

# General Conditions of Sale / Export

Mannheim, Oct 2017

Our deliveries and the services related to them are exclusively based on the following conditions. Different conditions will not be included in the contract, even if we do not contradict expressly. Changes of these conditions have to be confirmed expressly in writing. The conditions will also be valid for future business, even if they are not negotiated expressly again.

## Important:

As of the 29th October 2017, we and all our business and contract partners have to observe specific Embargo regulations applicable for supplies to and from the territory of the Ukraine (including the Donetsk and Luhansk People's Republics) resulting from two Orders (Nos. 1382 and 1383, 19<sup>th</sup> September 2017) of the Ukrainian Ministry for Economic Development and Trade relevant to the Eurochem Group Companies. These Embargo regulations, inter alia, are related to certain entities of the Eurochem Group Companies. The affected Companies are as follows: "Agrocenter Eurochem Lipetsk", LLC; "Agrocenter Eurochem Krasnodar", LLC; "Agrocenter Eurochem Orel", LLC; "Agrocenter Eurochem Volgograd", LLC; "Eurochem Trading Rus", LLC; "Agrocenter Eurochem – Nevinnomysk", LLC; "MCC "Eurochem", JSC; "Novomoskovsky Azot, JSC; "Nevinnomysky Azot", JSC; DP "Agrocenter Eurochem-Ukraine".

Such Embargo regulations shall be in force as of the 29<sup>th</sup> October 2017 for an initial period of three (3) months.

Independent from the above temporary Embargo regulations, we prohibit the sale, supply, transfer, export or import, directly or indirectly, of any goods, whether or not produced by EuroChem Agro or Eurochem Group Companies, to any natural or legal person, entity or body in or for use in any country or territory specified in the Restricted Countries and States List below, to the extent that such actions may result in the Group Companies violating of any applicable laws (including, but not limited to Sanctions Laws), statutes, rules and regulations.

The afore said covers Pridnestrovian Moldavian Republic, Artsakh, Somaliland, Iraq and the Levant (ISIL), Luhansk and Donetsk People's Republics, Azad Jammu and Kashmir, Northern Cyprus, South Ossetia, Abkhazia, Republik China (Taiwan), Sahrawi Arab Democratic Republic, Palestine, Kosovo, Iran, Iraq, Syria, Sudan, Cuba, North Korea, Myanmar (not applicable to Eurochem Agro GmbH, Mannheim), Zimbabwe

## 1. Offer and Acceptance

Seller's quotations are not binding offers but invitations to the customer to submit a binding offer. The contract will be concluded only by a written order-confirmation or by execution of the order.

## 2. Prices

If Seller's prices or Seller's terms of payment are generally altered between the date of contract and dispatch, Seller may apply the price or the terms of payment in effect at the date of dispatch. In the event of a price increase, Buyer is entitled to withdraw from the contract by giving notice to Seller within 14 days after notification of the price increase. Cash payments are not accepted.

## 3. Delivery, Weight of Delivery, Damage in Transit

3.1 The net weight determined at the point of loading will form the basis for all documents.

3.2 Quoted delivery dates are best estimates only and are not binding.

3.3 Delivery shall be effected as agreed in the contract. General Commercial Terms such as CIF, FOB, CFR etc. shall be interpreted in accordance with the Incoterms as published by the International Chamber of Commerce on the date the contract is concluded.

3.4 Notice of claims arising out of damage in transit must be lodged by Buyer directly to the carrier within the period specified in the contract of carriage, providing Seller with a copy thereof. Claims have to be assessed by a claims agent while unloading the merchandise at the latest. The assessment has to include the development, the nature and the extent of the damage.

## 4. Laws in Country of Destination

Buyer is responsible for compliance with all laws and regulations applicable in the country of destination regarding import, delivery, storage and use of the goods delivered by Seller.

## 5. Delay of Payment

Delay in due payment constitutes a fundamental breach of contract. In such case Seller is entitled to charge interest on the amount outstanding at the rate of 3 percentage points above the current discount rate of the major banking institution of the country of the invoiced currency.

## 6. Advice

Technical advice with regard to goods and their application is given to the best of Seller's knowledge based on Seller's research and experience. All advice and information with respect to suitability and application of the goods shall not, however, create any liability of Seller and shall not relieve the Buyer from undertaking his own investigations and tests.

## 7. Lack of Conformity

7.1 Buyer must notify Seller in writing if the goods do not conform with the contract, specifying the nature and extent of the lack of conformity, within 14 days after receipt of goods, as far as such deficiency can be discovered by reasonable examination.

7.2 Buyer may only declare the contract void or request a reduction of the purchase price if delivery of substitute goods or remedy of the lack of conformity offered by Seller has not been performed within a reasonable period of time.

## 8. Liability

8.1 In no event shall Seller be liable for any damages including incidental and consequential damages arising out of, or in connection with, the contract, except in cases of gross negligence or wilful act.

8.2 In case Seller is not supplied correctly or in due time by his contractors, Seller is authorised to postpone or cancel the respective delivery commitment.

8.3 The information and statements regarding our products are based on our current state of knowledge and have been drafted to our best knowledge and in all conscience. This information and statements, however, are not binding to us and cannot be deemed to be complete in all details. We shall not grant any warranty whatsoever with regard to the correctness and the latest state of the art present and in the future of such information and statements and any liability hereto shall be excluded to the extent legally and statutorily possible. The buyer and user of such products shall be responsible for the proper use of such products according to any applicable laws and regulations. Under no circumstances we shall be liable for any improper and/or unlawful use of the products, such as, but not limited to amalgamation or composition of such products or for any processing of such products to another product.

## 9. Force Majeure

Any incident or circumstance beyond Seller's control, such as natural occurrences, strikes, lock-outs, shortages of raw materials and energy, obstruction of transportation, breakdown of manufacturing equipment, fire, explosion, or acts of government shall relieve Seller from his obligations under this contract to the extent Seller is prevented from performing thereby. The same applies to the extent such incident or circumstance renders the contractual performance within a reasonable time commercially impractical or occurs with a supplier of Seller. If the aforementioned occurrences last for a period of more than 3 months, Seller is entitled to withdraw from the contract without the Buyer having any right to compensation.

## 10. Set off, Retention of Payment

A set off or retention of payment is only permitted if counterclaims are existing which are either undisputed or adjudicated by final judgement.

## 11. Communication

Any notice or other communication required to be received by a party is only effective at the moment it reaches this party. If a time limit has to be observed, the notice or other communication has to reach the recipient party within such time limit.

## 12. Place of Performance

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

## 13. Retention of Title

The goods sold shall remain the property of the Seller until the price has been paid in full.

## 14. Jurisdiction, Applicable Law

14.1 Any dispute arising out of or in connection with this contract shall be heard, at Seller's option, at the court having jurisdiction over Seller's principal place of business or Buyer's principal place of business.

14.2 The applicable law of the contract shall be the United Nations Convention on Contracts for the International Sale of Goods of April 11, 1980 (CISG) and, to the extent the Convention does not contain a provision, the law of Seller's principal place of business.

In case these General Conditions of Sale/Export are made known to Buyer in his native language in addition to the language in which the sales contract has been concluded („contract language“), this is merely done for Buyer's convenience. In case of differences in interpretation, the version of the contract language shall be valid.