



SOUTHERN CHEMICAL CORPORATION General Terms and Conditions of Sale for Melamine

Purchasing any product from SCC implies that you have read and accepted the terms and conditions below

General: Unless otherwise agreed in writing, these general terms and conditions of sale ("GTCs") comprise the basis on which Southern Chemical Corporation (Seller) sells and/or services Melamine (Product). In these GTCs, ("Buyer") refers to any counter party to any contract. Any reference to "Contract" hereafter relates to any sales agreement, these GTCs, and any other written agreements.

Delivery: Deliveries shall take place evenly spread over the contract period. Risk of loss or damage to Product shall pass from Seller to Buyer per **INCOTERMS® 2010 2000** unless otherwise documented.

Warranty: Seller warrants all Product sold shall comply with agreed specifications. Seller hereby disclaims any warranties, expressed or implied, including warranties of merchantability or fitness for a particular purpose concerning the Product supplied hereunder other than warranty of title and warranty that the Product shall conform to the quality and specifications stated herein. In no event shall Seller be liable for incidental or consequential damages arising out of this agreement or the transactions contemplated herein.

Tax/Customs: Buyer shall reimburse Seller for all taxes, customs duties, excises, or other charges hereafter imposed or increased which Seller may be required to pay to any government (federal, state, or local) and which are levied directly upon, or measured directly by the sale, Production, or transportations (a) of Product supplied hereunder or (b) of raw materials utilized by Seller's supplier(s) in the Production of Product supplied hereunder.

Liability/Claims: Seller may recover from Buyer for each shipment hereunder as a separate transaction, without reference to any other shipments. Buyer shall be responsible for inspection of Product upon receipt from Seller to insure conformity with stated specifications. All claims regarding Product included in a shipment made hereunder will be deemed waived by Buyer unless written notice is given to Seller within fourteen (14) days after the arrival of each shipment at Buyer's facilities, or until the moment of process conversion by Buyer, whichever is earlier. Seller's and its affiliates' total liability for any claim arising out of or in connection with this Agreement Contract for breach of contract, warranty or statutory duty or other tort **INCLUDING SELLER'S NEGLIGENCE** shall not exceed the sum of the purchase price, plus delivery costs, attributable to the specific delivery as to which such claim is made. Seller shall not be liable for loss of production, use, profit, business, goodwill or reputation, or for business interruption, wasted expenditure or any incidental, special, consequential, or punitive loss or damage(s) of any kind, whether suffered or claimed by the Buyer or a third party.

Governing and Compliance of Laws: The laws of the State of Texas shall govern these GTCs and supersede all others. All parties shall comply with all applicable (including those relating to Health, Safety, and Environment) laws, governmental rules, regulations, and orders.

Force Majeure: Neither party shall be liable for its failure to fulfill any term of the Contract, other than the obligation to pay any sum due or to provide security, if such fulfillment has been delayed, hindered, or prevented by circumstances or event outside of its control, or fire, explosion, strike, plant malfunction, or shutdown in anticipation of a breakdown, or Seller's inability to acquire materials or services from its usual supply source on economically reasonable terms ("Force Majeure Event"). When a Force Majeure Event at one or more of Seller's supply sources results in a shortfall of Product available to meet its supply obligations, Seller shall apportion any reduced quantity of Product amongst its customers in a reasonable and fair manner. Seller shall not be required to acquire Product to replenish any shortfall in Product arising as a result of a Force Majeure event. Buyer may acquire any shortfall quantity of Product from other sources at Buyer's own risk and cost.

Product Risk: Buyer acknowledges they have been adequately warned by Seller of risks associated with handling, using, transporting, storing, and disposing of the Product; including without limitation those risks set forth in Safety Data Sheet (SDS) for the Product. Buyer affirms that it shall maintain compliance with all safety and health related governmental requirements concerning the Product purchased hereunder and shall take all reasonable precautions to inform its employees, agents, contractors, and customers any risks associated with the Product, including without limitation disseminations of pertinent information contained in the SDS.

Patents: Seller warrants that the manufacture and sales of the Product delivered hereunder will not infringe any claim of any United States patent covering the Product itself, but Seller does not warrant against infringement due to the use thereof alone or in combination with other material or in the operations of any process.

Usage: The Product is not fit for human and/or animal consumption.

Course of Conduct: The Parties recognize and agree that neither shall be obligated by their course of conduct to perform any future transactions hereunder unless and until this document is fully executed. No course of dealing, course of performance, or usage of trade shall be considered in the interpretation or enforcement of the Agreement.

Miscellaneous: The terms and conditions of this Agreement shall be deemed to be separable, if any part thereof is held to be invalid for any reason, the other terms and conditions hereunder shall remain in full force and effect. Seller's waiver of any breach, or failure to enforce any of the terms and conditions of this agreement shall be deemed to affect, limit, or waive the seller's rights thereafter to require compliance with the terms and conditions hereof.