

SIBUR INTERNATIONAL GMBH

BUSINESS TERMS

OF SALES OF SYNTHETIC RUBBER

FOR DELIVERY IN CONTAINERS

CIF, CFR
(BT_BU 30_C)

January 01, 2015

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INTRODUCTORY PROVISIONS

- A. These Business Terms ("Business Terms") shall apply to all agreements for sale of goods ("Contract") executed by and between SIBUR International GmbH ("Sibur") and Buyer that incorporate these Business Terms by reference. The version of these Business Terms published by Sibur (whether delivered by Sibur to Buyer before or upon the entry into the Contract or, if not so delivered, then as published on the website <http://www.sibur-int.com>) as of the date when the Contract takes effect shall apply to the relevant Contract. The Business Terms may be amended, revised, restated or supplemented by Sibur from time to time.
- B. These Business Terms are accompanied and supplemented by the General Terms of SIBUR International GmbH for sales of petrochemicals and hydrocarbons ("General Terms"). The version of the General Terms published by Sibur (whether delivered by Sibur to the Buyer before or upon the entry into the Contract or, if not so delivered, then as published on the website <http://www.sibur-int.com>) as of the date when the Contract takes effect shall apply to the relevant Contract. The Parties agree that the General Terms are incorporated into these Business Terms by reference and that they apply to the Contract.
- C. If there is any conflict, ambiguity or inconsistency between General Terms, the Business Terms the Contract and/or Incoterms, the order of priority of such documents (from highest to lowest) shall be as follows:
1. the Contract;
 2. the Business Terms;
 3. the General Terms; and
 4. Incoterms
- D. All terms used, but not defined herein shall have the respective meanings set forth in the Contract and/or the General Terms, and/or Incoterms.

PARAGRAPH I GOODS

- 1.1. Seller shall deliver the Goods to Buyer in accordance with the Contract.

PARAGRAPH II QUALITY

- 2.1. The quality of the Goods shall be confirmed by a Certificate of Quality issued by the Seller or by the Manufacturer of the Goods, and/or the Inspector's Report (as the case may be).
- 2.2. The Buyer, upon the Seller's prior written request shall send to the Seller the samples of the Goods for testing. The Seller may at its own discretion perform such testing based on the TU and ASTM methods or initiate an inspection in accordance with the Paragraph 2.3. hereof. In the event either Party does not agree with the results of the test(s) made by the Seller in accordance with this Paragraph 2.2., the quality inspection shall be determined by an independent Inspector in accordance with Paragraph 2.3. hereof.
- 2.3. Unless otherwise agreed by the Parties in the Contract, the quality inspection shall be performed at the Place of Shipment by an Inspector of an internationally recognised inspection company mutually agreed between the Parties and in accordance with the standard practice (i) at the place of the inspection or (ii) of the Inspector if there is no standard practice at the place of inspection.
- 2.4. The inspection results shall be documented in the Inspector's Report and shall be conclusive and binding on the Parties for invoicing purposes, and for quality purposes and shall be final and binding for both Parties, except in case of fraud or manifest error.
- 2.5. In the event that the quality of the Goods does not conform with the contractual Specification, the Parties shall discuss the Buyer's remedies for such non-conforming the Goods. The remedies may include, for example, a price adjustment for the Goods. The outcome of the Parties' discussion shall be documented in a written Amendment to the Contract.

- 2.6. The costs of the inspection (under paragraph 2.3.) shall be equally shared between the Seller and the Buyer. Any other inspections and related services, if required by the Buyer, shall be performed at the Buyer's sole expense.
- 2.7. The Party initiating the inspection shall ensure that the Inspector issues Inspector's Report to the Seller and the Buyer as soon as practicable and retains samples taken for at least 90 (ninety) Days from the date of inspection.
- 2.8. Claims. Unless otherwise specified in the Contract claims if any on quality of the Goods to be provided by the Buyer to the Seller according to Part II of the General Terms.

PARAGRAPH III QUANTITY

- 3.1. Unless the Contract provides otherwise, the quantity inspection (if any) shall be determined at the Place of Shipment by an Inspector of an internationally recognized inspection company mutually agreed by the Parties and in accordance with the standard practice (i) at the place of the inspection or (ii) of the Inspector if there is no standard practice at the place of inspection. The Transport Document quantity of the goods shall be stated based on the Inspector's Report.
- 3.2. If the Inspector determines that the quantity of the Goods does not conform with the quantity stated in the Transport Document for more than 0.5 % (zero point five per cent) (the "Permitted Deviation") the Goods shall be accepted by the value defined by the Inspection with issuance of the respective off-loading acts signed by such Inspector. The Parties acknowledge and agree that in no event shall the Seller be considered to be in breach of its obligations in respect of the delivery of the Goods concerning any quantity deviation below the Permitted Deviation and the Buyer shall not be entitled to claim any losses, or liquidated damages, or any other claims resulting from such deviation. All claims concerning quantity deviation in excess of 0.5 % (zero point five per cent) shall be submitted by the Buyer according to Paragraph 3.10 hereof.
- 3.3. Unless the Contract provides otherwise, the Planned Contract Quantity and/or the Planned Monthly Quantity specified (as the case may be) shall be subject to a tolerance of +/- 10 % (plus/minus ten per cent) to be determined in the Seller's sole discretion.
- 3.4. The Actual Contract Quantity and/or Actual Monthly Quantity delivered under the Contract shall be equal to the quantity specified in the Transport Document.
- 3.5. The Actual Contract Quantity shall be the basis for determining the Total Goods Value.
- 3.6. The Actual Contract Quantity or the Actual Monthly Quantity (as the case may be) may deviate by not more than 10 % (ten per cent) of the Planned Contract Quantity or the Planned Monthly Quantity respectively. The Buyer may take back any surplus quantities to the Planned Contract Quantity or the Planned Monthly Quantity specified in the Contract as the case may be.
- 3.7. In the event that the Seller is not able to deliver the Planned Monthly Quantity or the Planned Contract Quantity of the Goods within specified period because of the reduction of the Manufacture production capacity, provided that the Seller informed the Buyer of this reasonably in advance, the Parties shall mutually agree delivery terms for the outstanding quantity of the Goods. The Seller's suggestions shall be taken into account and the Parties agree that the Seller will not be obliged to deliver in excess of the production capacity of the Manufacture. The Parties acknowledge that the remedy provided in this Paragraph will be the sole remedy that the Buyer will have in the event the Seller is not able to deliver the Planned Monthly Quantity or the Planned Contract Quantity of Goods during the relevant period.
- 3.8. In the event that the Buyer orders less Goods than the Planned Monthly Quantity or the Planned Contract Quantity for a relevant period, the Seller at its own discretion may either: (i) agree to deliver the outstanding quantity of the Goods in the next period (the delivery schedule shall be decided by the Seller taking into account the Buyer's suggestions); or (ii) request the payment of 10% (ten per cent) of the Price of the outstanding quantity of the Goods as liquidated damages (the Parties agree that the above amount is a genuine pre-estimate of loss the Seller will suffer if the Seller delivers a quantity of Goods less than the Planned Monthly Quantity or the Planned Contract Quantity. Without prejudice to the above, if the amount of actual damages exceeds the

stated liquidated damages, the Seller may claim the actual amount of damages without limitation). The Seller shall notify the Buyer the option it chooses to proceed in writing. However, failure to notify will not waive the Seller's rights of remedy.

3.9. Deviation from the Planned Amount of the Goods.

a) In case the Actual Contract Quantity or the Actual Monthly Quantity (as the case may be) is in excess of 100% (one hundred per cent) but less than or equal to 110% (one hundred and ten per cent) of the Planned Contract Quantity or the Planned Monthly Quantity respectively, the Buyer shall pay the outstanding balance within 5 (five) Days of receipt of an appropriate invoice from the Seller.

b) In case the Actual Contract Quantity or the Actual Monthly Quantity (as the case may be) is less than 100% (one hundred per cent) but in excess of or equal to 90% (ninety per cent) of the Planned Contract Quantity or the Planned Monthly Quantity respectively, the Seller may, in its own discretion, either: (i) meet the Planned Contract Quantity or the Planned Monthly Quantity (as the case may be) in further Shipments, or (ii) repay to the Buyer the Prepayment paid by the Buyer for the Goods not delivered within 3 (three) Days after the execution of the respective Verification Act (option (ii) is not applicable to post payment of the Goods); or (iii) apply such amount of the Prepayment paid by the Buyer for the Goods not delivered to the further Shipments (if applicable). ParagraphThe Buyer's rights set forth in this Paragraph shall be the Buyer's sole and exclusive remedy for such Shipment, howsoever caused, always excepting fraud, and the Seller shall have no other liability to the Buyer whatsoever.

c) In the event that the Actual Contract Quantity or the Actual Monthly Quantity (as the case may be) is in excess of 110% (one hundred and ten per cent) of the Planned Contract Quantity or the Planned Monthly Quantity respectively, the Buyer may, in its own discretion: (i) return any quantity in excess of 110% (one hundred and ten per cent) of the Planned Contract Quantity or the Planned Monthly Quantity respectively to the Seller at the Seller's expense, or (ii) to retain any Goods quantity in excess of 110% (one hundred and ten per cent) of the Planned Contract Quantity or the Planned Monthly Quantity respectively upon its agreement to pay the Price for the entire quantity taken provided that any of such Buyer's decisions shall be made within 1 (one) Day after Delivery Date of the respective Goods. The payment for such Goods shall be made by the Buyer within 5 (five) Days of the date of the Seller's invoice.

d) In the event that the Actual Contract Quantity or the Actual Monthly Quantity (as the case may be) is less than 90% (ninety per cent) of the Planned Contract Quantity or the Planned Monthly Quantity respectively, the Buyer may require the Seller to pay to the Buyer direct losses incurred by the Buyer, provided that such direct losses are evidenced by sufficient documentation. Such payment shall be made within 7 (seven) Days after the execution of the respective Verification Act by the Parties. The Parties agree that in any case, the maximum amount of direct losses may not exceed 10% (ten per cent) of the Price of the Goods which were not delivered. The Buyer's rights set forth in this Paragraph shall be the Buyer's sole and exclusive remedy for such short delivery, howsoever caused, always excepting fraud, and the Seller shall have no other liability to the Buyer whatsoever.

e) In the event that the Actual Contract Quantity or the Actual Monthly Quantity (as the case may be) is in excess of 110% (one hundred and ten per cent) of the Planned Contract Quantity or the Planned Monthly Quantity respectively and the Buyer fails to state its intention to return excess the Goods within the period specified above, the Buyer will be deemed irrevocably to have retained the excess the Goods and will accordingly pay for the excess the Goods retained within 5 (five) Days of the date of the Seller's invoice.

f) In the event that the Actual Contract Quantity or the Actual Monthly Quantity (as the case may be) is less than 90% (ninety per cent) of the Planned Contract Quantity or the Planned Monthly Quantity respectively and the Buyer fails to state request to compensate within 10 (ten) Days after the Delivery Date, the Buyer will be deemed irrevocably agreed with the Seller's obligation to meet the Planned Contract Quantity or the Planned Monthly Quantity respectively (as the case may be) in further deliveries.

3.10. Claims. Unless otherwise specified in the Contract claims if any on quantity of the Goods to be provided by the Buyer to the Seller according to Part II of the General Terms.

**PARAGRAPH IV
DELIVERY BASIS**

4.1. General Delivery Terms.

The Seller shall use its reasonable endeavours to dispatch the Goods on the definite date or in any Day within the Shipment period (as the case may be), as specified in the Contract, but the time of dispatch shall not be of the essence. The Seller shall notify the Buyer immediately if the delivery dates for the Goods cannot be met; in such a case the Parties shall re-schedule in good faith.

4.2. Transfer of risk and title.

The risk and title to the Goods shall transfer from the Seller to the Buyer at the Delivery Date, unless otherwise provides in the Contract. The Parties agree that the transfer of risk of loss or damage, and title to, the Goods is not conditional upon delivery of the Transport Document or any other documentation. Neither the time, method, nor the place of payment, method of transportation, form of Transport Document, manner of consignment nor place of acceptance of the Goods shall alter the foregoing.

4.3. The Seller's right to refuse.

The Seller may refuse at any time to undertake or complete the delivery if:

- a) the delivery under an intended or customary route to the Place of Destination becomes impracticable for any reason whatsoever beyond the Seller's control;
- b) the cost of the delivery to the Place of Destination (including Taxes) and/or insurance, if applicable, has been significantly increased (more than by 20 (twenty)% within 1 (one) month), which at the time of entry into the Contract could not be expected by the Seller; and/or
- c) importation of the Goods at the Place of Destination is prohibited under the laws of the country in which such the Goods were produced, or by regulations, rules, directives or guidelines applied by the government of that country or any relevant agency thereof; and/or
- d) the country, state, territory or region at which the Place of Destination becomes a country affected by the Sanctions,

Should the Seller agree to undertake or complete the delivery under an alternative route or at an alternative Place of Destination nominated by the Buyer and accepted by the Seller (which acceptance shall not be unreasonably withheld), or under changed circumstances as the case may be, the Buyer shall reimburse the Seller for any additional costs and/or expenses incurred by the Seller.

4.4. CIF

This Section 4.4 shall be applied to the Contract providing CIF as delivery basis.

4.4.1. Delivery Date

The Delivery Date shall be the moment when the Goods have been loaded on board of the nominated Vessel by customary means of the loading port at the Place of Shipment which date is set in the Bill of Lading.

4.4.2. Delivery terms

Where the Seller expressly or impliedly provides the Buyer with a date or a range of dates within which the respective Shipment shall arrive at the Place of Destination. These shall be indicative only, made by the Seller as an honest assessment without guarantee. The Seller shall not assume any responsibility for the arrival of the Goods at the Place of Destination.

4.4.3. Licenses and clearances

Where necessary, the Seller shall provide the Buyer with reasonable support in acquisition of all appropriate licenses and clearances for the unloading of the Goods; provided that the Buyer shall reimburse the Seller's costs and expenses arising out of or in connection with such support.

4.4.4. Taxes prior to delivery

All taxes, customs and other duties and fees incurred as a result of the conclusion and execution of the Contract which are levied on the Goods prior to delivery or required for the dispatch of the Goods outside the customs territory of the Russian Federation will be paid by the Seller.

4.4.5. Taxes after delivery

Unless otherwise expressly agreed by the Parties in the Contract, the Buyer shall pay all taxes, customs and other duties and fees incurred as a result of or in connection with the conclusion and execution of the Contract if any, after delivery.

4.5. CFR

This Section 4.5 shall be applied to the Contract providing CFR as delivery basis.

4.5.1. Delivery Date

- a) The Delivery Date shall be the moment when the Goods have been loaded on board of the nominated Vessel by customary means of the loading port at the Place of Shipment which date is set in the Bill of Lading.
- b) The unloading of the Goods is the Buyer's sole responsibility and shall not prejudice completed delivery of the Goods by the Seller.

4.5.2. Delivery terms

- a) The Buyer provides the Seller with full and timely information about the unloading port. The named information along with the Buyer's documentary instructions is to be provided to the Seller via facsimile or by other means agreed upon by the Parties, at least 5 (five) Business Days prior to each scheduled Shipment Date of the Goods by the Seller.

The information must include:

- i. the name of the unloading port;
- ii. all instructions regarding customary documentation which may be required at the unloading port;
- iii. the identity of the terminal(s) at unloading port with instruction to enable the Vessel to prepare and submit necessary information to the customs or border authorities; and
- iv. any other information requested by the Seller.

Should the Buyer fail to timely submit the named information, the Seller is not required to initiate the transportation and delivery of the Goods, which will not constitute a waiver of the Buyer's breach of Contract. Any delays in delivery of the Goods which result from inaccuracies of provided information will be on the account of the Buyer and shall not be viewed as breach of the Contract by the Seller.

- b) Where the Seller expressly or impliedly provides the Buyer with a date or a range of dates within which the respective Shipment shall arrive at the unloading port these shall be indicative only, made by the Seller as an honest assessment without guarantee. The Seller shall not assume any responsibility for the delivery of the Goods at the unloading port in the indicated period.

4.5.3. Licenses and clearances

- (i) The Parties shall obtain any licenses, permits and documents which are necessary for successful import and export clearance of the Goods.
- (ii) Export permits shall be timely obtained by the Seller.
- (iii) Import permits shall be timely obtained by the Buyer.
- (iv) All delays for the reason of absence of custom clearance shall be at the expense of the liable Party.

4.5.4. Taxes prior to delivery

All taxes, customs and other duties and fees incurred as a result of the conclusion and execution of the Contract which are levied on the Goods prior to delivery or required for the dispatch of the Goods outside the customs territory of the Russian Federation will be paid by the Seller.

4.5.5. Taxes after delivery

Unless otherwise expressly agreed by the Parties in the Contract, the Buyer shall pay all taxes, customs and other duties and fees incurred as a result of or in connection with the conclusion and execution of the Contract if any, after delivery.

PARAGRAPH V TRANSPORTATION

5.1. General conditions of transportation.

- a) Transport Document hereunder and the Contract shall be the Bill of Lading (or "B/L" or "BL" or "BOL").
- b) Delivery of the Goods shall be immediately followed and witnessed by presentation by the Seller to the Buyer or Carrier, or the Buyer's representative of a valid Transport Document. Such document shall be signed and marked by the Seller and Carrier at the place of loading and shall be deemed conclusive proof of delivery by the Seller.

- c) The Buyer warrants that the Place of Destination is (i) reachable by the agreed means of transport and (ii) suitable and equipped, if necessary, for unloading of the Goods.

5.2. Special conditions of transportation.

- a) The period of free use and payment for excess use of Containers in the unloading port shall be according to the applicable rules of the forwarder's agent/Container owner or customary at the Place of Destination.

- b) In the event a Container is damaged while it is in possession of the Buyer or the Buyer's counterparties, the Buyer shall promptly inform the Seller thereof and within 30 (thirty) days after the Seller's request pay to the Seller the documented repair full costs, including, without limitations, expenses on transportation of the Container to the place of repair and surveyor's services. If the owner of the Container (or the forwarder agent, if authorized) decides that the repair of the Container is impossible or not reasonable as a result of the incurred damage, the Container is considered to be lost. In that case the Buyer shall pay the Seller the amount that covers value of the corresponding size and type of Container, but in any case not less than the cost of the Container set by the owner.

- c) The assessment of damage to the Container during its possession by the Buyer shall be done by the Seller or an expert engaged by the Seller or by the owner or by the expert engaged by the owner. The expert costs are born by the Seller or the owner. Upon the results of the assessment the expert shall prepare an act based on which the owner of the Container shall resolve on the feasibility of the Container's repair. The expert costs shall be paid in full by the Buyer to the Seller.

- d) The Buyer shall return the Container in accordance with the Seller written instructions as soon as possible following the completion of the transportation and in any event within the free use period stated in the customary rules at the Place of Destination. The Container is to be freed from all particles of the cargo and material used for the Goods separation.

- e) Should the Buyer fail to return the empty and clean Container to the forwarder (or the forwarding agent) within the free use period, such Container is considered to be lost. In that case the Buyer shall pay the Seller the amount that covers value of the corresponding size and type of the Container, but in any case not less than the cost of the Container set by the owner.

- f) Should the Buyer fail to return the Container within the free use period, the Seller is entitled at its own discretion: (i) to claim the cost of the lost Container; or (ii) extend the return period and charge 35 (thirty five) USD per each Day of use beyond the free use period or such a bigger rate as may applicable to the forwarder's agent/Container owner or customary at the Place of Destination. In the event the Container is lost or deemed to be lost (as described in this Paragraph 5.2. hereof), the charge for the use beyond the free use period shall be calculated until the payment of the cost of the lost Container.

- g) The Buyer shall provide the Seller with full written instructions regarding the particulars for the Bill of Lading including consignee, contact details and address of the authorized person of the consignee, other information necessary for the delivery and reasonably required by the Seller, number of the copies, addresses, etc. and such other information which may be required at the Place of Shipment, Place of Destination and/or the Seller. The Seller shall have the right to issue its own instructions if the Buyer fails to provide with such instructions and/or information required by this Paragraph.

PARAGRAPH VI SHIPMENT PERIOD

- 6.1. The Shipment Date shall be specified in the Transport Document.

6.2. If:

- (i) the Parties agree that the Shipment period shall be any month of a year without indication of the dates, and
- (ii) within 10 (ten) Days prior to the last day of such month the dates of dispatch are not agreed by the Parties,

the Seller shall be entitled not to deliver the respective Shipment and/or sell such Shipment to any third party and shall not be liable to the Buyer for such non-delivery or for any losses and expenses incurred by the Buyer. If the Seller decides to sell the respective Shipment to any third party the Buyer shall

reimburse to the Seller all expenses arising out and/or in connection with such sales.

6.3. TRANSPORTATION INFORMATION

- a) If the Goods' transportation is arranged by the Seller, the Buyer shall submit to the Seller at the Seller's prior written request the Transportation information required for the transportation and delivery of the Goods via facsimile or by other means agreed upon by the Parties.
- b) The Transportation information shall include:
 - all instructions regarding customary documentation which may be required at the Place of Destination;
 - the identity of the terminal(s) at the Place of Destination, with instructions to enable the Carrier to prepare and submit necessary information to the customs or border authorities; and
 - any other documents requested by the Seller.
- c) Should the Buyer fail to timely submit the Transportation information, the Seller may, at its sole discretion elect to extend the time for delivery of the Goods which, if so extended, will not constitute a waiver of the Buyer's breach of the Contract.
- d) The Seller shall send to the Buyer the details of the dispatched Shipment via facsimile or by other means agreed upon by the Parties within 5 (five) Business Days after dispatch of the Goods. Any delays in loading the Goods at the Place of Shipment (including where the Seller is entitled to delay delivery of the Goods) or in unloading the Goods at the Place of Destination caused by the Buyer's failure to provide any necessary Transportation information, or as a result of omissions or inaccuracies in the Transportation information provided, will be at the Buyer's cost. The Buyer shall indemnify the Seller for all costs, losses and damages, incurred by the Seller as a result thereof.

PARAGRAPH VII LAYTIME

Not applicable for delivery in containers on CIF, CFR.

PARAGRAPH VIII DEMURRAGE

Not applicable for delivery in containers on CIF, CFR.

PARAGRAPH IX PRICE

- 9.1. The Price for the Goods shall be determined in the Contract.

PARAGRAPH X PAYMENT TERMS

Unless otherwise specified in this Business Terms general payment terms shall be in accordance with Part III ("GENERAL PAYMENT TERMS") of the General Terms

Section 10.1. Prepayment (advance payment)

This Section 10.1 applies to Contracts specifying Prepayment, unless the Contract provides otherwise

- 10.1.1. Buyer shall pay for the Goods as follows:
 - i. The Buyer shall pay one hundred per cent (100%) of the amounts specified in Seller's proforma invoice in advance of delivery within five (5) Business Days after the date of the invoice but no later than three (3) Business Days prior to the Goods' dispatch by the Manufacturer as indicated in the invoice.
 - ii. Buyer shall pay by wire transfer and without deduction or setoff into Seller's bank account and Buyer shall indicate the number and the Signing Date of the Contract/Amendment and proforma invoice number in the payment reference.

- iii. If the amount paid by Buyer as Prepayment for the Goods is less than the amount due to be paid for the Actual Contract Quantity or the Actual Monthly Quantity (as the case may be) Buyer shall pay the outstanding balance within five (5) Days of Seller's invoice for the balance.
- iv. If the amount paid by Buyer as Prepayment for the Goods exceeds the amount due to be paid for the Actual Contract Quantity or the Actual Monthly Quantity (as the case may be) the Parties shall mutually agree whether (i) the difference will be applied to future Shipments, if applicable or (ii) the Seller shall return such difference between the amounts within five (5) Business Days of the signing of the Verification Act by the Parties.

Section 10.2. Post payment

This Section 10.2 applies to Contracts specifying Post payment

- 10.2.1 Buyer shall pay one hundred per cent (100%) of the amounts specified in Seller's invoice not later than the date specified in the Contract.
- 10.2.2 Partial payments shall be allowed, subject to subsection 10.2.1 above.

Section 10.3. Letter of Credit

This Section 10.3 applies to Contracts specifying Letter of Credit

10.3.1 Issuance of the Letter of Credit. Buyer shall procure issuance of the Letter of Credit within five (5) Business Days from the Signing Date in accordance with these Business Terms and the Contract.

10.3.2 Validity period of the Letter of Credit. The validity period for the Letter of Credit shall cover the payment period in the Contract plus thirty (30) Days, provided, however, that the total minimum validity period shall be no less than ninety (90) Days. Buyer shall procure that the validity period of the Letter of Credit shall be extended if a Force Majeure Event extends the payment period under the Contract.

10.3.3 Documents

Buyer shall procure that:

- (a) the only documents required to be presented by Seller to collect under the Letter of Credit shall be the following:
 - i. Seller's invoice (fax or email copy); and
 - ii. Transport Document;
- (b) documents prepared in Russian are acceptable; and
- (c) minor mistakes and misprints in the documents are acceptable.

10.3.4 Letter of Credit Conditions

The payment for the Goods shall be effected by Buyer as follows:

- i. Buyer shall procure issuance in favour of Seller an irrevocable and divisible Letter of Credit payable at sight in strict accordance with the terms and from a bank and in a form confirmed in writing by Seller but in any case prior to the dispatch of Goods;
- ii. Buyer shall provide Seller with the draft of such irrevocable Letter of Credit for Seller's preliminary written approval;
- iii. expenses in connection with the opening, amendment and utilisation of the Letter of Credit shall be paid by Buyer; and
- iv. The Letter of Credit shall be issued in the amount of one hundred and ten per cent (110%) of the Price multiplied by the Shipment quantity of the Goods to be delivered.

Section 10.4. Security of the Buyer's Payment Obligations

This Section 10.4 applies to Contracts specifying the Security of the Buyer's payment obligations

10.4.1 Stand-by Letter of Credit

- a) Issuance of Stand-by-Letter of Credit. The Buyer shall procure the issuance of a Stand-by Letter of Credit within five (5) Business Days from the Signing Date in accordance with these Business Terms and the Contract.
- b) Validity period. The validity period for the Stand-by Letter of Credit shall be ninety (90) Days.

- c) Stand-by-Letter of Credit procedure. If Buyer fails to pay one hundred per cent (100%) of the amount specified in Seller's invoice within the time specified in the Contract the Seller may immediately look to the Stand-By Letter of Credit against the presentation by Seller to Seller's bank (as specified in Seller's invoice) of the following documents:
- i. Seller's (Beneficiary) letter with the following statements (telex, fax or email acceptable):
 - the Seller has delivered the Goods in conformity with the Contract and these Business Terms and the invoice has been sent to the Buyer; and
 - payment of Seller's invoice for delivery of the Goods is properly due to the Seller, and such payment has not been made to the Seller by the Buyer within the terms of the Contract;
 - ii. copy of the Seller's invoice (telex, fax or email acceptable);
 - iii. Transport Document (telex, fax or email acceptable).
- d) Stand-by Letter of Credit Conditions. Buyer shall pay for the Goods as follows:
- i. Buyer shall procure issuance in favour of the Seller an irrevocable Stand-By Letter of Credit payable in accordance with the terms and from a bank and in a form confirmed in writing by Seller but in any case prior to the Goods' dispatch.
 - ii. The Stand-By Letter of Credit shall be issued for the amount of one hundred and ten per cent (110 %) of the Planned Contract Quantity or the Planned Monthly Quantity (as the case may be) and shall be valid for a period specified in the Contract. Buyer shall procure the extension of the validity period of the Stand-by Letter of Credit to the extent that the payment period is extended by a Force Majeure Event.
 - iii. Buyer shall provide Seller with a draft of such Stand-By Letter of Credit for Seller's preliminary written approval.
 - iv. Expenses in connection with the opening, amendment and utilisation of the Stand-By Letter of Credit shall be paid by Buyer.
 - v. Any and all costs, loss or damage incurred by Seller as a result of Buyer's failure to comply with this Section shall be for Buyer's account and Seller shall indemnify Seller and hold it harmless against all such costs, loss and damage.

10.4.2 Parent company guarantee

Upon Seller's request, Buyer shall provide Seller with, and shall procure delivery to Seller of, Buyer's parent company guarantee securing the performance of all the Buyer's obligations under the Contract (including these Business Terms and the General Terms. Such guarantee shall be provided within ten (10) Business Days after Seller's request and shall be in writing, in a form satisfactory to the Seller and issued for the term of the Contract plus six (6) months. If Buyer has no parent company satisfactory to Seller, the guarantee may be issued by an Affiliate(s) or other third party(ies) as agreed with Seller.

Seller is not obliged to deliver the Goods until the requested guarantee is duly furnished and Buyer shall reimburse to Seller upon demand any and all related costs in connection with such delay. If Buyer delays the provision of the guarantee for more than ten(10) Business Days, Seller is entitled to terminate the Contract by written notice to Buyer.

10.4.3 Bank guarantee

The Buyer shall provide Seller with an irrevocable and unconditional bank guarantee issued in favour of Seller and securing the performance of all of Buyer's obligations under the Contract. The bank guarantee shall be provided within ten (10) Business Days after the date of signing of the Contract and shall be issued for an amount and by a bank previously confirmed in writing by Seller but in any case prior to the Goods' dispatch. The bank guarantee shall be issued for the term of the Contract plus thirty (30) calendar days and shall be transferred by SWIFT or other interbank communications system via the bank of the Seller. Buyer shall procure issuance of and any amendment to the bank guarantee at its own expense.

Seller is not obliged to supply the Goods until the requested bank guarantee is duly furnished and the Buyer shall pay to Seller any and all related costs in connection with such delay. If the Buyer delays the provision of the bank guarantee for more than ten (10) Business Days, Seller may elect, at its own discretion, either to (di) change the payment terms of the Goods to Prepayment (Section 10.1. hereof), or (ii) suspend the performance of the Contract, or (iii) unilaterally terminate the Contract. Such suspension and/or termination shall not entitle the Buyer to claim for liquidated damages.

10.4.4 Reinstatement of Guarantee

If any guarantee, including but not limited to bank guarantee, of a parent company or of any other third party(ies) specified in the subsection 10.4.3. hereof and/or the Letter of Credit, and/or the Stand-by Letter of Credit, which were provided by the Buyer to the Seller in accordance herewith, ("Guarantees") ceases or threatens to cease to be effective and/or valid due to Sanctions, bankruptcy, insolvency, reorganization, liquidation, revocation of a licence or similar proceedings in respect of bank, parent company or any other third party(ies) specified in the subsection 10.4.2. hereof, and/or for any other reason, not related to the Seller, prior to the term herein stipulated, the Buyer shall procure the reissuance of such Guarantee in compliance herewith, promptly but not later than ten (10) Days from the occurrence of any event indicated in this Section. Where Buyer fails to procure reinstatement of any Guarantee within the specified term, Seller is entitled upon written notice to Buyer to suspend performance of all and any obligations hereunder until the new Guarantee is provided, and/or cancel and/or resell or otherwise dispose of the Goods to any third party. Seller shall be not liable for such suspension of the obligation's(s) performance, and/or cancellation, and/or resale and any other disposal of the Goods. Buyer may not make any claims in connection with such acts of the Seller notwithstanding anything to the contrary herein and in the applicable Law.

In any case the Buyer shall reimburse to the Seller within seven (7) days from receipt of a written demand all and any costs, charges, expenses and losses, including related to storage, transport, resale and disposal of the Goods, demurrage incurred by the Seller in connection with non-performance or improper performance of obligation for the Guarantee's/Guarantees' reissue by the Buyer.

PARAGRAPH XI RESPONSIBILITIES OF THE PARTIES

11.1. Delivery liquidated damages

a. For each full Week of delay in Seller's delivery of the Goods commencing thirty (30) Days after the latest date within the Shipment period as specified in the Contract, the Buyer shall be entitled to demand liquidated damages from the Seller for such delivery delay in the amount equal to 0.1% (one tenth of one per cent) of the Price for the late delivered Goods per Day, up to a maximum of 10% (ten per cent) of the Price for the late delivered Goods.

b. The Parties acknowledge and agree that in no event shall the Seller be considered to be in breach under the Contract due to any late delivery and the Buyer shall not be entitled to liquidated damages until the Seller is at least more than 30 (thirty) Days late under the terms and conditions specified in the Contract. The Seller shall not be liable to the Buyer in liquidated damages for delay caused by a Force Majeure Event, failure or default on the part of the Buyer, or where the Seller is entitled to delay delivery pursuant to the terms of the Contract.

c. The Parties acknowledge and agree that in no event shall the Seller be considered to be in breach under the Contract due to any late delivery or non-delivery of the Goods and the Buyer shall not be entitled to claim any losses, or liquidated damages, or any other claims in case of the planned Manufacture production capacity repair; provided that the Seller shall notify the Buyer of such repair not later than one week prior to the month when the repair is planned. The Parties acknowledge and agree that Seller's notification of the repair is enough and sufficient evidence and confirmation of the planned repair.

d. THE LIQUIDATED DAMAGES SET FORTH HEREUNDER TOGETHER WITH THE RIGHT OF TERMINATION SET OUT IN SECTION 12.3. HEREOF

SHALL BE THE BUYER'S SOLE AND EXCLUSIVE REMEDIES FOR ANY LATE DELIVERY OF ANY GOODS OR PART THEREOF AND THE SELLER SHALL HAVE NO FURTHER LIABILITY WHATSOEVER, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY).

11.2. **Interest for late payment.** In case the Buyer fails to comply with the terms of the payment set out in the Contract the Buyer shall pay to the Seller interest at the lesser of (i) one month LIBOR plus 4% (four per cent) per annum of the outstanding amount or (ii) the maximum allowed by applicable Law.

11.3. **Suspension.** If the conditions or terms of payment are breached by the Buyer the Seller may, at the Seller's option, either suspend delivery of the Goods to the Buyer or unilaterally terminate the Contract. Such suspension shall not constitute a delay for the purposes of liquidated damages.

11.4. **Late acceptance.** In the event that the Buyer fails or refuses to accept delivery of the Goods or any part thereof pending laytime (i.e. have not commenced the accepting and unloading/loading of the Goods as the case may be; or furnished the Seller with explanation of delay and further instructions as regards the Goods satisfactory for the Seller); provided that such Goods have been delivered in accordance with the terms of the Contract, without prejudice to the Seller's other rights under the Contract or the applicable Law, the Seller is entitled to pass the Goods to a proximate logistic company or keeper at the Buyer's risk and expense of which the Buyer shall be notified within reasonable time. The Seller is entitled to exercise its right hereunder irrespective of whether the title to the Goods has passed to the Buyer under the Contract or not. The quantities of the Goods passed confirmed by such a logistic company or keeper shall be deemed as due confirmation of the quantities of the Goods delivered by the Seller; the term for quality claims for the Goods specified in Section 2.8. hereof shall commence as of the expiration of the laytime. The Seller shall be entitled to claim without limitation all and any transport and/or insurance cancellation costs, storage costs, additional transport costs, customs duties, demurrage and other similar or related costs and all expenses arising out of or in connection with such late acceptance from the Buyer till the moment when the Goods are taken by the Buyer.

11.5. **The Seller's disposal rights.** In the event that the Buyer (or the Buyer's authorized representative, or the Buyer's Carrier, etc.) fails or refuses to accept delivery of the Goods or any part thereof within 5 (five) Days of the due date mutually agreed by the Parties, entirely without prejudice to the Seller's other rights under the Contract or the applicable Law, the Seller shall at its sole discretion be entitled to sell the quantity of the Goods which were not taken by the Buyer. The Seller is entitled to exercise its right hereunder irrespective of whether the title to the Goods has passed to the Buyer under the Contract or not. The Seller is also entitled either (i) to demand the Buyer to reimburse all Seller's costs of sale including, without limitation, storage costs, additional transport costs, customs duties, and other similar or related reasonable costs and expenses together with any difference in the price obtained for the Goods when compared to the Price of the Goods set out in the Contract; or (ii) to deduct the amount of the received advance payment (applicable to the prepayment) for the damages incurred by the Seller as a result of such refusal; after calculating the damages the remaining part of the advance payment shall be either returned to the Buyer or offset against further Shipments.

11.6. **Limitation of liabilities**

a. UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE WHETHER IN THE CONTRACT, IN TORT (INCLUDING GROSS NEGLIGENCE), UNDER ANY WARRANTY OR OTHERWISE, FOR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES OR FOR EXEMPLARY OR PUNITIVE LOSSES OR DAMAGES, OR ANY LOSS OF PROFITS (SAVE IN RELATION TO SELLER'S LOSS OF PROFIT ARISING FROM THE BUYER'S FAILURE OR REFUSAL TO TAKE OR ACCEPT DELIVERY OF THE GOODS OR ANY PART THEREOF CONTRARY TO THE TERMS OF THE CONTRACT) OR REVENUES, OR ANY COST OF LABOR, RESULTING FROM OR ARISING OUT OF OR IN CONNECTION WITH THE GOODS OR SELLER'S PERFORMANCE UNDER, OR BREACH OF, THE CONTRACT, EVEN IF THE PARTIES HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. EACH PARTY SHALL UNDERTAKE ITS BEST EFFORTS TO MITIGATE ITS LOSSES.

b. FOR THE AVOIDANCE OF DOUBT, EITHER PARTY MAY SEEK TO RECOVER FROM THE DEFAULTING PARTY ANY ACTUAL DIRECT DAMAGES

INCURRED AS A RESULT OF THE DEFAULTING PARTY'S BREACH OF CONTRACT (INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEYS' FEES AND COSTS); PROVIDED, HOWEVER, THAT NOTWITHSTANDING ANYTHING CONTAINED HEREIN, TO THE FULL EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL THE SELLER'S LIABILITY IN CONNECTION WITH THE GOODS OR THE CONTRACT EXCEED THE TOTAL GOODS VALUE (INCLUDING, BUT NOT LIMITED TO TRANSPORTATION COSTS, STORAGE COSTS, ETC.) PAID TO THE SELLER BY THE BUYER FOR THE GOODS.

c. UNDER NO CIRCUMSTANCES SHALL THE SELLER BE LIABLE FOR THE BUYER'S LOSS OF PROFIT, NON RECEIPT OF REVENUE, BUSINESS INTERRUPTIONS, THE SUSPENSION OF COMMERCIAL ACTIVITIES, OR FOR ANY INDIRECT LOSS IRRESPECTIVE OF ITS CHARACTER AND REASON.

d. BOTH PARTIES ACKNOWLEDGE AND AGREE THAT THE EXCLUSIVE REMEDIES AND LIMITATIONS OF LIABILITIES SET FORTH HEREIN WERE BARGAINED FOR ON AN EQUAL FOOTING AND ARE CONDITIONS OF THE CONTRACT.

e. NOTHING IN THE CONTRACT SHALL LIMIT OR EXCLUDE THE LIABILITY OF EITHER PARTY FOR DEATH OR PERSONAL INJURY RESULTING FROM ITS NEGLIGENCE OR FOR FRAUDULENT MISREPRESENTATION.

f. Adverse Weather. The Parties shall not be liable for delay caused by adverse weather. Notwithstanding the customary rules at the Place of Destination the Parties agree to evenly split losses caused by the adverse weather conditions and beyond the insurance coverage or other compensation from third parties.

**PARAGRAPH XII
DURATION**

12.1. The Contract shall come into effect on the Signing Date and, subject to observance of Sections 12.2.-12.3. hereof shall continue in force until all obligations have been fulfilled (unless earlier terminated hereunder or the Parties agreed otherwise in writing) and in the part of payments – until such time that same are made in full.

12.2. **Buyer's default**

a) The Seller may, at its sole discretion and in addition to any other legal remedies it may have, upon giving written notice to the Buyer suspend all deliveries under the Contract and/or unilaterally terminate the Contract where:

- i. the Buyer is in breach of any condition of the Contract;
- ii. delivery or unloading of the Goods is delayed due to any cause(s) attributable to the Buyer and such delay is not excused by any other provision of the Contract;
- iii. loading or unloading of the Goods is delayed by more than 10 (ten) hours after the NOR has been tendered due to reasons attributable to the Buyer;
- iv. the Buyer or its parent company commences, or becomes the subject of, any bankruptcy, insolvency, reorganization, administration, liquidation or similar proceeding or is in the Seller's reasonable opinion expected to be unable or unwilling to pay its debts as the same become due;
- v. the Buyer or its parent company ceases or threatens to cease to function as a going concern or conduct its operations in the normal course of business;
- vi. a creditor attaches or takes possession of all or a substantial part of the assets of the Buyer or its parent company; or
- vii. if applicable, the Buyer delays the provision of the parent company guarantee or other security of its obligations as provided in the Contract for more than 10 (ten) Business Days.

b) Where the Seller suspends delivery of the Goods due to any of the events referred to under the Section 12.2. a) hereof, the Seller may, so long as such event is continuing, at any time unilaterally terminate the entire Contract.

c) Where, pursuant to the provisions of Section 12.2. hereof, the Seller, under the Contract providing for multiple Shipments, temporarily suspends the delivery of the Shipment and then decides to resume delivery of the Shipments under the Contract, the Seller may cancel the suspended delivery of

Shipment and shall be under no obligation to make up for any quantity of the Goods that would have been delivered to the Buyer but for such suspension.

be, such quantity of the Goods as remained to be delivered under the Contract at the date of termination.

d) Where the Contract provides for multiple Shipments then the rights given to the Seller in the Section 12.2. hereof, apply to all such Shipments where the Seller is allowed to terminate in respect of one Shipment, then it is entitled to terminate all the remaining Shipments.

e) Any termination of the Contract by the Seller shall be without prejudice to the rights and obligations of each Party as accrued on the date of termination.

12.3. Seller's default

a) The Buyer may at its sole discretion, and in addition to any other legal remedies it may have, upon giving notice to the Seller terminate the Contract, where the Seller, for any reason whatsoever, is in a material breach of any conditions of the Contract.

b) In relation to multiple Shipments under the Contract, the Buyer's right to terminate under this Section 12.3. hereof or otherwise, only applies to the Shipment in respect of which the Seller is in breach and not to future Shipments.

c) Any termination of the Contract by the Buyer shall be without prejudice to the rights and obligations of each Party as accrued at the date of termination.

12.4. In the event of termination of the Contract by either Party pursuant to the provisions of Section 12.2. or Section 12.3. hereof then, save where the Buyer has terminated only part of a multiple Shipments under the Contract, and in addition to any direct losses arising from the default or breach, the Party so terminating shall be entitled to claim damages from the Party in default as if the Party in default had failed to deliver or failed to accept, as the case may

ANNEX 1
CONTRACT (TEMPLATE)

The Buyer	The Seller
<p>[insert the name of the company], a company organized and existing under the law of [insert the country name]</p> <p>with its registered legal address at [insert the address]</p> <p>represented by [insert the authorized person of the company]</p> <p>acting on the basis of [insert]</p> <p>Attn. to:</p> <p>Tel.</p> <p>FAX:</p> <p>E-MAIL:</p>	<p>[insert the name of the company], a company organized and existing under the law of [insert the country name]</p> <p>with its registered legal address at [insert the address]</p> <p>represented by [insert the authorized person of the company]</p> <p>acting on the basis of [insert]</p> <p>Attn. to:</p> <p>Tel.</p> <p>FAX:</p> <p>E-MAIL:</p>

CONTRACT № [insert the number]

Signing Date [insert document date]:

Place: [insert the place]

I. GOODS	II. QUALITY	III. QUANTITY	IV. DELIVERY BASIS	V. TRANSPORTATION	VI. SHIPMENT PERIOD	VII. LAYTIME
VIII. DEMURRAGE	IX. PRICE	X. PAYMENT TERMS	XI. RESPONSIBILITIES OF THE PARTIES			XII. DURATION

BUSINESS TERMS

- This Contract is intended to be accompanied and supplemented by Business Terms [insert the number/name of the Business Terms] of SIBUR International GmbH ("Business Terms") which shall be accessed via the following link www.sibur-int.com.
- It is expressly agreed and acknowledged by the Buyer that the Business Terms are the integral part hereof and considered incorporated into this Contract.
- THE BUYER HEREBY EXPRESSLY ACKNOWLEDGES AND CONFIRMS THAT THE BUSINESS TERMS WERE READ VERY CAREFULLY, ACCURATELY AND PRECISELY AS THEY INCLUDE CERTAIN EXCLUSIONS, INCLUDING BUT NOT LIMITED TO, LIMITATIONS OF LIABILITY CONDITIONS, ARBITRATION AGREEMENT AND CONFIRMATION PROCEDURE.
- If there is any conflict, ambiguity or inconsistency between the terms and conditions of this Contract and the terms and conditions of the Business Terms, the terms and conditions of this Contract shall prevail.

The Buyer:

The Seller: