7. Delivery

7.1 The Delivery mode of Products shall be on the Incoterms (2000) delivery basis as set out in the Product Offer, or if no place or specific basis of delivery has been specified, ex works, SABIC factory.

7.2 If any delivery time or period is stated, such will be approximate/estimate dates only. Unless otherwise stated in the particular Product Offer, time of delivery shall not be of the essence. Should

SABIC be prevented to deliver the Product or part thereof on time, the time for delivery shall be extended with a reasonable period.

7.3 The Buyer shall not be entitled to refuse to accept delivery and/or return any consignment of the Product delivered by SABIC, unless under the terms and conditions hereof, or in the event of an express agreement in writing to the contrary by the parties.

8. Transfer of Title and Risk

8.1 The risk of loss of or damage to the purchased quantity of the Product shall pass to the Buyer as per the agreed terms.

8.2 However the ownership and title in and to the delivered Product shall not pass to the Buyer until SABIC invoice in respect of the full purchase price of such delivery has been paid in full.

8.3 Until such time as ownership in the Product have passed to the Buyer:

(i) the Buyer shall at all times and at its own cost and expense keep the Products separate and preserve and protect the Product and defend SABIC's right as owners of the Products; and

(ii) the Buyer shall forthwith notify SABIC in writing in the event of any occurrence that may affect SABICs interests or threaten its rights in the Product; and

(iii) SABIC shall, without prejudice to any of its other remedies hereunder or in law, be entitled to enter upon any premises where the Buyer has stored the Products and repossess them and/or, in its absolute discretion take such legal action as it seen fit.

9. Warranty

9.1 SABIC warrants that it has good and valid title to the Product sold and delivered and warrants Products shall at the time of delivery conform to the relevant Specification referred to in Article 3 above.

9.2 Without prejudice to the provisions of Article 10 below, if a Buyer shows that at the time of receipt of the Product did not so comply with the Specification, SABIC shall at its option either: (a) replace that affected consignment of the Product with an equal quantity of the Product within a reasonable time of receiving the Buyer's notice; or (b) refund to or credit the Buyer a portion of the purchase price for the Product which are shown to be defective.

9.3 SABIC shall be under no liability in respect of any defect or non-conformities of the Product arising from fair wear and tear, or any wilful damage, negligence, subjection to normal conditions, failure to follow the Seller's instructions (whether oral or in writing), misuse or alteration of the Products, or any other act or omission on the part of the Buyer, its employees or agents or any third party.

9.4 The warranty, obligations and liabilities of SABIC and the rights and remedies of the Buyer set forth in the Sales Contract are exclusive and are in lieu of any other warranties, obligations, or liabilities, and, except as is expressly stated above, SABIC makes no further warranties. Any other warranties of merchantability, fitness or suitability of the Product for any particular purpose, whether express or implied by any statutory provision or the common law, is hereby excluded to the fullest extent permitted by law.

10. Inspection and Acceptance

10.1 The Buyer shall be entitled to inspect each and every consignment of the Product upon delivery, and the Buyer shall forthwith give SABIC notice in writing of any suspected shortage, damage and/or non-conformity to the Specification; which notice shall detail the basis of the claim and must be accompanied by acceptable evidence supporting such allegations.

10.2 Should the Buyer fail to give such a notice within a period of seven (7) working days from date of receipt of the Products as evidence by the delivery documents, the delivered Product shall be regarded as accepted in good order and shall conclusively be deemed to be in all respects conforming to the contractual quantity and quality and to be free from any defect.

11. Liabilities and Indemnity

11.1 The Buyer bears the full responsibility for making its own determination e.g. by performing tests and analysis as to the suitability and safety of the Product for its own particular use or application. The Buyer shall also solely bear the responsibility for the storage, application and/or use of the Product, at its sole risk, and in no event shall SABIC be liable for any occurrence flowing from the storage, application or use of the Product; nor for any direct, indirect, incidental, special or consequential damages in any way resulting there from, whether Buyer's claim is in contract, tort, or otherwise.

11.2 The Buyer shall be responsible to ensure that, notwithstanding any product instructions given by SABIC, the Product shall be stored, application and used or sold strictly in compliance with any applicable safety, environmental or other statutory regulations at his location.

11.3 Save and except where any death or personal injury was caused by the gross negligence or wilful misconduct of SABIC servants or agents, SABIC shall not be liable to the Buyer by reason of any representation, or any implied warranty, condition or other term, or any duty at common law or under statute, for any loss or damage sustained by the Buyer (including without limitation loss of profit or indirect or special loss), costs, expenses or other claims whatsoever (whether caused by the negligence of the Seller, its servants or agents or otherwise) which arise out of or in connection with the supply of the Products or their use or resale by the Buyer.

11.4 Subject to the above, SABIC maximum liability pursuant to any sale shall at all times and under any circumstances be limited to the purchase price of the Products concern, and the Buyer hereby waives and releases SABIC from and against any direct or indirect or consequential losses whatsoever; whether due to delays in the delivery, the non-conformity of the Product or otherwise.

12. Default

12.1 If the Buyer fails to make any payment on the due date then, without prejudice to any other right or remedy available to SABIC, SABIC shall be entitled to:-

- (a) cancel the Contract or part thereof or suspend any further deliveries to the Buyer; and/or
- (b) appropriate any payment made by the Buyer to such of the Goods (or the goods supplied under any other contract between the Buyer and the Seller) as the Seller may think fit (notwithstanding any purported appropriation by the Buyer); and/or
- (c) charge the Buyer a commission (both before and after any judgement) on the amount unpaid, at the rate equivalent to two per cent per annum above the Al Rajhi Bank base penalty applicable from time to time, until payment in full is made (a part of a month being treated as a full month for the purpose of calculating penalties).

12.2 It shall be deemed that the Buyer is in default, and these above remedies shall also apply if:-

- (a) The Buyer fails to perform or observe any of its obligations hereunder or is otherwise in breach of the Contract; or
- (b) The Buyer becomes subject to an administration order or makes any voluntary arrangement with its creditors or (being an individual or firm) becomes bankrupt or (being a company) goes into liquidation; or

(c) An encumbrance takes possession, or a receiver is appointed, of any of the property or assets of the Buyer; or

(d) The Buyer ceases, or threatens to cease, to carry on business; or

(e) SABIC reasonably apprehends that any of the events mentioned above is about to occur in relation to the Buyer and notifies the Buyer accordingly.

13. Force Majeure

SABIC shall not be liable to the Buyer or be deemed to be in breach of the Contract by reason of any delay in delivery or in performing, or any failure to perform, any of the SABIC's obligations in relation to the Products, if the delay or failure was due to any cause beyond the SABIC's reasonable control. Without prejudice to the generality of the foregoing, the following shall be regarded as causes beyond the SABIC's reasonable control:-

(a) any act of God, explosion, flood, tempest, fire or accident, break-down of plant or machinery, interruption of the supply of feedstock, raw material, or transportation;

(b) war or threat of war, sabotage, insurrection, civil disturbance or requisition;

(c) acts, restrictions, regulations, bye-laws, prohibitions or measures of any kind on the part of any governmental, parliamentary or local authority;

(d) import or export regulations or embargoes; and/or

(e) strikes, lock-outs or other industrial actions or trade disputes (whether involving employees of the SABIC or of a third party).

14. Applicable Law and Jurisdiction

The Sales Contract shall be governed by the laws of the Kingdom of Saudi Arabia without reference to the conflicts of law and the appropriate courts of the Kingdom of Saudi Arabia, in Riyadh, shall enjoy non-exclusive jurisdiction in respect to any disputes hereunder.

15. Confidentiality and Intellectual Property Rights

The Buyer will treat and keep as confidential the terms under which the Products are supplied and all information relating to the business and/or products of SABIC except for information which is in

the public domain other than by reason of the Buyer's default. The Buyer will not use or authorise any other person to use any of SABIC's Intellectual Property Rights including its trade-name, trademark in the Product, house mark, emblem or symbol without SABIC's written consent.

16. General

16.1 Any notice given by either party to the other hereunder shall be in writing and send to the parties addresses as set out in the Sales Contract.

16.2 The Sales Contract will constitute the complete agreement between the parties and SABIC shall not be responsible or held liable for any verbal or written representations.

16.3 No variation to these General Terms and/or the Sales Contract shall be binding unless agreed in writing between the authorised representatives of the Buyer and SABIC with specific reference to these terms and conditions.

16.4 The delay or failure by SABIC to exercise or pursue any of its rights and remedies hereunder shall not be deemed a waiver of any such right.

16.5 If any of these conditions are held by a competent authority to be invalid or unenforceable the validity of the other provisions of these conditions shall not be affected.