

**General Terms & Conditions of  
BASF FZE  
for the Sale of Products**

**1. Scope, Use of Application**

a) These General Terms & Conditions shall apply exclusively to any current or future sale of any products and the services associated with the products (“**Products**”) by BASF FZE (“**Seller**”) to customers in their capacity as merchants (“**Customer**”).

b) Differing or contradicting terms provided by the Customer shall not apply unless expressly agreed to in writing by the Seller. Failure of the Seller to object to any provision contradictory to these General Terms & Conditions contained in any order or other writing of the Customer shall not be construed as a waiver of the terms and conditions under these General Terms & Conditions or part of them nor shall it be construed as an acceptance of any terms and conditions proposed by the Customer insofar as these differ from these General Terms & Conditions and the Seller remains at all times free to demand their strict application.

**2. Offer & Order Confirmation**

a) Any offer and quotation issued by the Seller to the Customer shall be non-binding and subject to change unless clearly stated otherwise in writing in the offer or quotation.

b) The Customer shall place purchase orders with the Seller in written form either via facsimile, post, courier or email or as otherwise agreed in writing between the Seller and the Customer.

c) No purchase order of the Customer whether based on a quotation or offer by the Seller shall be deemed to be accepted by the Seller unless and until expressly confirmed in writing by the Seller by facsimile, post, courier or email or as otherwise agreed. Any acceptance of a purchase order shall be at the sole discretion of the Seller. Upon acceptance of the purchase order by the Seller a binding purchase contract for the ordered Products shall be concluded between the Parties. In case the acceptance differs from the offer, such acceptance constitutes a new non-binding offer of the Seller.

d) Any request of the Customer for changes to a purchase order already accepted by the Seller shall be considered as a new, additional purchase order.

e) It shall be the Customer’s responsibility to specify the technical data, quantity requirements and other specifications exactly and in a detailed manner so that the Seller can offer and deliver the correct Products and prices to the Customer.

**3. Prices & Payment**

a) In the absence of any written agreement to the contrary, the Seller’s valid prices at the time of conclusion of the contract of sale shall apply.

b) If the Seller’s prices or the Seller’s terms of payment are generally altered between the date of contract and delivery, the Seller may apply the price or the terms of payment in effect on the date of delivery. In the event of a price increase, the Customer is entitled to withdraw from the contract by giving notice to the Seller within 14 days after notification of the price increase.

c) All prices stated in any document issued by the Seller are exclusive of indirect taxes. All indirect taxes, including but not limited to Value Added Tax (VAT), Goods and Service Tax (GST), Service Tax, Business Tax – as applicable pursuant to the relevant tax law, shall be borne by the Customer.

e) Payments shall be due as of the date specified in the individual sales contract (“**Sales Contract**”) and shall be made to the Seller’s bank account in United Arab Emirates Dirham without any deduction and free and clear of any fees or charges. Cheques (including post-dated cheques) as well as any other non-cash payments are made merely on account of performance and will not be deemed to constitute payment until cashed and irrevocably credited to the bank account of the Seller.

f) Failure to pay the purchase price by the due date constitutes a fundamental breach of contractual obligations.

g) In the event of a default in payment by the Customer, the Seller is entitled to charge interest on the amount outstanding at the rate of 9 percent (nine percent) per year at the time the payment is due.

h) If there are reasonable doubts as to the Customer’s ability to pay, especially if payments are in arrears, the Seller may, subject to further claims, revoke credit periods and make further deliveries contingent upon advance payments or other security being provided by the Customer.

i) Regardless of the place of delivery of goods or documents, the place of payment shall be the Seller’s place of business.

j) The Customer shall not be entitled to claim any rights of set-off or retention.

**4. Delivery**

a) Delivery shall be effected in accordance with the terms set out in the Sales Contract for which the Incoterms

2010 of the International Chamber of Commerce (“**IncoTerms**”) is applicable. Provided no express agreement has been reached, deliveries are made carriage paid to named port of destination as per the IncoTerms (“**CPT**”).

b) The estimated required time for delivery will be stated in the Seller’s offer and will be based on manufacturing capacities, subcontractor delivery dates and other conditions. It is an estimate only and new dates will have to be fixed if any such condition changes.

c) Even if mentioned in the contract concluded by the Customer and Seller, the delivery time shall only be approximate and without engagement, unless otherwise agreed in writing. The Seller shall not accept any liability for non-compliance with the date of delivery indicated in the offer and/or respective contract unless otherwise expressly agreed in writing. The Customer shall immediately, but latest within five (5) working days, accept and take delivery of the Products when they are ready for shipment or ready for delivery to the place of destination.

d) In case the delivery of Products is postponed at the request of the Customer or if the Customer does not observe any agreed date of delivery without notifying the Seller, the Customer shall pay all expenses accruing as a result of storage beginning one week after notification that Products are ready for shipment or ready for delivery to the place of destination. However, the Seller may withdraw from the respective Sales Contract and dispose of the Products (without prejudice to any other remedies available to the Seller as permitted by local laws and regulations), provided the Seller gives adequate notice in writing of such intentions to the Customer and the Customer fails to accept Products within one week of serving the notice. In this case the Seller shall be entitled to receive liquidated damages from the Customer amounting to 15% of the purchase price for the Products which had been agreed between the parties. Such damages must be set higher or lower if the Seller is able to prove higher or the Customer lower actual damages. This shall also apply to an order of Products if the parties have agreed on several partial deliveries and if the Customer does not observe an agreed date of delivery for one partial delivery. In this case, the Seller shall, after expiration of a one week notice to the Customer, be allowed to withdraw from the entire order, dispose of all the ordered Products and receive damages in accordance with the aforementioned regulation.

## **5. Passing of Risk**

a) Save as otherwise individually and expressly agreed in writing, the transfer of risk of loss and damage to Products sold by the Seller to the Customer shall take place upon delivery of the Products to the Customer in accordance with Art. 4 of these General Terms & Conditions.

c) Notice of claims arising out of damage in transit must be lodged by the Customer directly with the carrier within the period specified in the contract of carriage and the Seller shall be provided with a copy thereof.

e) If the Customer fails to take timely delivery of the Products the risk shall pass to the Customer at the time on which the Customer should have taken delivery of the Products from Seller at the premises of Seller in the United Arab Emirates (UAE) or as otherwise explicitly agreed in writing by the parties. The IncoTerms shall apply for the passing of risk as far as they are not inconsistent with the conditions subject to this clause 5 or written agreements.

## **6. Retention of Title**

a) Notwithstanding any delivery of the Products and the passing of risk of the Products or any other provisions of this Agreement, until all amounts owed by the Customer to the Seller, no matter on what grounds, are settled in full, the Seller retains full title to the Products purchased by the Customer. The Customer shall be responsible for any deterioration of the Products sold from the time of delivery to him.

b) If third parties take up steps to attach or otherwise dispose of the Products, the Customer shall immediately notify the Seller in order to enable the Seller to seek a court injunction to prevent such action. If the Customer fails to do so in due time the Customer shall be held liable for any damages caused. The Customer shall indemnify the Seller for any damages and losses if the Products are successfully attached or otherwise disposed of by a third party.

g) The Customer shall be entitled to sell the Products in his ordinary course of business, except if he is in default of payment. For this case of resale of the Products, the Customer hereby assigns all claims arising out of such resale to the Seller, irrespective of whether the Products have been processed or not. If such assignment of a future claim is invalid for any reason whatsoever, the Customer herewith undertakes to assign to the Seller the respective claim resulting from the resale of the Products and to undertake any action and sign any document required to give effect to such assignment.

h) At the request of the Seller, the Customer shall provide all necessary information on the inventory of goods owned by the Seller and on the claims assigned to the Seller. Furthermore, at the request of the Seller, the Customer shall identify on the packaging Seller’s title to the goods and shall notify its customers of the assignment of the claims to the Seller.

## **7. Product Quality, Specimens and Samples, Guarantees, Advice**

a) Any advice given by the Seller is given to the best of his knowledge. Advice and information with respect to suitability and application of the Products is not binding and shall not relieve the Customer from undertaking his

own investigations and tests with regards to the suitability of the Products supplied for the processes and purposes he intends to use them for.

b) Unless otherwise agreed, the quality of the Products due contractually is exclusively determined by the Seller's product specifications valid at the time of delivery.

c) The properties of specimens and samples are binding only insofar as it has been explicitly agreed to define the quality of the Products.

d) Quality and shelf-life data as well as other data constitute a guarantee only if they have been agreed in writing and designated as such.

## 8. Defects

a) If it is noticed after delivery of the Products that the Products delivered are different, in quantity or type, or if they are defective, rescission or reduction of price shall not be granted to the Customer unless it results from such a difference or defect, that leads to the unsuitability of the Products for the purpose for which they were to be used, or if they become impossible to be marketed. The Seller shall not be liable for unsuitable or improper use, negligent handling, defective assembly, improper maintenance or unsuitable operation, storage, use, installation or operation of the Products by the Customer, its employees, directors or agents or any third party, or for normal wear and tear, chemical influences or damage due to force majeure.

b) The Customer shall examine the Products forthwith upon delivery in the orderly conduct of business and advise the Seller in writing of any defect and incorrect quantity discovered, latest within 15 days of delivery. Failure on the Customer's part to meet this obligation shall be construed as approval of the delivery.

c) In case of any defect which cannot be detected by ordinary examination, the Customer shall inform the Seller immediately upon discovery of such defect, but no later than one week after discovery.

c) Any Notification concerning a defect, whether obvious or not, must be in writing and must precisely describe the nature and extent of the defects. Any rectification shall be excluded after expiration of the defined time periods and the respective defect shall be deemed to have been caused by the Customer.

d) The Customer must file any action regarding defects within sixty days of the actual delivery date. In case of a defect pursuant to clause 8 lit. b) the action must be lodged in warranty of the defect within six months of the date of actual delivery.

f) With regard to claims for compensation, including compensation for unproductive expenditure on a defect, clause 9 applies.

## 9. Liability for damages

a) The Seller shall only be liable for damages in case of intent, gross negligence, fraud and damages to life, body or health. In case of negligence the Seller shall only be liable insofar as it has infringed a duty which is of material significance for the achievement of the contractual purpose and its liability shall be restricted to the typically foreseeable damage. Any further liability shall be excluded.

b) On no account shall the Seller be liable for any consequential or indirect damages or losses which the Customer, its employees, directors or agents may incur including without limitation any loss of use, loss of profit and loss of any contract.

c) To the extent that the liability of the Seller is effectively excluded under this clause 9, also the personal liability of its managers, directors, employees, assistants and agents shall be excluded.

d) The Seller is not liable to the Customer in case of impossibility or delay in the performance of its supply obligations if the impossibility or the delay is due to orderly compliance of regulatory and legal obligations.

## 10. Confidentiality

a) The parties shall be obliged to treat as business secrets all commercial and technical information not generally available which becomes known to them through the business relationship.

b) Any documents made available to the Customer must not be made available to unauthorized persons. They remain the property of the Seller. Copying is permissible only to the extent that it is required for operational purposes and accords with copyright regulations. At the Seller's request, all documents, items and copies thereof shall be surrendered or, if necessary, destroyed.

c) The Seller reserves the right to file applications for intellectual property rights, and to exploit the rights of use for his items and information.

d) The Customer must not advertise his business connection with the Supplier without the Supplier's written consent.

## 11. Force majeure

a) Any incident or circumstances beyond the Seller's control such as natural occurrences, embargos, war, strikes, lock-outs, shortages of raw materials and energy, obstruction of transportation, breakdown of manufacturing equipment, fire, explosion, or acts of government shall relieve the Seller from its obligations under this contract to the extent the Seller is prevented from performing such obligations.

b) The same applies to the extent such incident or circumstance renders the contractual performance commercially impractical for the Seller over a long period or occurs with suppliers of the Seller. If the

aforementioned occurrences last for a period of more than 3 months, the Seller is entitled to withdraw from the contract without the Customer having any right to compensation.

## 12. Governing Law and Jurisdiction

- a) These General Terms & Conditions shall be governed and construed in accordance with the substantive laws and regulations in force in the United Arab Emirates (UAE).
- b) If a dispute arises between the parties in relation to the respective sales contract including these General Terms & Conditions the courts in the UAE shall be competent to hear such dispute.

## 13. Miscellaneous

- a) If these General Terms & Conditions are made known to the Customer in another language, in addition to the language in which the sales contract has been concluded ("Contract Language"), this is merely done for the Customer's convenience. In case of differences of interpretation, the version in the Contract Language shall be binding.
- b) Unless specifically agreed otherwise, the Customer is responsible for compliance with all laws and regulations regarding import, transport, storage and use of the Products. The Customer undertakes to comply with

all laws and regulations including any embargo / sanctions laws and regulations which may govern or affect placing a purchase order, export, re-export, trade, use, shipment, import, transportation, storage, sale (including government procurement) delivery of the Products by the Customer and to not export, re-export, divert, trade, ship, import, transport, store, sell, supply, deliver or re-deliver, whether directly or indirectly, any of the Products for end-use in any country, entity or person affected by such embargo /sanctions laws. The Customer shall furnish the Seller with such documentation as the Seller may request to evidence the Customer's compliance with this clause and that controls are in place which actively support such compliance.

- c) The Customer is not entitled to assign its contractual rights and / or obligations without Seller's prior written consent.
- d) If any provision of these General Terms & Conditions shall become invalid, the remainder of these General Terms & Conditions shall not be affected. It shall be replaced with a valid clause economically closest to the intention of the parties.
- e) All dates, periods, and terms shall be given and counted according to the Gregorian calendar.
- f) The headings in these General Terms & Conditions have been inserted for convenience only and shall not be used for nor assist or affect its interpretation.