

TERMS AND CONDITIONS OF SALE



1. DEFINITIONS

In the following conditions of Sale the "Seller" means **PT. ALLNEX RESINS INDONESIA** and the "Buyer" means the entity purchasing the Goods or services the subject of these Conditions of Sale. "Goods" means any item of whatsoever nature which is sold by the Seller to the Buyer. "Services" means any service of whatsoever nature which is supplied by the Seller to the Buyer.

2. FORMATION AND SCOPE OF CONTRACT

A contract for the sale of Goods or the supply of services from the Seller to the Buyer is formed when the order is received and accepted by the seller. The only contractual terms which are binding upon the Seller are those outlined in this contract or otherwise agreed to in writing by the Seller and those, if any, which are imposed and which cannot be excluded by law. These Conditions supersede any other terms appearing on any purchase order, statement of work, proposal, quote or other document related to the provision of the Goods, including any terms specified in a Buyer document, and these terms apply to the provision of the Goods to the exclusion of all such other terms. The earlier of placement of an order, delivery or payment by the Seller is deemed acceptance by the Buyer of these terms. These Term and Conditions shall form the entire agreement between parties.

3. PRICES

- (a) The prices charged and payable will be the Seller's prices at the date the Goods are delivered to the Buyer as agreed to on the order form.
- (b) The Seller is entitled without notice to the Buyer to adjust the selling price of the Goods whether before or after acceptance of the Goods, in the event of and to take account of any increase in the cost including any of the following items:
 - a. the manufacturer's price to the seller;
 - b. freight, including cost of over-carriage;
 - c. insurance;
 - d. exchange rates;
 - e. raw material cost increase;
 - f. manufacturing cost increases;
 - g. quarantine, customs or port charges, demurrage; and
 - h. duty, charge or levy in respect of the import of goods or charges in the classification or value of goods for customs purposes.
- (c) In the case of export sales on a free on Board, contract, Insurance and Freight or Contract & Freight basis customs duty, excise duty and governmental imposts are not included in prices quoted and will appear in the Buyer's account.

4. TERMS

Unless otherwise agreed to in writing by the Seller payment for the Goods and all other costs and expenses will be made to the seller strictly net cash within thirty (30) days from the invoice date and B/L date for export during which the Goods are delivered to the Buyer. Should the Buyer delay or default in respect of any payment due to the Seller, the Seller will have the right, in addition to all other rights granted in this contract or which are conferred by law, to charge interest at the rate equivalent to the two per centum (2%) in excess of such rates charged the Seller by its bankers for overdraft accommodation. Such interest will be calculated from the date payment is due to the date of full and final payment by the Buyer. Any payment by the Buyer will be credited first against the interest accrued to the date of payment.

If in the Seller's opinion, the Buyer's financial status is or become unsatisfactory to the Seller, the Seller reserves the right to require payment of the price in cash in advance, or security for the price in respect of all future deliveries and for Goods previously delivered for which payment has not been received.

5. CREDIT TERMS

Subject to clause 4, the Seller may offer credit terms to the Buyer and these credit terms will form part of this contract. For the avoidance of any doubt any breach of the credit terms will be breach of this contract and remedies available to the Seller under this contract for breach of contract will be available if the credit terms are breached. The Buyer acknowledges and agrees that the Seller may withdraw credit facilities at any time at its discretion.

6. VAT / TAX

The Seller's price excludes VAT/ Tax for Local.

7. DELIVERY

- (a) The Goods will be delivered by the Seller to the Buyer's warehouse nominated in the order form unless notice is received from the Buyer that it wishes to take delivery of the Goods from the Seller's warehouse. The Seller is not a common carrier and that in the event of loss or damage to the Goods in transit caused by or resulting from any act, neglect or default attributable to the Seller, the Seller's liability to the buyer will be limited to and completely discharged by either the replacement or the repair of any Goods so lost or damaged. Any claims against the Seller for such loss or damage to Goods must be made within seven (7) days of the date of delivery.
- (b) The Seller reserves the right to deliver by installments and each installment will be deemed to be sold under a separate contract. Failure of the Seller to deliver an installment will not entitle the Buyer to rescind or repudiate the

contract governing delivery of that installment or any other contract with the Seller.

- (c) The Seller will make all reasonable efforts to have the goods delivered to the Buyer on the date agreed between the parties as the delivery date but any date named or accepted by the Seller for completion, delivery, despatch, shipment or arrival of the Goods or for tender of any documents is an estimate only and does not constitute a condition of the contract. The Seller will be under no liability whatsoever should not be made on the date.

8. TITLE AND RISK

8.1 Unless otherwise agreed in writing, risk in the Goods will pass to the Buyer upon the sooner of the happening of:

- (a) The loading of the Goods on an outside carrier vehicle of the Buyer's carrier; or
- (b) delivery to the Buyer, his carrier or agent.

8.2 Property and ownership in the Goods supplied by the Seller to the Buyer will not pass to the Buyer until all Goods the subject of this contract and all Goods supplied on similar terms by the Seller to the Buyer ("Current Account Goods") have been paid for in full.

8.3 Until property and ownership in the Current Account Goods passes from the Seller to the Buyer:

- (a) the Buyer will keep them separately identified and stored in such manner as to show clearly that they are the property of the Seller;
- (b) the Buyer will, at its expense, insure the Goods for their full value; and
- (c) the Buyer as a fiduciary for the Seller may sell them in the ordinary course of its business and the proceeds of such sale shall be subject to the security interest of the Buyer created by this document.

8.4 If the Buyer defaults in payment of the purchase price in accordance with the terms of this contract, or if the contract terminates in accordance with these terms and conditions for any reason, the Seller and its employees or agent will have the right to enter upon the buyer's premises or any other premises where the Goods are known to be stored to repossess the Goods and for this purpose the Buyer will grant all reasonable access rights. Upon repossession of the Goods by the Seller, but not until then, the risk in the Goods must revert to the Seller.

9. RETURNING GOODS

The Buyer may offer the Goods to the Seller in writing within 21 days of delivery if the Buyer no longer requires the Goods and the Goods are in the same condition as they were when delivered. The Seller in its absolute discretion will decide if it will take ownership of the Goods. The Buyer

acknowledges that it must pay all expenses associated with this transaction, including freight and insurance costs. If the Seller accepts the Goods, a credit will be provided to the Buyer to an amount agreed between the parties.

10. BUYER'S LIABILITY AND DEFAULT

10.1 If the Buyer ;

- (a) fails to make any payment due under this contract or commits any other breach of any of the Buyer's obligations under this contract ;
- (b) is unable or deemed to be unable to pay its debts as and when they fall due;
- (c) suffers execution against it, or a Mortgagee or agent of a Mortgagee enters into possession of all or any part of the property of the Buyer;
- (d) commits an act of bankruptcy;
- (e) makes any composition or arrangements with creditors; or
- (f) In the event that the Buyer, being a company, passes any resolution or takes any step in connection with the appointment of an administrator or liquidator, or any step is taken by the holder of a security of all or nearly all of the property of the company to enforce its security, the Seller (in addition to any other remedies hereby or by any statute conferred) may at its option withhold further deliveries and treat the contract as terminated and any part of the purchase price then unpaid whether or not payable under the term of the contract will immediately become due and payable and such termination will be without prejudice to any claim or rights the Seller may possess.

10.2 For avoidance of doubt the Buyer's rights, in the ordinary course of its business in a fiduciary capacity for the seller, to sell the Goods ceases automatically upon the occurrence of any of the events referred to in clause 10.1 (unless otherwise agreed by the Seller).

10.3 Subject to any restriction imposed by law, if any event described in clause 8.2 occurs, the Seller will be deemed for the purposes of the Corporations Act to have entered possessions, assumed control or exercised a power in relation to Goods supplied under this contract.

10.4 (a) In the event the Seller repossess the Goods, the Buyer's liability to the Seller will be reduced according to the value of the Goods which are repossessed but such reduction cannot be utilized by the Buyer until the value repossessed Goods is established in accordance with the following paragraphs (b) and (c) and until the value is established the Buyer will be liable to the Seller without reduction in

respect of the repossessed Goods.

- (b) In the three month period following repossession of the Goods, the Seller will exercise reasonable endeavours to sell all or part of the Goods for a reasonable price in all of the circumstances.
- (c) The value of the repossessed Goods will be calculated by reference to the price paid for all or part of the Goods sold at any sale achieved within three months of the date of repossession of those Goods by the Seller, but if any of the Goods repossessed remain unsold after that three month period then there will be no reduction in the Buyer's liability as a consequence of the repossession of those Goods.

11. CONSIGNMENT STOCK

Title to and risk in consignment stock at the Buyer's premises will pass in the same manner as title to and risk in the Goods as provided in clause 7 above. Payment for consignment stock is due thirty (30) days after the end of the month in which the consignment stock is used by the Buyer.

The buyer must take all possible precautions to ensure that no deteriorations occurs in consignment stock and will inform the Seller in writing immediately should it so occur.

12. ADVICE

Subject to clause 13, any advice, recommendation, information or assistance provided by the Seller in relation to the Goods or their use or application (expect to the extent that the Seller has expressly agreed in writing to provide the same) is given in good faith and is believed by the Seller to be appropriate and reliable. However any such advice, recommendation, information or assistance is provided without liability or responsibility on the part of the Seller.

13. WARRANTIES

- (a) The only conditions and warranties which are binding on the seller in respect of the state, quality or condition of any Goods and/or Services supplied by it to the buyer are those imposed and required to be binding by statute (including the Competition and Consumer Act 2010). The liability, if any, of the seller arising from the breach of such conditions or warranties will, in the case of term applying to the provision of Goods and Services not of a kind ordinarily acquired for personal, domestic or household use or consumption, at the Seller's option, be limited to and completely discharged by either the replacement or the repair by the Seller of the Goods and/or resupply of Services supplied to the Buyer or payment of the cost of the same and otherwise, to the maximum extent permitted by law. Otherwise all other conditions and warranties whether express or implied or applied by law in respect of the Goods which may apart from this

clause be binding on the Seller are expressly excluded and negated.

- (b) Expect to the extent provided immediately above, the Seller will have no liability (including liability in negligence) to any person for any loss or damage consequential or otherwise however suffered or incurred by any person in relation to the Goods and/or Services. Without limiting the generality of this clause, in particular any loss or damage consequential or otherwise however suffered or incurred by any person caused by or resulting directly or indirectly from any failure, breakdown, defect or deficiency of whatsoever nature or kind of or in the Goods and/or Services.

14. RETURNABLE CONTAINERS

Unless otherwise stated, all containers are not to be returned to the Seller by the Buyer and remain the property of the Buyer, Where it is stated in the invoice that the containers are returnable to the Seller, the property in the containers remains with the Seller and the Buyer must return the said containers to the Seller as quickly as possible following the delivery of the Goods and in any event within thirty (30) days of delivery. The Seller will charge the Buyer a deposit for such containers, such deposit to be added to the invoice and a credit is to be made in respect of the deposit to the Buyer when the containers are returned in good order and condition to the location nominated by the Seller. The Buyer must not use the containers for any other than that contained in it at the time of delivery.

15. PALLETS

At all times the Seller retains the right of possession of any pallets used for delivery of the Goods and the Buyer indemnifies the Seller for the full price of new pallets in respect of any pallets not returned or exchanged in good order and condition to the Seller within thirty (30) days of delivery of the Goods.

16. PATENT AND TRADE MARKS

The seller makes no representation or warranty of any kind, expressed or implied; that the Goods supplied or the use of such Goods or article made from the Goods either alone or in conjunction with other substances will not infringe any patent, trademark or any other intellectual property right. The Buyer will notify the Seller of any claim or suit involving the Buyer in which such infringement is alleged and if the Seller considers itself to be affected, it will be entitled completely to control the defence or compromise of any such allegation of infringement.

17. HEALTH AND SAFETY

It is the Buyers responsibility to ensure that all applicable health and safety regulations are observed and other appropriate steps taken in relation to the storage, handling and use of the Goods and where information is supplied to the Buyer on potential hazard relating to the Goods to bring such information to the attention of its

employees, agents, subcontractors, visitors and customers.

Without prejudice to the foregoing it is also the Buyer's responsibility to provide safe facilities for the reception of the Goods into storage.

The Buyer indemnifies and must keep indemnified the Seller against all actions, claims, demands, summons suit proceedings, judgments orders or decrease arising out of or in connection with any act or omission of the Buyer in respect of its obligations pursuant in this clause.

These conditions will be governed and interpreted according to the laws in force in Indonesia and the Seller and the Buyer hereby consent and submit to the jurisdiction in Indonesia.

18. FORCE MAJEURE

Deliveries may be totally or partially suspended by the Seller in the event of Act of God, war, fire, explosion, accident, flood, power, raw material, labour, containers or transportations facilities, governmental laws, failure of machinery or apparatus, national defence requirements or any other event beyond the reasonable control of the seller or in the event of labor trouble which event prevents the manufacturer, delivery, acceptance, or consumption of a delivery of the Goods or of a material upon which the manufacture of the Goods is dependent. If, because of any such event, the seller is unable to supply the total demand for the Goods, the Seller may allocate its available supply of Goods without obligation to purchase similar Goods from other sources among itself and all of its customers, including those not under contract, on such basis as is determined to be equitable. During the period of total or partial suspension of delivery, the Buyer will be free to purchase elsewhere at its sole risk and cost, such quantities of alternative Goods necessary to cover the shortfall of Goods not delivered by the seller. Notwithstanding anything else contained in this contract, the seller must not incur any liability whatsoever as a result of a suspension, and the seller will be under no obligation to subsequently deliver Goods not delivered during the period of suspension, but this contract shall otherwise remain unaffected.

19. WAIVER

No waiver by the Seller with respect to any breach or default or any right or remedy will be effective unless it is in writing, signed by the seller and no such waiver will be deemed to constitute a continuing waiver of any other breach or default or any other right or remedy unless the same be expressed in writing and signed on behalf of the seller.

20. SEVERABILITY

Any provision of these terms and conditions which is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of these terms and conditions or affecting the validity or enforceability of that provision in any other jurisdiction.

21. LEGAL CONSTRUCTION