

CONNECT CHEMICALS (UK) LTD.

STANDARD TERMS AND CONDITIONS OF SUPPLY

1. INTERPRETATION

1.1 In these Conditions, the following definitions apply:

Business Day: a day (other than a Saturday, Sunday or public holiday) when banks in London are open for business.

Conditions: the terms and conditions set out in this document as amended from time to time in accordance with clause 12.10.

Connect: Connect Chemicals (UK) Limited (registered in England and Wales with company number 04245089) whose registered office is at Winnington Hall, Northwich, Cheshire CW8 4DU.

Consignment Stock: goods delivered on the basis that they are only paid for by the Customer once the Customer has resold or otherwise used the consignment stock goods in the course of its business.

Contract: the contract between Connect and the Customer for the sale and purchase of the Goods in accordance with these Conditions.

Customer: the person or firm who purchases the Goods from Connect as set out in the written acknowledgement of the Order.

Goods: the goods (or any part of them), including Consignment Stock as the case may be, set out in the Order.

Incoterms: the Incoterms 2010 as published by the International Chamber of Commerce, as amended from time to time and more specifically defined in the Order.

Order: the Customer's order for the Goods, as set out in the Customer's purchase order form (in Connect's standard form from time to time).

Quotation: the initial or any updated quote provided by Connect to the Customer for the purchase of Goods.

Specification: any specification for the Goods, including any related plans and drawings that is agreed in writing by the Customer and Connect.

Specified Shelf Life: the length of time the Goods may be stored in accordance with any storage conditions (as specified on the manufacturer's safety data sheet from time to time) or instructions provided by Connect from time to time without becoming unsuitable for resale, use or consumption by the Customer (such specified shelf life for Goods are available on request to Connect).

1.2 In these Conditions, the following rules of interpretation apply:

1.2.1 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).

1.2.2 A reference to a party includes its personal representatives, successors or permitted assigns.

1.2.3 A reference to a statute or statutory provision is a reference to such statute or provision as amended or re-enacted. A reference to a statute or statutory provision includes any subordinate legislation made under that statute or statutory provision, as amended or re-enacted.

1.2.4 Any phrase introduced by the terms **including, include, in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

1.2.5 A reference to **writing** or **written** includes faxes but not e-mail.

2. BASIS OF CONTRACT

2.1 These Conditions apply to the Contract to the exclusion of any other terms that the Customer seeks to impose or incorporate, or which are implied by trade, custom, practice or course of dealing.

2.2 The Order constitutes an offer by the Customer to purchase the Goods in accordance with these Conditions. The Customer is responsible for ensuring that the terms of the Order and any applicable Specification are complete and accurate.

2.3 The Order shall only be deemed to be accepted when Connect issues a written acceptance of the Order, at which point the Contract shall come into existence.

2.4 Each Order for Goods shall form a separate Contract between Connect and the Customer.

2.5 The Contract constitutes the entire agreement between the parties. The Customer acknowledges that it has not relied on any statement, promise, representation, assurance or warranty made or given by or on behalf of Connect which is not set out in the Contract.

2.6 Any samples, drawings, descriptive matter, or advertising produced by Connect and any descriptions or illustrations contained in Connect's catalogues or brochures are produced for the sole purpose of giving an approximate idea of the Goods described in them. They shall not form part of the Contract or have any contractual force.

2.7 A Quotation for the Goods given by Connect shall not constitute an offer. Unless otherwise specified in the Quotation, a Quotation shall only be valid for a period of 20 Business Days from its date of issue.

2.8 If there is an inconsistency between any of the terms set out in these Conditions and those set out in an Order, the provisions in the Order shall prevail.

2.9 All sales of Goods under these Conditions shall be subject to the terms set out in the Incoterms as specified in the Order, unless agreed otherwise between the parties.

2.10 If there is an inconsistency between the Incoterms and these Conditions, the terms of the Incoterms shall prevail.

3. GOODS

3.1 The Goods are described on Connect's website as amended or updated from time to time and as modified or described by any applicable Specification or Quotation.

3.2 To the extent that the Goods are to be manufactured in accordance with a Specification supplied by the Customer or created in accordance with the Customer's instructions, the Customer shall indemnify Connect against all liabilities, costs, expenses, damages and losses (including any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal and other reasonable professional costs and expenses) suffered or incurred by Connect in connection with any claim made against Connect for actual or alleged infringement of a third party's intellectual property rights arising out of or in connection with Connect's use of the Specification. This clause 3.2 shall survive termination of the Contract.

3.3 Connect reserves the right to amend any specification of the Goods, including but not limited to the Specification, if required by any applicable statutory or regulatory requirements.

3.4 The Customer acknowledges and agrees to store any Goods in accordance with any storage conditions specified on the manufacturer's safety data sheet from time to time and/or any instructions of Connect from time to time.

4. DELIVERY

4.1 Connect shall ensure that:

4.1.1 each delivery of the Goods is accompanied by a delivery note which shows the date of the Order, all relevant Customer and Connect's reference numbers, the type and quantity of the Goods (including the code number of the Goods, where applicable), special storage instructions (if any) and, if the Order is being delivered by instalments, the outstanding balance of Goods remaining to be delivered; and

4.1.2 if Connect requires the Customer to return any packaging materials to Connect, that fact is clearly stated on the delivery note. The Customer shall make any such packaging materials available for collection at such times as Connect shall reasonably request. Returns of packaging materials shall be at Connect's expense.

4.2 Connect shall deliver the Goods to the location set out in the Order or such other location as the parties may agree ("**Delivery Location**") at any time after Connect notifies the Customer that the Goods are ready.

4.3 Delivery of the Goods shall be completed on the Goods' arrival at the Delivery Location.

4.4 Any dates quoted for delivery are approximate only, and the time of delivery is not of the essence. Without prejudice to the generality of the foregoing, Connect shall not be liable for any delay in delivery of the Goods that is caused by a Force Majeure Event (as defined in

- clause 11.1) or the Customer's failure to provide Connect with adequate delivery instructions or any other instructions that are relevant to the supply of the Goods.
- 4.5 If Connect fails to deliver the Goods, its liability shall be limited to the costs and expenses incurred by the Customer in obtaining replacement goods of similar description and quality in the cheapest market available, less the price of the Goods. Connect shall have no liability for any failure to deliver the Goods to the extent that such failure is caused by a Force Majeure Event or the Customer's failure to provide Connect with adequate delivery instructions or any other instructions that are relevant to the supply of the Goods.
- 4.6 If the Customer fails to take delivery of the Goods within 3 Business Days of Connect notifying the Customer that the Goods are ready, then, except where such failure or delay is caused by a Force Majeure Event or Connect's failure to comply with its obligations under the Contract:
- 4.6.1 delivery of the Goods shall be deemed to have been completed at 9.00 am on the third Business Day after the day on which Connect notified the Customer that the Goods were ready; and
- 4.6.2 Connect shall store the Goods until delivery takes place, and charge the Customer for all related costs and expenses (including insurance).
- 4.7 If 10 Business Days after the day on which Connect notified the Customer that the Goods were ready for delivery the Customer has not taken delivery of them, Connect may resell or otherwise dispose of part or all of the Goods and, after deducting reasonable storage and selling costs, account to the Customer for any excess over the price of the Goods or charge the Customer for any shortfall below the price of the Goods.
- The Customer shall not be entitled to reject the Goods if Connect delivers up to and including 5% more or less than the quantity of Goods ordered, but a pro rata adjustment shall be made to the Order invoice on receipt of notice from the Customer that the wrong quantity of Goods was delivered.
- 4.8 Connect may deliver the Goods by instalments, which shall be invoiced and paid for separately. Each instalment shall constitute a separate Contract. Any delay in delivery or defect in an instalment shall not entitle the Customer to cancel any other instalment.
- 5. QUALITY**
- 5.1 Connect warrants that on delivery, and for the Specified Shelf Life (**warranty period**), the Goods shall:
- 5.1.1 conform in all material respects with their description and any applicable Specification;
- 5.1.2 be free from material defects in design, material and workmanship; and
- 5.1.3 be of satisfactory quality (within the meaning of the Sale of Goods Act 1979).
- 5.2 Subject to clause 5.3, if:
- 5.2.1 the Customer gives notice in writing to Connect during the warranty period within a reasonable time of discovery that some or all of the Goods do not comply with the warranty set out in clause 5.1;
- 5.2.2 Connect is given a reasonable opportunity of examining such Goods; and
- 5.2.3 the Customer (if asked to do so by Connect) returns such Goods to Connect's place of business at the Customer's cost,
- Connect shall, at its option, repair or replace the defective Goods, or refund the price of the defective Goods in full.
- 5.3 Connect shall not be liable for Goods' failure to comply with the warranty set out in clause 5.1 in any of the following events:
- 5.3.1 the Customer makes any further use of such Goods after giving notice in accordance with clause 5.2;
- 5.3.2 the defect arises because the Customer failed to follow Connect's oral or written instructions as to the storage, commissioning, installation, use, maintenance and stock rotation of the Goods or (if there are none) good trade practice regarding the same;
- 5.3.3 the defect arises as a result of Connect following any drawing, design or Specification supplied by the Customer or created in accordance with the Customer's instructions;
- 5.3.4 the Customer alters or repairs such Goods without the written consent of Connect;
- 5.3.5 the defect arises as a result of fair wear and tear, wilful damage, negligence, or abnormal storage or working conditions; or
- 5.3.6 the Goods differ from their description or the Specification as a result of changes made to ensure they comply with applicable statutory or regulatory requirements.
- 5.4 Except as provided in this clause 5, Connect shall have no liability to the Customer in respect of the Goods' failure to comply with the warranty set out in clause 5.1.
- 5.5 The terms implied by sections 13 to 15 of the Sale of Goods Act 1979 are, to the fullest extent permitted by law, excluded from the Contract.
- 5.6 These Conditions shall apply to any repaired or replacement Goods supplied by Connect.
- 6. TITLE AND RISK**
- 6.1 Risk in the Goods shall pass to the Customer following delivery in accordance with the Incoterms as set out in the Order.
- 6.2 Subject to clause 6.3, where no Incoterms are specified, the risk in the Goods shall pass to the Customer on receipt by the Customer of Connect's invoice.
- 6.3 Where Goods are sold as Consignment Stock, the risk in Consignment Stock goods shall pass to the Customer once the Customer has resold or otherwise used the Consignment Stock goods in the course of its business.
- 6.4 Title to the Goods shall not pass to the Customer until the earlier of:
- 6.4.1 Connect receiving payment in full (in cash or cleared funds) for the Goods and any other goods that Connect has supplied to the Customer in respect of which payment has become due, in which case title to the Goods shall pass at the time of payment of all such sums; and
- 6.4.2 the Customer resells or otherwise uses the Goods, in which case title to the Goods shall pass to the Customer at the time specified in clause 6.6.
- 6.5 Until title to the Goods has passed to the Customer, the Customer shall:
- 6.5.1 store the Goods separately from all other goods held by the Customer so that they remain readily identifiable as Connect's property;
- 6.5.2 not remove, deface or obscure any identifying mark or packaging on or relating to the Goods;
- 6.5.3 maintain the Goods in satisfactory condition and keep them insured against all risks for their full price from the date of delivery;
- 6.5.4 apply good stock rotation policies in accordance with the reasonable instructions of Connect and in any event good industry practice;
- 6.5.5 notify Connect immediately if it becomes subject to any of the events listed in clause 9.1.4; and
- 6.5.6 give Connect such information relating to the Goods as Connect may require from time to time.
- 6.6 Subject to clause 6.7, the Customer may resell or use the Goods in the ordinary course of its business (but not otherwise) before Connect receives payment for the Goods. However, if the Customer resells or uses the Goods before that time:
- 6.6.1 it does so as principal and not as Connect's agent; and
- 6.6.2 title to the Goods shall pass from Connect to the Customer immediately before the time at which resale or use by the Customer occurs.
- 6.7 If before title to the Goods passes to the Customer the Customer becomes subject to any of the events listed in clause 9.1.4 then, without limiting any other right or remedy Connect may have the Customer's right to resell the Goods or use them in the ordinary course of its business ceases immediately.
- 6.8 Connect may at any time prior to title in the Goods transferring:
- 6.8.1 require the Customer to deliver up all Goods in its possession which have not been resold, or irrevocably incorporated into another product;

6.8.2 if the Customer fails to do so promptly, enter any premises of the Customer or of any third party where the Goods are stored in order to recover them; and

6.8.3 by written notice in writing, transfer title in all or any of the Goods to the Customer.

7. CONSIGNMENT STOCK

7.1 This clause will apply where the Order states that the Goods are provided on a consignment stock basis.

7.2 On the last day of each calendar month, the Customer shall submit or cause to be submitted to Connect a statement in writing notifying Connect of:

7.2.1 the Consignment Stock sold or used in the previous month; and

7.2.2 the remaining Consignment Stock at the Delivery Location for the Consignment Stock.

7.3 Following receipt of the statement pursuant to clause 7.2, Connect shall invoice the Customer and the Customer shall pay the invoice in accordance with clause 8.

7.4 Unless otherwise agreed in writing, Consignment Stock must be resold or otherwise used in the order the Consignment Stock was delivered to the Delivery Location.

7.5 The Customer shall apply good stock rotation policies in accordance with the reasonable instructions of Connect from time to time and good industry practice.

7.6 Connect accepts no liability for Consignment Stock resold or used that has reached or passed its expiration date specified by Connect for that Consignment Stock or where the Customer has not complied with clause 7.5.

7.7 In the event that Consignment Stock has not been resold or otherwise used in the course of the Customer's business within 6 months of the date of delivery to the Delivery Location ("**Unused Consignment Stock**"), the stock shall be deemed sold to the Customer and Connect shall be entitled to invoice the Customer for Unused Consignment Stock which will be payable in accordance with clause 8.6.

8. PRICE AND PAYMENT

8.1 The price of the Goods shall be the price set out in the Quotation, or, if no price is quoted, Connect's retail price for the goods in force as at the date of Order.

8.2 Connect may, by giving notice to the Customer at any time before delivery, increase the price of the Goods to reflect any increase in the cost of the Goods that is due to:

8.2.1 any factor beyond Connect's control (including foreign exchange fluctuations, increases in carriage, freight and insurance and other transit costs, increases in taxes and duties, and increases in labour, materials and other manufacturing costs);

8.2.2 any request by the Customer to change the delivery date(s), quantities or types of Goods ordered, or the Specification; or

8.2.3 any delay caused by any instructions of the Customer or failure of the Customer to give Connect adequate or accurate information or instructions.

8.3 Unless otherwise agreed in writing, the price of the Goods is exclusive of the costs and charges of packaging, insurance and transport of the Goods, which shall be invoiced to the Customer.

8.4 The price of the Goods is exclusive of amounts in respect of value added tax (**VAT**). The Customer shall, on receipt of a valid VAT invoice from Connect, pay to Connect such additional amounts in respect of VAT as are chargeable on the supply of the Goods.

8.5 Subject to clause 7.3, Connect may invoice the Customer for the Goods on or at any time after the completion of delivery.

8.6 Unless otherwise agreed in writing, which includes the Order, the Customer shall pay the invoice in full and in cleared funds within 30 days from the date of the invoice. Payment shall be made to the bank account nominated in writing by Connect. Time of payment is of the essence.

8.7 If the Customer fails to make any payment due to Connect under the Contract by the due date for payment, then without prejudice to any other rights or remedies Connect may have, the Customer shall pay interest on the overdue amount at the rate of 4% per annum above Barclays Bank plc's base rate from time to time. Such interest shall

accrue on a daily basis from the due date until actual payment of the overdue amount, whether before or after judgment. The Customer shall pay the interest together with the overdue amount.

8.8 The Customer shall pay all amounts due under the Contract in full without any set-off, counterclaim, deduction or withholding (except for any deduction or withholding required by law). Connect may at any time, without limiting any other rights or remedies it may have, set off any amount owing to it by the Customer against any amount payable by Connect to the Customer.

9. TERMINATION AND SUSPENSION

9.1 Without affecting any other right or remedy available to it, Connect may terminate any or all Contracts with immediate effect by giving written notice to the Customer if the Customer:

9.1.1 fails to pay any amount due under the Contract (or any other agreement between the parties) on the due date for payment and remains in default not less than 30 days after being notified in writing to make such payment;

9.1.2 commits a material breach of any other term of the Contract or these Conditions (or any other agreement between the parties) which breach is irremediable or (if such breach is remediable) fails to remedy that breach within a period of 30 days after being notified in writing to do so;

9.1.3 repeatedly breaches any of the terms of the Contract or these Conditions (or any other agreement between the parties) in such a manner as to reasonably justify the opinion that its conduct is inconsistent with it having the intention or ability to give effect to the terms of the Contract; or

9.1.4 suspends, or threatens to suspend, payment of its debts or is unable to pay its debts; or goes into administration or liquidation either compulsorily or voluntarily (save for the purposes of solvent reconstruction or amalgamation); or the other party (being an individual) is the subject of a bankruptcy petition or order; or if a receiver or administrative receiver is appointed in respect of the whole or any part of its assets; or if either party makes an assignment for the benefit of or composition with its creditors generally; or if it ceases to trade; or threatens to do any of the aforementioned things; or if any analogous events occur with respect to either party in any jurisdiction to which it is subject.

9.2 Without limiting its other rights or remedies, Connect may suspend provision of the Goods under the Contract or any other contract between the Customer and Connect if the Customer becomes subject to any of the events listed in clause 9.1.4, or Connect reasonably believes that the Customer is about to become subject to any of them, or if the Customer fails to pay any amount due under this Contract on the due date for payment.

9.3 On termination of the Contract for any reason the Customer shall immediately pay to Connect all of Connect's outstanding unpaid invoices and interest.

9.4 Termination of the Contract, however arising, shall not affect any of the parties' rights, remedies, obligations and liabilities that have accrued as at termination.

9.5 Clauses which expressly or by implication survive termination of the Contract shall continue in full force and effect.

10. LIMITATION OF LIABILITY

10.1 Nothing in these Conditions shall limit or exclude Connect's liability for:

10.1.1 death or personal injury caused by its negligence, or the negligence of its employees, agents or subcontractors (as applicable);

10.1.2 fraud or fraudulent misrepresentation;

10.1.3 breach of the terms implied by section 12 of the Sale of Goods Act 1979;

10.1.4 defective products under the Consumer Protection Act 1987; or

10.1.5 any matter in respect of which it would be unlawful for Connect to exclude or restrict liability.

10.2 Subject to clause 10.1, Connect shall under no circumstances whatever be liable to the Customer, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, arising under or in connection with the Contract for;

10.2.1 loss of profits;

- 10.2.2 loss of sales or business;
- 10.2.3 loss of agreements or contracts;
- 10.2.4 loss of anticipated savings;
- 10.2.5 loss of or damage to goodwill; or
- 10.2.6 any indirect or consequential loss.
- 10.3 Subject to clause 10.1, Connect's total liability to the Customer in respect of all other losses arising under or in connection with the Contract, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, shall in no circumstances exceed the total price of the Goods under the Contract.
- 11. FORCE MAJEURE**
- 11.1 Neither party shall be liable for any failure or delay in performing its obligations under the Contract to the extent that such failure or delay is caused by a Force Majeure Event. A **Force Majeure Event** means any event beyond a party's reasonable control, which by its nature could not have been foreseen, or, if it could have been foreseen, was unavoidable, including but not limited to strikes, lock-outs or other industrial disputes (whether involving its own workforce or a third party's), failure of energy sources or transport network, acts of God, war, terrorism, riot, civil commotion, interference by civil or military authorities, national or international calamity, armed conflict, malicious damage, breakdown of plant or machinery, nuclear, chemical or biological contamination, sonic boom, explosions, collapse of building structures, fires, floods, storms, earthquakes, loss at sea, epidemics or similar events, natural disasters or extreme adverse weather conditions, or default of suppliers or subcontractors.
- 12. GENERAL**
- 12.1 Connect may at any time assign, transfer, mortgage, charge, subcontract or deal in any other manner with all or any of its rights or obligations under the Contract.
- 12.2 The Customer may not assign, transfer, mortgage, charge, subcontract, declare a trust over or deal in any other manner with any or all of its rights or obligations under the Contract without the prior written consent of Connect.
- 12.3 Any notice or other communication given to a party under or in connection with the Contract shall be in writing, addressed to that party at its registered office (if it is a company) or its principal place of business (in any other case) or such other address as that party may have specified to the other party in writing in accordance with this clause, and shall be delivered personally, sent by pre-paid first class post or other next working day delivery service, commercial courier, fax.
- 12.4 A notice or other communication shall be deemed to have been received: if delivered personally, when left at the address referred to in clause 12.3; if sent by pre-paid first class post or other next working day delivery service, at 9.00 am on the second Business Day after posting; if delivered by commercial courier, on the date and at the time that the courier's delivery receipt is signed; or, if sent by fax, one Business Day after transmission.
- 12.5 The provisions of this clause shall not apply to the service of any proceedings or other documents in any legal action.
- 12.6 If any provision or part-provision of the Contract is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of the Contract.
- 12.7 If any provision or part-provision of this Contract is found to be invalid, illegal or unenforceable, the parties shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable, and, to the greatest extent possible, achieves the intended commercial result of the original provision.
- 12.8 A waiver of any right or remedy under the Contract or law is only effective if given in writing and shall not be deemed a waiver of any subsequent breach or default. No failure or delay by a party to exercise any right or remedy provided under the Contract or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.
- 12.9 A person who is not a party to the Contract shall not have any rights to enforce its terms.
- 12.10 Except as set out in these Conditions, no variation of the Contract, including the introduction of any additional terms and conditions, shall be effective unless it is in writing and signed by Connect.
- 12.11 The Contract, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by, and construed in accordance with the law of England and Wales.
- 12.12 Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this Contract or its subject matter or formation (including non-contractual disputes or claims).
- 13. GOOGLE ANALYTICS**
- 13.1 This website uses Google Analytics, a web analytics service provided by Google, Inc. ("Google"). Google Analytics uses "cookies", which are text files placed on your computer, to help the website analyze how users use the site. The information generated by the cookie about your use of the website will be transmitted to and stored by Google on servers in the United States.
- 13.2 The IP-anonymization is activated on this website. Your IP address will be truncated within the area of Member States of the European Union or other parties to the Agreement on the European Economic Area. Only in exceptional cases the whole IP address will be first transferred to a Google server in the USA and truncated there. Google will use this information on behalf of the operator of this website for the purpose of evaluating your use of the website, compiling reports on website activity for website operators and providing them other services relating to website activity and internet usage.
- 13.3 The IP-address, that your Browser conveys within the scope of Google Analytics, will not be associated with any other data held by Google. You may refuse the use of cookies by selecting the appropriate settings on your browser. You can also opt-out from being tracked by Google Analytics with effect for the future by downloading and installing Google Analytics Opt-out Browser Addon for your current web browser: <https://tools.google.com/dlpage/gaoptout?hl=de>