



GENERAL TERMS OF DELIVERY

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The English version is the legally binding \ language that will be enforced by laws and all jurisdictions will refer to it regarding all translations.

1. Offers and Agreements (Conclusion of Contract)

- 1.1. The Contract shall be deemed to have been entered into upon receipt of written order confirmation, which may take the form of an invoice accompanying the goods.
- 1.2. Offer validity duration is thirty (30) days starting from date of issue, unless otherwise agreed.
- 1.3. **Canaf Petro-Chemicals Refinery™** (hereinafter **CPCR**) shall not check the correctness of the information provided by the Customer upon which the offer or order confirmation is based.
- 1.4. Discrepancies of an order's terms, respectively the invoice, become part of the Contract, unless the Customer objects in writing within five (5) business days from receipt of confirmation. The foregoing is subject to the correction of simple accounting irregularities.

2. Extent of delivery / services

- 2.1. Extent and execution of delivery and services are established by the order confirmation.
- 2.2. **CPCR** reserves the right to make partial deliveries. Furthermore, depending on the type of product, **CPCR** reserves the right to carry out its orders with a quantity tolerance of $\pm 5\%$ (five percent).

3. Regulations in the country of destination

- 3.1. The Customer is to inform **CPCR** no later than at the moment of order about legal, official and other regulations and law(s) that apply to the execution of delivery, which concern in particular prevention of deceases and accidents, environmental protection regulations and the like.
- 3.2. It is the Customer's responsibility to respect the Swiss and foreign Law(s) regarding acceptance, export, and import or processing of delivered goods, in particular the Regulations of the Export Control of the United States or other similar legal or official prescriptions of other countries regarding the exportation of technology.

4. Prices

- 4.1. Unless otherwise agreed upon, all prices are quoted net, ex works, in United States Dollars and/or the place of fulfilment is the registered business establishment of **CPCR**. Jurisdiction in all exchange currencies is the currency in the place where **CPCR** is based and without any deductions.
- 4.2. Unless otherwise agreed upon, all additional costs, such as freight, insurance, import licence and other

authorization and certificates are fully at the Customer's expense.

- 4.3. Equally the Customer shall bear all kinds of taxes (in particular the VAT), duties, levies, tolls and the like, which are imposed in connection with the Contract, and is obliged to refund **CPCR** for any such cost borne by **CPCR** against corresponding proof.
- 4.4. If due to unforeseen circumstances (in particular fluctuations of currencies, oil and gas or supplier prices) and the pricing should change between the conclusion of a Contract and the effective delivery, **CPCR** shall be entitled to adapt its prices accordingly.

5. Terms of Payment

- 5.1. The Customer is to make all payments net, without any additional costs for **CPCR**, within the agreed terms (oil and gas two (2) days, manufacturing costs thirty (30) business days).
- 5.2. If the agreed payment terms are not respected, **CPCR** will be entitled – without requiring a special warning – to charge default interests of the same amount of market interests, of at least 6% (six percent) p.a. however.
- 5.3. Payments are due, even if the Customer postpones the delivery terms. **CPCR** beholds to store the delivery goods at cost and risk of the Customer.
- 5.4. In case of payment default, **CPCR** is entitled to suppress scheduled deliveries.

6. Retention of Title

- 6.1. **CPCR** retains title to the goods delivered to the Customer up to the perfection of the Contract and the completion of all obligations to pay.
- 6.2. **CPCR** is entitled, against presentation of the relative documentation, to register its retention of title in the proper Registry.
- 6.3. Because of existing or future commitments originating from the contract **CPCR** retains a title to the goods of the Customer that are in **CPCR** possession (e.g. compensation of oil and gas accounts or account payments).

7. Oil & Gas supply

- 7.1. Unless agreed differently, the oil and gas is to be supplied by the Customer twenty (20) days before delivery.
- 7.2. If the agreed supply terms of the oil and gas are not respected, **CPCR** will be entitled – without requiring a special warning – to charge default interests as per clause 5.2.

8. Delivery terms

- 8.1. The delivery term will be reasonably extended in the event:



- That the oil and gas supply terms are not respected or that the Customer does not transmit **CPCR** the details necessary for execution of the Contract, such as technical data, tools or similar, in due time or if the Customer should change subsequently said specifications and thereby cause a delay in delivery;
- Of unforeseeable obstacles or of force majeure.

9. **Delay in Delivery**

- 9.1. In the event of a delayed dispatch of the goods, the Customer is entitled to claim liquidated damages, as far as the delay is caused through proven negligence of **CPCR**. Unless otherwise agreed, the compensation is limited to 10% of the contracted price as per clause 9.2. and in any case restricted to the damages caused to the Customer by delay of dispatch.
- 9.2. The compensation for delayed dispatch amounts for each entire week to 1% (one percent), but altogether no more than 10% (ten percent) applied to the contracted price (oil and gas excluded) of the delayed part of delivery. The first two weeks of delay do not entitle to a right for compensation.
- 9.3. The delay of dispatch or services does not entitle the Customer to further rights and claims, unless otherwise agreed.

10. **Transfer of Benefit and Risk**

- 10.1. Benefit and risk pass to the Customer at the latest the moment the goods have left the premises.

11. **Examination and Acceptance**

- 11.1. The Customer shall examine every delivery upon receipt and inform **CPCR** in writing, no later than 10 (ten) business days after receipt, of any possible defects. Upon expiration of said time limit the goods shall be considered as accepted and all warranty claims shall decay, except for hidden defects.

12. **Warranty and Disclaimer**

- 12.1. **CPCR** warrants that its delivered goods are free of manufacturing defects. Defects of material are only warranted when the material has not been supplied by the customer as per clause 7. The warranty is limited to 2 (two) years from the date of delivery.
- 12.2. In case of warranty the Customer is entitled to request replacement or repair by **CPCR**.
- 12.3. If due to circumstances neither one nor the other should be possible or feasible, the Customer may be entitled to request a price reduction or to revoke the contract.
- 12.4. The warranty claim expires should the Customer directly remove a defect and claim the thereby originated costs, without written permission of **CPCR**.
- 12.5. The warranty claim expires should the Customer or third parties make inappropriate changes, reparations or

storage, or if, in case of growing damage, **CPCR** does not have the possibility to remove said defect in time, due to reasons beyond its responsibility.

- 12.6. **CPCR** cannot be held liable for defects which are due to inexact information or specifications received by the Customer or faulty processing, excessive wear or other reasons beyond **CPCR** control.
- 12.7. **CPCR** bears no responsibility, as far as legally permissible, for further warranty claims, in particular liability for direct, indirect or consequential damages, unless there are restrictions related to the compelling product liability law.

13. **Tools**

- 13.1. The necessary tools for the completion of the object of contract are made available by the Customer or are manufactured in accordance with the Customer's drawings and other specifications.
- 13.2. The tools manufactured by **CPCR** remain property of **CPCR**, even if the Customer has paid for the manufacturing costs of said tools, in part or entirely.
- 13.3. The tools manufactured upon the Customer's request are exclusively for his use only. After a term of five years, during which said tools are not used, **CPCR** is entitled to destroy the latter. The Customer is to be informed, as far as possible, beforehand of said procedure.

14. **Oil & Gas weight accounts**

- 14.1. For business transactions with **Bonny Light Crude Oil (BLCO)** – to be refined for specific specifications Low Petro Gas, Unleaded Petrol, Leaded Petrol, Illuminating Kerosene, Diesel, Fuel Oil, etc. and/or **Liquefied Natural Gas (LNG)** and/or **Liquefied Petroleum Gas (LPG)** is a clear, colourless and non-toxic liquid which forms when natural gas is cooled to -162°C/260°F (burnt for heat or to generate electricity) and/or **Low Pour Fuel Oil (LPFO)** to be refined for specific specifications by the different grades of fuel oil depend on their volatility and degree which they burn and volatility (used to run boilers / furnaces), **CPCR** holds oil and gas accounts (bank, oil and gas and industrial weight accounts) in the name of the Customer. The oil and gas deposits of the single account holders are not stored separately. The account holder owns jointly with **CPCR** said oil and gas which is part of the global stock present at **CPCR** and corresponds to the relative amount of oil and gas on the specific account in relation to the global stock of the other account holders.
- 14.2. In case of physical deliveries for storage purposes **CPCR** holds consignment stock and warranty accounts in the name of the Customer. The stock is deposited separately and belongs exclusively to the Customer.
- 14.3. The account holder may claim delivery of the quantity of oil and gas shown on his account, given the observance



of the contractual obligations towards **CPCR** and the respective retention of title as per clause 14.4. The same applies to the consignment stock and warranty accounts of the account holder.

- 14.4. **CPCR** retains title to the oil and gas of all oil and gas or consignment stocks of the Customer, whether booked on an account or not. The Title of Retention covers existing or future commitments with **CPCR**, as well as negative balances on oil and gas accounts, unpaid delivery invoices or other contractual rights competing to **CPCR**.
- 14.5. For all matters concerning the oil and gas, consignment stock and warranty accounts, the Customer's right of disposal and the title of retention, **CPCR** is entitled to follow exclusively the instructions of the Customer, without having to consider his bonds to third parties.
- 14.6. For all further matters, we refer to the separate Oil and Gas Account and Consignment Stock Regulations, which shall apply complementarily to the present [General Terms of Delivery](#).

15. Refining

- 15.1. **CPCR** reserves the right to increase the offered processing costs and/or the return date, in case the material to be refined presents peculiar characteristics, that weren't known to **CPCR** at order's acceptance and require additional expenses.
- 15.2. The delivery of dangerous (t.e. poisonous, explosive, radioactive, unstable) material with harmful components (e.g. Mercury, Cadmium, Arsenium, Selenium, Tellurium, Bismuth, etc.) can only take place after previous and explicit agreement with **CPCR**. **CPCR** may reject at any time the acceptance of such material and send it back to the deliverer at the expense of the Customer.
- 15.3. Settlement is issued based on the weight and fine content of the material which is determined before the refining process. **CPCR** is entitled to proceed with the processing after weighing and sampling of the material.

16. Oil & Gas trade and transfers, Currency transactions

- 16.1. **CPCR** is entitled to record telephone orders of the Customer concerning oil and gas trade. For such orders there is a special telephone line.
- 16.2. Phone orders of the Customer become binding through acceptance by **CPCR**.
- 16.3. Damage caused by transmission errors, misunderstandings or mistakes during phone transactions with the Customer or third parties is to be borne by the Customer, unless there is evidence of **CPCR** negligence.
- 16.4. Transfers, which are carried out because of an error, wrong writing or other reasons, without a relative order,

may be inverted by **CPCR** through simple reverse operation.

- 16.5. Telephone recordings are made exclusively in order to clarify eventual misunderstandings during business trade transactions. Listening to recorded conversations is permitted only in case of contestation and by safeguarding all dispositions regarding the privacy legislation.

17. Jurisdiction and applicable Law

- 17.1. The present contract is subject to Swiss Law.
- 17.2. Exclusive place of jurisdiction for any controversy arising between the parties is Switzerland.

Changes of [General Terms of Delivery](#)

CPCR reserves the right to make changes to the Delivery defined in this [General Terms of Delivery](#) from time to time. In case of congruence between the different versions of these regulations, the English version shall overrule.

Client will be informed of any such changes. The respective changes shall be considered binding and agreed to unless the Client notifies **CPCR** of the contrary no later than 30 business days after the date on the announcement.

Concluding Provisions

All other aspects of the legal relations between **CPCR** and the Client shall be governed by the [General Terms and Conditions / Scope](#) and by the applicable Swiss law.

The [General Terms and Conditions / Scope](#) shall complement the [General Terms of Delivery](#). However, in case of discrepancies or conflicts, the [General Terms of Delivery](#) shall prevail and supersede the [General Terms and Conditions / Scope](#).

Legal Intellectual Property Notices

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