

# SKY PETRO-CHEM PTE LTD

## GENERAL TERMS AND CONDITIONS OF SALE



### Article 1- Risk of Loss and Title:

**Section 1.01:** Risk of damage to or loss of product shall pass to buyer in accordance with the agreed delivery terms stipulated in the contract. Where Buyer has been granted unsecured open credit terms, Seller shall retain title in the Goods until Seller has received in cash or cleared funds payment in full of the price of the Product.

### Article 2 – Delivery Terms:

**Section 2.1:** Parties acknowledge that any shipment schedules or delivery dates are approximate only and time shall not be of the essence.

**Section 2.2:** Notwithstanding the quantity ordered and stated in each Contract, an operational tolerance (percentage as specified under the Contract) shall be allowed for each shipment at seller's option with an adjustment in the price.

**Section 2.3:** In case of bulk cargo vessel, container vessel, tank truck shipments or inter-tank transfer, bill of lading and/or certified international surveyor's report (as applicable) at load port shall be final, save for manifest error.

### Article 3- Warranty of Quality:

**Section 3.01 – Product Quality:** Seller warrants that product delivered pursuant to each order shall be as set out in Seller's certificate of analysis ("COA") by an independent accredited surveyor or by the manufacturer as agreed mutually. Save as aforesaid, any and all conditions, warranties or representation relating to the Product quality, condition 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.

**Section 3.02 – Product title:** Seller warrants that it shall pass to Buyer clean title to all Products.

**Section 3.03 – Product Quality determination:** (a) The quality of Product, delivered pursuant to each order, shall be determined at the load port. Seller shall engage an independent surveyor of international standing, to witness the shipping of each consignment of Product at the load port. The costs of the surveyor shall be for the Seller's account. (b) The average quality of Product samples, taken by the surveyor of each consignment, shall be deemed representative of the entire shipment and each quality measurement shall be final and conclusive on the Parties in the absence of manifest error.

**Section 3.04 – Exclusive Remedy:** Notwithstanding to the above, where Buyer has established that Product has failed to comply with the COA at the point of delivery as per agreed incoterms, Buyer's sole and exclusive remedy for breach of Seller's warranty in respect of Product quality shall, at Seller's option, be either a replacement of the non-confirming Product, or an abatement of the price of the Product to be mutually agreed between the Parties.

### Article 4-Product Safety:

**Section 4.01- Buyers Acknowledgement:** Buyer acknowledges that product may be hazardous if so indicated in the Product's 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 Product, of all hazards pertaining to and proper procedures for safe use of Product and of the containers or equipment in which product may be handled, shipped, or stored. Buyer also undertakes to label as appropriate any materials which it makes or resells that include Product.

**Section 4.02-Indemnity:** Buyer shall indemnify Seller against any claim, liability, loss, cost, damage, or expense suffered or incurred by seller arising from Buyer's failure to so inform, warn and familiarize its employees, agents, customers, and contractors, except to the extent that the claim, liability, loss, cost, damage or expense is caused by the failure of Product to meet the specifications.

### Article 5-Payment:

**Section 5.01-Contract value:** The total contract value shall be computed based on the bill of lading quantity and the agreed product unit price as stated in this Contract. In case of a formula pricing, the final unit price calculated as per the formula shall apply.

**Section 5.02-Indemnity:** Buyer shall indemnify Seller against any unfavourable change in price of product that may arise by market condition(s), change in tax, duty,

charges, fees, levies, penalties etc, if any, at destination port and beyond, after the contract and/or a proforma invoice is signed between both parties. Buyer shall indemnify seller against any loss or damage that may arise due to the delay, negligence in processing necessary documentation on time, complying to the local laws in the country of destination, for receiving the goods.

**Section 5.02 Payment Terms:** Payment for Product shall be made to seller in full in U.S. Dollars or such other currency set out in this Contract without any deduction, with holding or setoff whatsoever and in immediately available and freely transferrable funds within the period set out in this 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 Singapore or New York, 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 Singapore or New York, 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 SAPPL 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 product which accrue or are incurred by Seller prior to transfer of risk in Product to Buyer. Buyer will pay all taxes or other charges imposed upon Product which accrue or are incurred after transfer of risk in Product to Buyer.

### Section 5.05-Change in buyer's Financial Circumstances:

If, in Seller's judgement, 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.

### Article 6-Limitation of liability and Claims:

**Section 6.01- Liability for Defective Products:** Except in respect of death or personal injury caused by seller's negligence and 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 Product 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 sellers has not effectively excluded liability to the buyer under or in connection with this contract, sellers 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 product to which such claim, demand, loss, injury, damage or expenses relates.

**Section 6.03-No Consequential Loss:** Except in respect of death or personal injury caused by Seller's negligence and 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 parts, 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:

- Loss of anticipated profits;
- Loss of goodwill;
- Loss of use; and
- Loss of commercial opportunities whether or not foreseeable.

### Article 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 or 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.

### Article 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. 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).

### Article 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:

- any act of God, explosion, flood, lightning, tempest, fire or accident;
- war, hostilities (Whether war was declared or not),invasion, act of foreign enemy;
- rebellion, revolution, insurrection, military or usurped power or civil war;
- riot, civil commotion or disorder, sabotage or requisition;
- acts, restrictions, regulations, bye-laws, prohibitions or measures of any kind on the part of any governmental, parliamentary or local authority
- import or export regulations or embargoes;
- strikes, lock-outs or other industrial actions or shipping restrictions /limitations or trade disputes affecting seller( whether involving employees of the seller or of a third party) ;and
- Default of suppliers or subcontractors of the seller (where such default arises from an event of circumstance the occurrence and the effect of which the supplier or subcontractor is unable to prevent and avoid notwithstanding the exercise of reasonable foresight diligence and care on its part).

**Section 9.02-Force Majeure Relief:** 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 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.

### Article 10-Dispute Resolution:

**Section 10.01-SIAC Arbitration:** Any dispute, controversy or claim arising out of or in connection with this contract including any question regarding its existence, validity or termination, shall be referred to and finally resolved by binding arbitration in Singapore in accordance with the arbitration rules of the Singapore international arbitration

Centre ("SIAC") for the time being in force, which rules are deemed to be incorporated by reference into this Section.

**Section 10.02 –Interim Relief:** Notwithstanding the foregoing, nothing in this Contract shall prohibit either party from seeking interim protective or conservatory measures, before or during the pendency of any arbitration proceeding, in order to protect its interests in connection with the arbitration, including from pursuing arrest, attachment and/or other conservatory, interlocutory or interim actions in any court or exercising any contractual rights in relation to Product or vessel.

### Article 11-Governing Law:

**Section 11.01- Governing Law:** This Contract is made and shall be construed in accordance with Singapore Laws.

**Section 11.02-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 the terms and conditions of this contract and all implied representations and warranties provided for therein are likewise excluded.

**Section 11.03-No Third Party Rights:** No Persons who or which is not party to this Contract shall have any right under the contracts (Rights of Third Parties) Act (Chapter 53B) to enforce any provision of this Contract against one of the parties.

### Article 12-General:

**Section 12.01-Assignment:** Neither party may assign or transfers any of its rights or obligations under this contract or any part thereof without the prior written consent of the other party.

**Section 12.02-Entire Agreement:** this Contract supersedes all previous agreements and understandings between the parties with respect to the sale and purchase of product, and may not be modified except by a written document which expressly states the intention of the parties to modify this contract, and signed by the duly authorised representatives of the parties.

**Section 12.03- 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, or 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 12.04- 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 12.05-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 12.06-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.

**Section 12.07-Battle of Forms:** the terms of this contract will take precedence over, govern and control any purchase order, sales acknowledge, invoice or other writing between Seller and Buyer despite subsequent issuance, it being agreed and understood, without limitation that any pre-printed terms and conditions appearing on any other writing, communication or transmittal between seller and buyer pertaining to the subject matter of this contract will be null and void and have no force or effect.