

Intermediate Chemicals Co Ltd (Arabian Zinc Oxide Factory).

Standard Terms And Conditions Of Sale

1. **Definitions:**

The following words or expressions shall have the meaning hereby assigned to them, unless specifically noted otherwise in the context of the Standard Terms and Conditions:

Seller: Means Intermediate Chemicals Co. Ltd. (Arabian Zinc Oxide Factory).

Product: Means any product sold by seller.

Buyer: Means the party purchasing any product from Seller.

2. **APPLICABLE TERMS:**

All sales by Seller to Buyer whether initiated by written purchase order, electronic means, Fax or any other method, will be subject exclusively to the terms and conditions mentioned herein and (a) if signed written agreement is in effect between Buyer and Seller and applicable to such sale (a "Sales Agreement"), then any term in the Sales Agreement that conflicts with these terms, the terms and conditions of the sale agreement shall prevail, (b) in the absence of sales agreement, **these terms and conditions, OR** these terms, Product description and quantity specified in Seller's quotation to Buyer, shall form a contract (the "Contract") and the whole above mentioned (The signed agreement, terms and conditions and the contract) shall be governed by the substantive law of the Kingdom of Saudi Arabia, without giving effect to its conflicts of laws principles.

3. **TITLE AND RISK OF LOSS:**

Risk of loss or damage to Products will pass to Buyer in accordance with the Incoterm specified by Seller or otherwise mutually agreed to by both parties. If no Incoterm is specified by Seller, risk of loss for shipments will pass at the time Products are transferred to a commercial transportation carrier for shipment. In all instances title shall pass at the same time as risk of loss passes to Buyer. Buyer will be responsible for clearing the Product for import and paying all duties, taxes and other charges upon import. Buyer shall pay, or reimburse Seller promptly for, all demurrage or detention charges on any Product not cleared for import within three days after Delivery. Seller reserves the right to deliver a Letter of Indemnify in lieu of a Bill of Lading.

4. **DELIVERY AND SHIPMENTS:**

The delivery location and other shipment terms are stated in Seller's quotation or the Sales Agreement. If the terms of shipment require Seller to pay freight, selection of carrier and routing of shipment shall be at Seller's option. Buyer shall give Seller reasonable written notice of its desired order and shipment dates, and Buyer and Seller shall establish a mutually acceptable shipment schedule. All delivery dates are estimates only.

5. **WEIGHTS AND INSPECTION:**

The quantity of Products delivered is governed by Seller's weights and measurements, unless proved to be erroneous. Buyer may call for an examination of any weighing or measuring devices, by an independent qualified examiner at Buyer's cost. If the examination discloses any inaccuracy in the weighing or measuring equipment of 1.5% or more, Seller shall

reimburse Buyer for the cost of examination and correction, and adjust the corresponding invoice(s) accordingly.

6. **PRICE, TAXES AND DUTIES:**

The price of Products is as stated in the Sales Agreement, or in the absence of specific pricing, prices are determined by Seller's quotation to Buyer or, in the absence of a quotation, by Seller's list prices in effect at the time of shipment. The price is based on U.S. Dollars Or Saudi Riyals for local Buyer, and excludes shipping charges and sales, use, excise or similar taxes. Buyer shall pay, or reimburse Seller for, the gross amount of all shipping charges, all import and export charges, license fees, duties and similar charges, and any present or future taxes (including any applicable local taxes), fees (including those covering preparation of consular documents and consular fees), deductions or withholdings (other than income taxes) on any amounts payable to Seller under the Contract or applicable to the sale or furnishing of Products. All drawback of duties paid on items entering into manufacture of the Product hereunder shall accrue to Seller, and Buyer will furnish Seller, wherever possible all documents necessary to obtain payment of such drawbacks and expenses and will cooperate with Seller in obtaining such payment. Seller may change prices, by written notice, due to changes in customs duties, taxes, vendor prices, foreign exchange fluctuations, currency regulations, or other factors beyond Seller's control until delivery. If Seller is prevented from charging any price in effect by any governmental law, order, regulation or ruling, then Seller may cancel the Contract by giving Buyer thirty (30) days written notice thereof.

7. **TERMS OF PAYMENT:**

Seller's payment terms are stated in the Contract, P.O, Letter of Credit, or other applicable documentation between the parties, but if not so stated, payment shall be due within thirty (30) days after date of invoice. Buyer shall pay all amounts payable under the Contract in lawful money of the United States Or in Saudi Riyals for the local Buyer, by wire transfer. Any banking charges associated with Buyer's payment shall be for Buyer's account. Each shipment of Product shall be considered a separate and independent transaction and payments hereunder shall be made accordingly. If Buyer fails to make payment when due, (a) Seller may (i) curtail or delay further shipments of Products until all outstanding amounts are paid, (ii) require cash payment on further shipments, (iii) cancel the Contract or the applicable shipment, (iv) require Buyer to return to Seller or its designee any bill of lading or other document issued or to be issued in favor of Buyer or providing for delivery of Products to Buyer, (v) take any other action Seller deems appropriate in its sole discretion, and/or (vi) pursue any remedies available at law or as provided in the Contract, and (b) Buyer shall reimburse Seller for Seller's costs of collection, including legal fees and disbursements. Buyer shall pay a finance charge of 2% per week on all past-due balances. This finance charges shall not exceed (10) Ten percent of these balances 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 Product in transit,

until Seller received payment of all amounts owing to Seller or its affiliates, or adequate assurance of such payment. Buyer also acknowledges that both amounts invoiced by Seller and shipments in progress count toward Buyer's credit limit with Seller. If at any time Buyer exceeds its credit limit, Buyer will within three (3) business days make payment sufficient to reduce its outstanding credit to a level not exceeding its credit limit and will continue to pay invoices on or before their due date.

8. **PRODUCT HAZARDS:**

By accepting Products, Buyer represents that it has reviewed and understands the contents of Seller's material safety data sheet for Products ("MSDS"), are available at www.arabianzinc.com which Buyer shall abide and be aware of its contents. Buyer understands that some Products may be hazardous materials or hazardous substances under various laws and regulations when handled or processed. Buyer agrees to familiarize itself (without further reliance on Seller) with any hazards of the Products, their processing and applications and the containers in which the Products are shipped. Buyer agrees to provide the MSDSs to all those required by law to receive same and to inform and train its employees, and properly warn and instruct its customers, as to hazards identified in the MSDSs or discovered by Buyer in its investigations. Buyer agrees to properly manage and dispose of all wastes and residues resulting from its use of all Products, including any disposable packaging, in accordance with applicable disposal or recycling laws. Buyer shall indemnify Seller against any claim, liability, loss, cost, damage, or expense suffered or incurred by Seller arising from Buyer's use of Products or 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 the Product to meet the specifications.

9. **PRODUCTS SUITABILITY:**

Buyer is solely responsible for determining the Products' suitability for Buyer's intended uses and application. Buyer represents having substantial expertise in the chemical business and being familiar with the characteristics and Seller's specifications of the Products. Buyer assumes all risks and liabilities for results obtained by the use of the Products, whether used singly or in combination with other material. Buyer shall comply with all laws, regulations, and standards applicable to Buyer's possession, handling, processing or use of the Products.

10. **WARRANTIES:**

Seller warrants title and that the Products sold will meet the data sheet specifications as published at the date of the Contract/P.O at www.arabianzinc.com which Buyer shall abide and be aware of its contents or as may be amended or updated from time to time. No warranty is provided on any Products for which Buyer has not paid Seller in full. THIS LIMITED WARRANTY IS GIVEN ONLY TO THE ORIGINAL PURCHASER, IT MAY NOT BE TRANSFERRED OR ASSIGNED AND DOES NOT EXTEND TO ANY SUBSEQUENT PURCHASER OR TRANSFEREE OF PRODUCTS. THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, WRITTEN OR ORAL, STATUTORY, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Buyer must make all warranty claims under this

Section 11 in writing, within thirty (30) business days after delivery of the Products, or if for non-delivery, after the scheduled delivery date. Buyer's failure to make a written warranty claim within that fifteen day period constitutes an absolute and unconditional waiver of that claim. SELLER'S SOLE LIABILITY AND BUYER'S EXCLUSIVE REMEDY IN CONNECTION WITH ANY CLAIM AGAINST SELLER UNDER THE CONTRACT WILL BE FOR SELLER (AT SELLER'S OPTION) EITHER (A) TO REPLACE THE NONCONFORMING PRODUCTS OR (B) TO REFUND TO BUYER (BY CASH OR CREDIT) THE PURCHASE PRICE OF THE NONCONFORMING PRODUCTS. Buyer shall stop using the Products upon filing a claim under this Section 11, and shall properly and adequately segregate and store the Products until Buyer returns them to Seller. Seller will not refund the purchase price nor replace the Products until Buyer has returned the unused portion of the Products to Seller.

11. INDEMNIFICATION; LIMITATION OF CLAIMS:

Buyer shall indemnify and defend Seller, Seller's parents, subsidiaries and affiliated entities, and their respective agents and employees against claims of injury (including death) or property damage (collectively "Losses") (a) arising out of Buyer's breach of its obligations under the Contract, or (b) arising during the period in which Buyer, Buyer's agent or carrier, or Buyer's exchange partner taking physical Delivery of Products sold under the Contract, has custody of Products.

"Losses" shall include (1) all liabilities, damages, losses, claims, settlement payments, costs and expenses, interest, awards, judgments, fines, fees and penalties and other charges (other than the expenses in subsection (2)), and (2) all court filing fees, court costs, arbitration fees or costs, witness fees, and each other fee and cost of investigating and defending or asserting a claim for indemnification under the Contract, including attorneys' fees, other professionals' fees, and disbursements.

Buyer's indemnification obligations as set forth in this Section 12 do not apply if Buyer demonstrates that the Products' nonconformity with specifications was the primary and predominant cause of such damages, personal injury or death. Except as agreed in the limited warranty set forth above, Seller will not be responsible for any harm arising out of Buyer's purchase, possession or use of any Product, whether based in contract, warranty, negligence or other tort, strict liability or otherwise. Seller is not liable for any premium transportation, procurement, or other costs or losses incurred by Buyer as a result of any delay not caused by Seller.

SELLER WILL NOT BE LIABLE FOR CONSEQUENTIAL, SPECIAL, INCIDENTAL OR EXEMPLARY DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, EQUIPMENT DOWNTIME, COST OF ANY SUBSTITUTE FOR PRODUCTS, CLAIMS OF THIRD PARTIES OR INJURY TO PERSONS OR PROPERTY. THIS LIMITATION SHALL APPLY NOTWITHSTANDING A FINDING THAT ANY REMEDY FAILS OF ITS ESSENTIAL PURPOSE.

12. TERMINATION/SUSPENSION:

If, prior to the arrival of the delivery vessel into the delivery port, a party commits a breach of any of the provisions of the Contract (the "Defaulting Party") and, in the case of such a breach

which is capable of remedy, fails to remedy the same within forty eight (48) hours after receipt of a written notice giving full particulars of the breach and requiring it to be remedied, then the non-Defaulting Party may (a) terminate the Contract (or the applicable shipment) immediately by giving written notice to the other party and/or (b) if the Defaulting Party is Buyer, require Buyer to immediately return to Seller any bill of lading or other document issued to Buyer with respect to the Products as to which default has occurred. In the case of a breach committed after the delivery vessel arrives in the delivery port, the non-Defaulting Party may exercise its rights under clauses (a) and/or (b) of the foregoing sentence immediately upon written notice to the Defaulting Party. Termination of the Contract or the applicable shipment shall be without prejudice to any other right or remedy or any accrued obligations or liabilities or either party.

13. **COMPLIANCE WITH LAWS:**

Buyer shall be responsible for processing all registrations and importation permits to import the Products and shall comply, prior to importing the Products, with all applicable laws and other requirements including but not limited to those regarding labeling, safety and usage, handling and disposal of hazardous materials, import and export of materials, and with all other applicable laws and regulations. Buyer represents and agrees that its activities in connection with the Contract comply with all applicable laws and regulations. Buyer shall not pay, promise to pay, or authorize the payment of any money or anything of value, directly or indirectly to any person (whether a government official or private individual) for the purpose of illegally or improperly inducing any official or political party or official of that political party in obtaining or retaining business, or taking any other action favorable to Buyer or its business.

14. **FORCE MAJEURE:**

Neither Seller nor Buyer shall be liable for loss or damage, resulting from any delay or failure in performing any of its obligations under the contract/P.O arising from any cause beyond its control (Force Majeure events such as earthquake, war, plant shutdown, and etc).

15. **TRADEMARKS:**

Buyer shall not use the trademarks of Seller without Seller's prior written approval. No license or right to use Seller's trademarks is implied or granted. Buyer may add labels or stickers to the Products only to comply with registration, importation or use requirements under applicable law. To the extent practicable, Buyer's labels and stickers shall not affect, edit, alter, block or remove any copyright, trademark, trade secret, proprietary information, serial number and/or other notices of Seller contained on or in the Products

16. **GENERAL:**

Failure by either party, at any time or from time to time, to require the performance by the other of any term hereof shall not constitute a waiver of such term or provision. The invalidity, in whole or in part, of any term herein, shall not affect any other term, each of which shall be enforced to the full extent permitted by law. Buyer may not assign or transfer any rights or obligations under the Contract or other agreement governed by these terms

without the prior written consent of Seller. Each party shall treat and keep as confidential the terms of the Contract.

Any dispute arise between the parties in relation to the sold products shall be solved amicably within (15) fifteen working days, otherwise the Laws of kingdom of Saudi Arabia shall be applied.

17. ENTIRE AGREEMENT:

The Contract embodies the entire agreement and understanding of the parties related to its subject matter and supersedes all prior proposals, understandings, agreements, correspondence, arrangements and contemporaneous oral agreements relating to the subject matter of the Contract. None of Buyer's terms and conditions, if any, contained in Buyer's purchase order, bid, or other document, shall apply or be deemed to amend the Contract. No conditions, usage of trade, course of dealing or performance, understanding or agreement purporting to modify, vary, explain or supplement the terms or conditions of the Contract will be binding or be used to qualify, explain or supplement any of these terms and conditions unless the party to be bound has agreed in writing, and no modification shall be effected by the acknowledgment or acceptance of sale or shipping instruction forms containing terms or conditions at variance with or in addition to those in the Contract.