

GENERAL SALES

TERMS & CONDITIONS

FOR DOMESTIC SALES

1. SALES MODES AND PAYMENT CONDITIONS

Sales are carried out on the terms and conditions stipulated by Petkim Petrokimya Holding A.Ş. (hereinafter PETKIM)

1.1 SALES MODES

- Spot Sales
- Contractual Sales
- Frame contracts Sales
- Tender Sales
- Transferred Sales
- Sales subject to re-export
- Exceptional Sales
- Sales under the inward processing regime
- E-trade sales

1.2 PAYMENT TERMS & ORDER PLACING

Payments can be done on a cash in advance or deferred basis. All sort of payments effected prior to a written confirmation from PETKIM do not constitute an acquired right.

For both cash in advance or deferred payment basis sales orders are taken on-line via DOCS (Direct Order and Collecting Sytem) by means of online CIS (Customer Information System).

In case on-line order is not possible, Order Form must reach to the related department (Sales and Marketing Dept. or Trade Dept.) within the same day between 08:00-22:00 hrs.

In both advance or deferred payment sales made in TL, the rate of Exchange is fixed. Orders confirmed by PETKIM cannot be cancelled.

Whatever the mode of order, PETKIM cannot be held responsible for any kind of adverse effects (delays, false or inadequate declarations, arising from customers, customers' representatives, banks, communication systems (fax, cargo, post, etc.)

1.2.1 CASH IN ADVANCE PAYMENTS

Cash in advance payments can either be done by the DOCS or by a letter of credit.

1.2.2 DEFERRED PAYMENTS

Payments are implemented in compliance with the procedures and principles set by Petkim. For deferred payments, a monthly interest rate set by PETKIM is charged on TL and \$US currency basis. Petkim has the right to apply different periods of maturity for

different products. Changes in the rate of interest and period of maturity are notified to the customers by e-mail.

Subject to customer's request and PETKIM's approval, sales are possible via a deferred DOCS, against a letter of bank guarantee or other alternative financial methods. In case a customer prefers to make a payment before the due date, Petkim's Accounting Dept. must be informed in written. If a customer fails to effect the payment in due time, he is deemed to become over due without a further notification.

For the outstanding debts unpaid in due time, a monthly interest rate declared by PETKIM to all customers for the default on TL and \$US is applied from the date of default with the same currency unit of purchase. Interest rates to be applied for the outstanding debts in due time is shown on the invoice issued in the currency of the main order. In case PETKIM alters the default interest rate indicated on the invoice, the renewed rates are informed to the customer in written and announced on the CIS. Default interest rates declared and notified to customers are applied to the customers from the date of renewal. Customers have no right to object to the unilateral renewal of the default interest rates.

In the partial payments for the overdue debts, the payment is firstly offsetted for the accrued interest.

Provided that the monthly interest and VAT accrued on the outstanding debts are paid in advance, customers may ask for the extension of their outstanding debts by informing Petkim's Accounting Dept. in written. However, PETKIM has the option to refuse such a demand.

Purchase orders in foreign currency are paid in foreign currency or in TL equivalent calculated as per rate of currency sale declared by The Central Bank of Turkey on the day of payment. In receipt of payment, the product and the invoice number must clearly be indicated by the customer for which the payment has been effected. Otherwise, PETKIM has the right to decide about which product and invoice the payment has been done for.

For whatever reason (economical slump, high rate devaluation etc.), the customers promise that they will not attempt to any proceeding in order to prevent the collection of the Quarantee Letter given to PETKIM against their orders in case they do not effect their terms in due time.

2. SALES PRICE AND INVOICE

2.1 Sales price of a product before tax is the declared price on the day of purchase order.

2.2 All taxes, duties, etc. to be incurred on sales are to be paid by the customer.

2.3 Invoices for the cash in advance sales are issued in TL, invoices for deferred payment sales are issued in the currency on which the sides have already agreed upon. Invoices

issued in foreign currency are determined with the rate of exchange indicated ~~in~~ on the invoice.

Foreign exchange differences arising from the payment of invoices issued based on foreign currency are arranged in the month the actual payment is affected by separating VAT. All legal obligations arising from unissued exchange difference invoice belongs to the party whoe doesn't issue this invoice

3. PLACE AND TERMS OF DELIVERY

- 3.1 Delivery place of the products means any warehouse, pipeline, tanks, the harbour within PETKIM, or any warehouse or port contracted outside PETKIM. Apart from these, if required a separate delivery place can be mutually agreed upon.
- 3.2 Customers are obliged to accept the standard packing adopted by PETKIM. However, customers may ask for different packings by mutual agreement.
- 3.3 Quantity of liquid or bulk products sold is measured by PETKIM's equipments. Nominal packing weight is the basis for the quantity of solid products sold.
- 3.4 Customers are assumed to accept PETKIM product specifications.
- 3.5 Loading is contemplated by PETKIM on sea or land carrier provided by the customer. Any damage what so ever incurred during the loading is in buyer's responsibility. For tendered sales, however, any damage during the loading is the subject of the terms and conditions agreed upon.

Customer guarantees the cleanliness of the tanks, pipes, pumps and other auxiliaries of the sea or land carriers detrimental to the quality of the product. Any deamage what so ever thus incurred is born by the customer.

Although PETKIM's responsibility for the cleanliness of the liquid products during the loading ends at the end of fixed piping system, PETKIM has the right of refusal to load in case of cleanliness and security issues.

Sea and land vessels or pressurized containers for products having technical specifications must have necessary certification for transportation. Vessels or containers without such certificates are refused from loading.

PETKIM may investigate the sea vessels or may ask for a third party investigation provided that the cost is born by the buyer. Nevertheless, PETKIM has no responsibility to make or not to make such an investigation.

- 3.7 Due to the speciality of the job or security reasons, PETKIM has the right to get the sea vessel into the port, start loading or stop loading whenever required and PETKIM has no responsibility for damages or costs what so ever thus caused.
- 3.8 Deliveries of products not subject to special agreements are carried out in accordance with the order sequence, production and stock availability.
- 3.9 Terms of delivery are determined by PETKİM for products sold based on a delivery schedule. Customers are informed by e-mail for afterwards changes in delivery terms.
- 3.10 The customer has the right to cancel the order partially or totally in case the product is not delivered on time due to a force major or technical reasons. In case of cancellation of the order, cash guarantee of the customer (if any) will be paid back with the same conditions of the order without including any interest and compensation. Customer cannot object to this case.
- 3.11 Unless a special agreement between PETKİM and a customer has not been reached following the allocation of a given product to a customer, products must be collected within 20 calendar days for sales subject to special agreements and within 5 calendar days for spot sales. If a product is not collected within the specified period, PETKİM has the right to decide what to do. PETKİM may ask for a storage fee and a handling fee for uncollected products.
- 3.12 Unless a special agreement between PETKİM and a customer has not been reached, products sold from national warehouses outside PETKİM's premises must be collected within 20 calendar days following the date of order for sales subject to special agreements and within 5 calendar days for spot sales following the date of order. PETKİM may ask for a storage fee for uncollected products.
- 3.13 Storage and handling costs incurred on sales from entrepot for transferred sales are born by the customer.
- 3.14 Products are delivered following the request of the customer or any body authorized by the customer.
- 3.15 Customer is obliged to inform PETKİM about commercial defaults on the product received by a registered letter or via a notary public within the legal period. Notification period for each delivery starts from the date of delivery for partial shipments.

4. GENERAL TERMS & CONDITIONS

- 4.1 Anybody or legal entity buying or asking for a PETKİM product is assumed to be aware of PETKİM's terms of sales. PETKİM has the right to modify the terms and conditions of sales.

- 4.2 All notifications pertaining to terms of sales, mode of sales and other information useful to the customers are carried out via e-mail, fax, website and Customer Information System (CIS). These declarations are assumed to be well-received by the customer and binding for the customer.
- 4.3 All notifications done to the latest address declared in written by the customer are assumed to be reached to the customer. Customers are supposed to update any changes in address, telephone, fax and e-mail in written or via CIS. Otherwise notifications sent to the latest address are assumed to be received by the customer.
- 4.4 Customers may conduct their transactions with PETKIM through their authorised persons. However, PETKIM must be informed via a Notary Public about the termination of authorization if any and the notification is considered to be in effect the day after the notification date. All transactions carried out by the authorised person prior to the notification are deemed valid.
- 4.5 CIS is considered to be an on-line media for customers to see their data and update them, to obtain all documents and forms, to place on-line orders, to confirm orders, etc. Customer should not share the CIS password with the third parties. Otherwise customer is responsible for any undesirable consequences.
- 4.6 Customers are responsible for extra payments arising from excess delivery, increases in rate of Exchange, etc. that cannot be implemented via DOCS or for other payment and interest arising due to other debts unpaid in due time.
- 4.7 In case of a dispute between PETKIM and the customer, PETKIM's accounting and IT records and for DOCS sales bank records are final and binding in accordance with the prevailing law.
- 4.8. Karşıyaka Courts and Enforcement Offices are authorised in case of any dispute.