

QATAR PETROLEUM FOR THE SALE OF PETROLEUM PRODUCTS COMPANY LIMITED

GENERAL TERMS AND CONDITIONS FOR

COST AND FREIGHT (“CFR”)

AND

COST, INSURANCE AND FREIGHT (“CIF”)

SALES AND PURCHASES OF BULK OILS

19 DECEMBER 2016

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1 Introduction

The General Terms and Conditions detailed herein are for use by Qatar Petroleum For The Sale of Petroleum Products Company Limited ("QPSPP" or the "Seller") in support of specific Cost and Freight (CFR) and Cost, Insurance and Freight (CIF) sale and purchase agreements for bulk Oil. Where there is a conflict or discrepancy between these General Terms and Conditions and any Specific Agreement for a particular contract then the terms set out in the Specific Agreement shall prevail.

2 Method of Delivery

- 2.1 The Oil shall be delivered in bulk by the Seller to the Buyer at the Load Port on board the Accepted Vessel, and the Seller shall then ship such Oil to the agreed Discharge Port as applicable in each case, either CIF or CFR as specified in the Specific Agreement. Unless otherwise provided in the Specific Agreement, delivery shall be given and taken in full or part cargo lots at the Seller's option.
- 2.2 Insurance on each cargo shall be procured by the Seller (in which case the sale shall be deemed to be a "CIF sale") unless the Parties agree in the Specific Agreement that the Seller is not required to procure insurance (in which case the sale shall be deemed to be a "CFR sale").
- 2.3 Save where expressly identified as applying to sales of Oil on CFR or CIF terms only, all of the terms of these General Terms and Conditions shall apply equally to both CIF and CFR sales.
- 2.4 If there is any inconsistency or conflict between Incoterms and the Agreement, the terms of the Agreement shall prevail.

3 Risk and Title

- 3.1 The Seller hereby expressly warrants that it has marketable title, free and clear of any liens or encumbrances, to the Oil sold and delivered hereunder, and that the Seller has full right and authority to transfer such title and effect delivery of such Oil to the Buyer.
- 3.2 Risk in (including without limitation, risk of loss or evaporation of, or damage to, the Oil) and title to the Oil delivered by the Seller, and all liabilities with respect thereto, shall pass from the Seller to the Buyer as soon as the Oil passes the Delivery Point at the Loading Terminal.
- 3.3 The Parties agree that the transfer of risk in, and title to, the Oil is not conditional upon delivery of the Bills of Lading or any other documentation.
- 3.4 Notwithstanding the foregoing:
 - 3.4.1 if a Vessel has commenced or completed loading prior to being nominated by the Seller pursuant to Clause 6 then upon the Buyer's acceptance of the Seller's Vessel nomination, the risk in the Oil shall be deemed to have been assumed by the Buyer as soon as the Oil passed the Accepted Vessel's Delivery Point and title to the Oil shall pass to the Buyer immediately upon the Buyer's acceptance of the Seller's Vessel nomination; and
 - 3.4.2 risk in and title to any Oil which has already been loaded on board an Accepted Vessel which is subsequently substituted by the Seller pursuant to Clause 6.12 shall be deemed not to have been assumed by, and not to have been passed to, the Buyer until the Accepted Vessel is substituted.

4 Insurance

- 4.1 In respect of CFR sales only, the responsibility for securing insurance on any shipment, whether against marine, war or other risks, rests wholly with the Buyer.

- 4.2 Subject to Clause 4.3, in respect of CIF sales only, the Seller shall procure and pay for insurance against all reasonable marine risks for one hundred and ten per cent (110%) of the CIF value of the cargo. Such insurance shall:
- (a) cover the period from the time that the risk passes to the Buyer in accordance with Clause 3 until the Oil passes the Discharge Point; and
 - (b) be in accordance with the provisions of a standard Lloyd's Marine Insurance Policy subject to Bulk Oil Clauses SP 13C, and
 - (c) such insurance may have a deductible not exceeding industry norms (currently defined as zero point five percent (0.5%) of the value of the policy).
- 4.3 The Seller is not obliged to procure insurance against war, strikes, riots and civil commotions risks except where, in respect of CIF sales only, the Buyer has requested the Seller to procure such insurance at least five (5) Working Days prior to the first day of the Accepted Date Range for loading Oil. Where, upon such request the Seller procures such insurance (and such decision to procure such insurance shall be at the sole discretion of the Seller), it shall be subject to Institute War Clauses (Cargo) and Institute Strikes Clauses (Cargo) current on the Bill of Lading ("BL") date and the cost of any such insurance shall be paid by the Buyer to the Seller in addition to the purchase price stipulated in the Specific Agreement and shall then form part of such purchase price.
- 4.4 If the Seller incurs additional insurance or war risk insurance premia in excess of those prevailing as of the date of the Specific Agreement for either the Accepted Vessel's hull and machinery or cargo or both and such additional insurance is incurred during any voyage to any Load Port or Discharge Port or in relation to any seas through which the Vessel or Accepted Vessel has to travel in order to carry out the performance of the Agreement, the cost of such additional insurance and/or additional premia for each delivery of Oil shall be paid by the Buyer to the Seller in addition to the purchase price stipulated in the Specific Agreement.
- 4.5 The Seller reserves the right to refuse at any time (without incurring any liability or being responsible for any costs arising as a result):
- 4.5.1 to direct any Accepted Vessel to undertake or to complete the voyage to the Discharge Port if such Accepted Vessel is required in order to carry out the performance of the Agreement:
 - (a) to transit or to proceed to or to remain in waters so that the Accepted Vessel would be involved in a breach of any Institute Warranties (if applicable) or, in the Seller's opinion, to risk its safety or to risk ice damage; or
 - (b) to transit or to proceed to or to remain in waters where there is war (de facto or de jure) or threat or perceived threat thereof;
 - 4.5.2 prior to the commencement of loading, to direct any Accepted Vessel to undertake the voyage to the intended Discharge Port if such Vessel is required, in order to carry out the performance of the terms of the Agreement, to transit waters which, in the Seller's reasonably held opinion, would involve abnormal delay; or
 - 4.5.3 to undertake any activity in continuation of the voyage which in the opinion of the Accepted Vessel's master could place the Accepted Vessel, its cargo or crew at risk.
- 4.6 If the Seller agrees to direct the Accepted Vessel to undertake or to complete the voyage in any of the circumstances referred to in Clause 4.5, the Buyer undertakes to reimburse the Seller, in addition to the price payable under the Specific Agreement, for all costs incurred by the Seller in respect of any additional insurance premia (including those referred to in Clause 4.4) and any other sums that the Seller may be required to pay to the Accepted Vessel's owner including but not limited to any sums in respect of any amounts deductible under such

owner's insurance and any other costs and/or expenses incurred by the Seller and including without limitation those matters referred to in Clause 7.1.

5 Quantity, Quality, Measurement and Sampling

5.1 Quantity

5.1.1 The Seller shall sell and deliver to the Buyer, and the Buyer shall purchase and take from the Seller, CFR or CIF (as determined in accordance with Clause 2) at the Delivery Point, the amount of Oil sold under the Specific Agreement at the frequency of delivery specified therein, and the invoice quantity shall be the BL quantity (i.e. the quantity of Oil stipulated as having been loaded in the BL). Unless otherwise agreed in the corresponding Specific Agreement, the total amount of Oil sold under each Specific Agreement shall be sold and delivered ratably over the period of such Specific Agreement. The Seller shall have the right, at its own discretion, to issue one or more BLs for the Oil sold under the Specific Agreement.

5.1.2 Notwithstanding the foregoing, where outturn quantity has been agreed in the Specific Agreement the BL quantity shall be adjusted at the Discharge Port after unloading, but only for the purposes of preparing a final invoice in accordance with Clause 10.5.

5.1.3 Where delivery of the Oil is to be made on an outturn basis as an unsegregated part cargo lot to both the Buyer and other third parties at the Delivery Point, each of the Buyer and such third parties shall receive a BL stating the quantity of Oil that was delivered to them at the Delivery Point and the quantity of that Oil expressed as a percentage of the total loaded cargo. After completion of discharge of the Oil at the Discharge Point, the Buyer and the other third parties shall each be allocated a percentage of the total outturn quantity, determined by the Independent Inspector in accordance with Clause 5.4.2, equal to the percentage of the Oil delivered to each of them at the Delivery Point. Half the costs of such Independent Inspectors shall be paid by the Seller with the other half shared equally between the Buyer and other buying parties for their respective loadings and deliveries and the Independent Inspector's reports shall be made available to all such parties.

5.1.4 The Seller has the option to deliver per cargo plus or minus ten percent (10%) of the quantity stated in the Specific Agreement quantity as operational tolerance.

5.2 Quality

5.2.1 The quality of the Oil shall be as made available by the Seller to the Buyer at the time and place of loading, unless specifications are described in the Specific Agreement, in which case the quality of the Oil shall comply with such specifications. Such specifications represent the only quality characteristics which the Oil is required to meet.

5.2.2 EXCEPT AS STATED IN THE SPECIFIC AGREEMENT, THE SELLER GIVES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE QUALITY OR SPECIFICATIONS OF THE OIL SOLD. ALL STATUTORY OR OTHER CONDITIONS OR WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE DESCRIPTION OR SATISFACTORY QUALITY OF THE OIL OR ITS FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE OR OTHERWISE ARE HEREBY EXCLUDED, EXCEPT TO THE EXTENT THAT EXCLUSION THEREOF IS NOT PERMITTED OR ENFORCEABLE BY OPERATION OF LAW.

5.2.3 The Seller may at its sole discretion during and/or after loading but prior to the Accepted Vessel leaving the Berth at the Load Port;

(a) blend different grades of Oil; and/or

- (b) add or inject dye to the Oil; and/or
- (c) add additives to the Oil,

all on board the Accepted Vessel, provided that the Seller shall be liable for any delay due to this activity and shall retain risk and title until the relevant quality tests required to ensure that the Oil meets the specification have been completed and the Oil is certified by the Loading Terminal as meeting the specifications defined in the Specific Agreement (if any) at which time the risk and title in the Oil shall be deemed to have passed to the Buyer as the Oil passed the Delivery Point at the Loading Terminal.

5.3 Measurement, Sampling and Testing

- 5.3.1 The Seller shall supply, operate and maintain, or cause to be supplied, operated and maintained, all devices required for collecting samples and for determining the quantity, quality and composition of the delivered Oil and all other measurement or testing devices that are necessary to perform the measurement and testing required under the Specific Agreement at the Loading Terminal.
- 5.3.2 Measurement of the quantities and the taking of samples for the purposes of determining the compliance of the Oil with the quality and quantity provisions of the Specific Agreement (if any) shall be carried out by the Seller in accordance with good standard practice customary at the Loading Terminal at the time of loading save as otherwise provided for in the Specific Agreement. The certificates of quality and quantity (or such other equivalent documents as may be issued at the Loading Terminal) of the Oil comprising the shipment shall be based on the measurements of the Seller taken in accordance with Clause 5.3, shall be issued by the Loading Terminal operator in accordance with such standard practice, and shall be conclusive and binding on the Parties for invoicing purposes, but shall be without prejudice to the rights of either Party to make any claim pursuant to Clauses 5.6 and/or 15.
- 5.3.3 The quantity of the Oil shall be determined at the Loading Terminal based upon the Seller's measurements taken in accordance with Clause 5.3 in the following order of precedence:
 - (a) Meter readings or combined meter readings;
 - (b) Manual or automatic (if verifiable) shore tank measurements; and
 - (c) Vessel figures adjusted for the Accepted Vessel's experience factor (VEF).
- 5.3.4 Samples for the determination of quality of the Oil shall be taken according to the Terminal Regulations and/or Procedures in the following order of precedence:
 - (a) Weighted, volumetric composite of representative samples taken from the appropriate shore tanks (a) prior to loading, and (b) on discharge if outturn adjustment has been agreed in the Specific Agreement; and
 - (b) Automatic, flow-proportional, in-line sampler.
- 5.3.5 The Seller shall use reasonable best endeavours to arrange for the samples to be retained in a sealed condition by the Loading Terminal operator or the Independent Inspector, (as applicable), for at least seventy five (75) days from the Bill of Lading (BL) date of the Oil, or longer if there is a dispute filed within sixty (60) days per Clause 5.6. The Buyer shall have the right to receive a representative sample of the Oil loaded, and such sample shall be placed on-board the Accepted Vessel if so requested by the Buyer at the time of Vessel nomination. The Buyer has the right to witness the sampling and validate the seals.

- 5.3.6 Notwithstanding Clauses 5.3.5 or 5.4.3, samples of LPG shall not be retained unless so determined in the Specific Agreement. In the event of notification of a dispute of the findings of the Load Port inspection, either Party may instruct the Independent Inspector to take and retain for seventy five (75) days samples of LPG and all reasonable charges for this will be shared equally between the Parties.

5.4 CFR Outturn and CIF Outturn additional Measurement, Sampling and Testing

Where the Specific Agreement stipulates outturn quality and/or quantity the following provisions shall apply:

- 5.4.1 The Buyer shall supply, operate and maintain, or cause to be supplied, operated and maintained, all devices required for collecting samples and for determining the quality and composition of the delivered Oil and all other measurement or testing devices that are necessary to perform the measurement and testing required under the Specific Agreement at the Discharge Point.
- 5.4.2 The quantity and quality of the Oil at the Discharge Port shall be determined for each shipment in accordance with standard practice customary at the Discharge Terminal at the time of discharge, save as otherwise provided for in the Specific Agreement. Without prejudice to Clause 5.5, an Independent Inspector shall be appointed by the Buyer to measure and/or witness the measurement of the quantity and, where applicable, the quality of Oil discharged and, where applicable, the taking, testing and retaining of samples. All reasonable costs of the services of the Independent Inspector will be shared equally between the Parties and the Buyer shall ensure that the Independent Inspector, and any representative or agent of the Seller which the Seller may appoint at its own expense, shall have full access to all of the facilities at the Discharge Port as necessary for them to perform their duties. The quantity shall be based upon the report of the Independent Inspector, comprising measurements taken in accordance with this Clause in the following order of precedence:
- (a) Meter readings;
 - (b) Manual or automatic (if verifiable) shore tank measurements; and
 - (c) Vessel figures adjusted for the Accepted Vessel's experience factor (VEF).

The Independent Inspector's report shall include the quantity, and where applicable, the quality of the Oil, and shall be conclusive and binding on the Parties for invoicing purposes, except in cases of manifest error or fraud, and shall be without prejudice to the rights of either Party to make any claim pursuant to Clauses 5.5.4 and/or 15.

- 5.4.3 The Buyer shall arrange for the samples to be taken in accordance with the Discharge Port Authority Regulations and retained in a sealed condition by the Discharge Terminal operator or the Independent Inspector, (as applicable) for at least seventy five (75) days from the Discharge date of the Oil, or longer if there is a dispute filed within sixty (60) days as per clause 5.6. However samples of LPG shall not be retained unless so determined in the Specific Agreement.
- 5.4.4 The Seller makes no guarantee of quantity or quality at the Discharge Port and the Buyer has no right to reject or delay discharge of a cargo based upon outturn measurements of quantity or quality.
- 5.4.5 The Seller shall have the right to submit a claim to the Buyer where there is a difference between the quantity and/or quality of Oil loaded at the Loading Terminal and the quantity and/or quality discharged by the Accepted Vessel at the Discharge Port and where, in the Seller's reasonable opinion, the most likely cause of such difference is due to events or operations at, or the nature of, the Discharge Port during the discharge of the Oil. If the Buyer does not agree with the Seller's claim and if the claim is not settled within sixty (60) days of the date of the Seller's claim, then

the claim shall be referred to an Expert for determination, in accordance with the provisions of Clause 15.4.

5.5 Independent Inspection

- 5.5.1 The Seller shall appoint an Independent Inspector to measure and/or witness the measurement of the quality and quantity of Oil loaded at the Delivery Point, subject to any necessary prior agreement of the Loading Terminal operator having been obtained. All reasonable charges of the Independent Inspector will be shared equally between the Parties and the Independent Inspector shall provide a report to the Parties. The Independent Inspector shall also be entitled to take measurements on board the Vessel in accordance with Clause 5.5.2.
- 5.5.2 The Independent Inspector shall be entitled to take representative samples from the Accepted Vessel's and nominated shore tanks. The Seller shall use reasonable best endeavours to arrange for such samples to be retained in a sealed condition for at least seventy five (75) days from the Bill of Lading date of the Oil. Both the Buyer and the Seller shall have the right to receive such samples and to witness the sampling and validate the seals. Such samples shall not take precedence in relation to any measurements taken and certificates issued by the Seller, or the Loading Terminal operator respectively, pursuant to Clauses 5.3.1 and 5.3.2 but may be used by either Party to support a claim pursuant to Clause 5.6 and/or Clause 15.
- 5.5.3 Upon completion of loading, the Independent Inspector shall be required to prepare a report and signed certificates advising the quality and quantity of the Oil loaded and provide these to the Seller and Buyer as soon as practicable. The Independent Inspector shall advise the Seller and Buyer by telex, cable, e-mail or facsimile the determined quality and quantity as soon as possible after completion of loading of the cargo.
- 5.5.4 Should there be a difference between any of the findings of the Independent Inspector and the Seller pursuant to Clause 5.3, then the Independent Inspector must highlight this to the Parties as soon as possible. The Parties agree that any certificates of quality and quantity issued by the Independent Inspector regarding the loading of Oil at the Delivery Point are for information purposes only and shall not take precedence over any measurements taken or certificates issued by the Seller or the Loading Terminal operator respectively, pursuant to Clauses 5.3.1 and 5.3.2 but may be used by either Party to support a claim pursuant to Clause 5.6 and/or Clause 15.
- 5.5.5 If a mutually acceptable Independent Inspector is not or cannot be appointed, fails to appear, or is unable to properly perform the desired duties, then, without prejudice to Clause 5.6, the loading of the Accepted Vessel shall proceed and the Seller shall request the Loading Terminal operator to perform the duties that the Independent Inspector would have performed. In this case, the Loading Terminal operator will be deemed to be the Independent Inspector for purposes of this Clause 5.5.

5.6 Disputes and Claims

- 5.6.1 Notice of claim as to any apparent defect in quantity or quality, in the case of the Buyer, or any apparent excess in quantity, in the case of the Seller, with respect to the Oil shall be made in writing to the Seller or the Buyer, as the case may be, immediately after the apparent defect or excess is discovered. Any such complaint of deficiency of quantity or quality or excess in quantity shall be admissible only if notified in writing to the Seller or the Buyer, as the case may be, within sixty (60) days of the BL date and accompanied by evidence fully supporting the complaint. If the Seller or the Buyer, as the case may be, receives no formal notification as to the claim within the sixty (60) day period, the claim shall be deemed waived.

- 5.6.2 No claim shall be admitted in respect of any deficiency of quantity where the difference between (i) the loaded quantity as determined by the Independent Inspector and the Seller or (ii) the loaded and discharged quantity is equal to or less than 0.5% of the Bill of Lading quantity.
- 5.6.3 Subject to Clauses 5.6 and 5.6.2, in the event of dispute between the Parties over the quality of the Oil delivered to the Buyer, either Party may request that a properly sealed sample of the Oil, as provided pursuant to Clause 5.3.5 and 5.4.3, shall be opened and analyzed by an independent third party laboratory, in compliance with the latest methodology as defined by ASTM (or chosen in advance by the Parties if there is more than one methodology) and the findings will be final and binding on the Parties.
- 5.6.4 Subject to Clause 5.6.2, in the event of a dispute between the Parties over the quantity of the Oil, either Party may refer the matter for determination by an Expert pursuant to Clause 15.

6 Vessel Nomination Procedures

- 6.1 The scheduling of each delivery, or the process for determining it, shall be as set out in the Specific Agreement.
- 6.2 Unless otherwise agreed, the Seller shall nominate to the Buyer at least five (5) days prior to the first day of the Accepted Date Range for loading, or if a CIF sale, within two (2) days of concluding the Agreement, if later, a Vessel which complies with the Load Port Authority Regulations, the Loading Terminal Regulations and the Discharge Port Authority Regulations then in effect. The nomination shall specify as a minimum:
- 6.2.1 Vessel name, IMO Number, date built, flag, and full crew list;
- 6.2.2 Vessel details as required to be specified by the Loading Terminal operator, Load Port Authority and the Discharge Port including size, summer deadweight, overall length, beam, capacity and its estimated (or actual if known) sailing draught on completion of loading;
- 6.2.3 the Vessel's/charterer's agent at the Load Port and Discharge Port;
- 6.2.4 the Accepted Date Range for loading (or Bill of Lading date if known);
- 6.2.5 the estimated time of arrival (ETA) of the Vessel at the Discharge Port;
- 6.2.6 grade and approximate quantity of Oil to be loaded (or the Bill of Lading quantity if known);
- 6.2.7 details of any cargo on board if delivering a part-cargo;
- 6.2.8 the three (3) previous cargoes, load ports and discharge ports plus any other destinations of the Vessel during this period;
- 6.2.9 such other data and information as the Buyer or the Discharge Port Authority or Discharge Terminal operator may reasonably require; and
- 6.2.10 whether the Vessel was in dry dock at the last port that the Vessel visited.
- 6.3 As soon as possible after the loading has been completed the Seller shall notify the Buyer of the actual quantity of Oil loaded and the ETA at the Discharge Port.

- 6.4 The Seller undertakes to inform the Buyer as soon as practicable after receipt thereof from the Vessel's owner or agent, of any changes to the ETA of the Vessel at the Discharge Port as advised in Clause 6.3 and in accordance with Clause 8.1.1.
- 6.5 The Buyer shall give written notice of acceptance or rejection of any nomination made by the Seller in accordance with Clause 6.2, within one (1) Working Day of receipt of the nomination and the Buyer's acceptance of the Vessel shall not be unreasonably withheld. In case of rejection, the Seller shall promptly nominate an alternative Vessel for the Buyer's acceptance or rejection. In the case of the second nomination being rejected, the Buyer and Seller shall agree an alternative solution but this in no way reduces the Seller's obligation to deliver, or the Buyer's obligation to receive, the Oil under the Agreement. The Buyer's failure to timely communicate rejection of the Seller's Vessel nomination shall be deemed the Buyer's acceptance of the nomination. In the event that the Seller's Vessel nomination is accepted by the Buyer, then the Vessel named by the Seller in such nomination shall be the "Accepted Vessel".
- 6.6 Notwithstanding anything to the contrary expressed or implied elsewhere in the Agreement, the Buyer shall have the right to reject an Accepted Vessel on any reasonable grounds prior to the passing of title and risk to the Oil hereunder, notwithstanding any prior acceptance of such Accepted Vessel (whether named in the Specific Agreement or nominated or substituted pursuant to Clause 6.12), if such Accepted Vessel is involved in any incident or more recent information regarding such Accepted Vessel becomes available to the Buyer at any time after such prior acceptance. In such event, the Buyer and Seller shall negotiate in good faith to agree an alternative solution, but such negotiation shall be without prejudice to the Seller's obligation to deliver, or the Buyer's obligation to receive, the Oil under the Agreement.
- 6.7 The Buyer shall, within one (1) Working Day after receipt of the Seller's nomination made pursuant to Clause 6.2, notify the Seller in writing of:
- 6.7.1 the final Discharge Port(s), if not already stipulated in the Specific Agreement. The choice of Discharge Port(s) shall be subject to acceptance by the Seller required in writing within one (1) Working Day thereafter, which acceptance shall not be unreasonably withheld; and
- 6.7.2 full documentary instructions, including any instructions needed by the Seller to issue documents in accordance with the regulations in force at the Loading Terminal and the Discharge Terminal. The Seller shall have the right to issue its own instructions if such instructions are not so provided by the Buyer.
- 6.8 All costs (including but not limited to demurrage) arising out of any failure by the Buyer to comply with Clause 6.7 shall be for the Buyer's account.
- 6.9 No change to the final Discharge Port so nominated or specified shall be made without the Seller's prior written acceptance which shall not be unreasonably withheld.
- 6.10 The Seller shall use reasonable endeavours to arrange for the instructions (if any) notified to it under Clause 6.7.2 to be carried out, but the Seller shall not be required to follow any instruction that is inconsistent with the Load Port Authority Regulations and/or the Terminal Regulations and/or Procedures and/or the Discharge Port Authority Regulations then in effect or any provision, express or implied, in the Specific Agreement.
- 6.11 Where the Buyer notifies the Seller of a change to the final Discharge Port in accordance with the Specific Agreement or Clause 6.9 (as applicable), and the Discharge Port is available and acceptable to the Seller under the terms of the relevant charter party ("CP") and the Agreement, the Buyer will be liable and shall bear the cost of any such change including the freight differential incurred as a result of such a change.
- 6.11.1 The price stated in the Specific Agreement shall be adjusted by the freight differential as follows:

- (a) the rate, if any, as specified in the Specific Agreement; or
- (b) where no rate is specified in the Specific Agreement, the applicable CP rate; or
- (c) where no rate is specified in the Specific Agreement and there is no CP rate (for example where the Seller owns or time charters the Accepted Vessel), then the rate shall be as assessed for a similar shipment using an appropriately sized Vessel for the lifting, by reference to the London Tanker Broker's Panel or any other body mutually agreed by the Parties. Should the London Tanker Broker's Panel not make such reference, or cease to make such references, and the Parties cannot agree on another body within thirty (30) days of the written request of either Party, then the Seller shall appoint a body or independent expert to make such reference.

6.11.2 Any additional costs incurred by the Seller as a result of such change, including but not limited to deviation costs and costs for any additional bunker consumption, shall be borne by the Buyer.

6.12 The Seller shall be entitled to substitute another Vessel for the Accepted Vessel (such substitution to include any Oil already loaded on the Accepted Vessel at the time of substitution), at any time prior to discharge of the Oil provided that:

6.12.1 the size of the substitute Vessel, its carrying capacity and the loaded Oil (if any) are equivalent to the size, carrying capacity of the previously Accepted Vessel and (if applicable) the previously named cargo, and the quantity and quality of the cargo (if applicable) are the same as specified in the previous nomination;

6.12.2 in respect of a CFR sale, the Seller shall give to the Buyer written notice of such substitution (together with the information specified in Clause 6.2) no later than three (3) days prior to the last day of the Accepted Date Range for loading of the previously Accepted Vessel;

6.12.3 in respect of a CIF sale, the Seller shall give to the Buyer written notice of such substitution (together with the information specified in Clause 6.2) no later than three (3) days prior to the ETA at the Discharge Port of the previously Accepted Vessel; and

6.12.4 the substituted Vessel is accepted by the Buyer, such acceptance not to be unreasonably withheld. Subject to this Clause 6.12.4, the Seller shall advise the Buyer when any such substitution has been effected.

6.13 The Seller may procure, with the Buyer's prior consent, such consent not to be unreasonably withheld, freight and related services on terms that allow the owner of the Accepted Vessel or other parties providing services in relation to the Agreement to transfer the Oil from the Accepted Vessel or the Vessel named on the original Bill of Lading to one or more other Vessels by any means, including but not limited to:

6.13.1 ship-to-ship transfer, i.e. the transfer of Oil from a Vessel by hose or pipeline directly to one or more other Vessels at the same port or place; or

6.13.2 transshipment, i.e. the transfer of Oil from a Vessel through intermediate storage tanks to one or more other Vessels at the same port or place; or

6.13.3 pipeline, i.e. the transfer of Oil from a Vessel by pipeline (and intermediate storage tanks) to one or more other Vessels at a different port or place, and

the method, timing and location of such transfer shall be at the discretion of the Seller or the Seller's suppliers or the owners of the Accepted Vessel or the Vessel named

on the original Bill of Lading or other parties providing the services. The Seller shall endeavour to provide the Buyer with details of each transfer before it takes place.

- 6.14 The Buyer shall be liable for all costs associated with any delays to the Accepted Vessel or in loading Oil under the Agreement due to the information required to be provided by the Buyer pursuant to this Clause 6 not being provided by the specified time or date in Clause 6.7 including, but not limited to demurrage.
- 6.15 The Seller must be fully familiar with and shall comply with the Terminal Regulations and/or Procedures at both the Load Port and Discharge Port, as then currently in effect, and the Buyer shall provide to the Seller all relevant and readily available information about the Discharge Port if requested.
- 6.16 The Seller shall provide carriage of the Oil and shall arrange necessary shipment(s) under Bills of Lading which may incorporate CP conditions customarily in use for the carriage of Oil in bulk. All terms, conditions and exceptions of the CP are therefore incorporated herein and the Buyer shall comply with the provisions of the CP; provided, however, that in case of any conflict between the Agreement and the CP, the terms and conditions of the Agreement shall prevail.

7 Requirements of the Vessel and the Discharge Port and Discharge Terminal

- 7.1 Where under the Specific Agreement the Buyer has the option of selecting different Discharge Ports for delivery, the Buyer shall exercise such options in accordance with the Specific Agreement and the terms of the relevant CP available to the Seller. If the Buyer exercises such options, the price stated in the Specific Agreement shall be adjusted in accordance with Clause 6.11. The Buyer shall, in addition, be liable for any additional costs incurred by the Seller, including but not limited to:
 - 7.1.1 any time per day and pro rata for part thereof expended during a Deviation, at the demurrage rate as calculated in accordance with Clause 9.2.4;
 - 7.1.2 the cost of additional bunkers consumed during a Deviation at the Accepted Vessel owner's documented actual replacement cost of such bunkers at the port where bunkers are next taken.
- 7.2 In exercising its Discharge Port options, the Buyer must take into account the dimensions, description and characteristics of the Accepted Vessel.
- 7.3 The Seller represents, warrants and undertakes that, at the time of loading and until discharge to the Buyer, that any Vessel nominated or substituted shall:
 - 7.3.1 have a full and competent professional crew, officers and master, and be operated and maintained to fully comply with the latest ISGOTT (for non-LPG vessels) or SIGTTO (for LPG vessels), IMO recommendations, and the OCIMF Guidelines for the Control of Drugs and Alcohol On-board Ship;
 - 7.3.2 be owned or demise chartered by a member of the ITOPF, and carry on board a valid certificate of insurance as described in the International Convention on Civil Liability for Oil Pollution Damage (CLC) 1992 (or equivalent for the carriage or cargoes hereunder not covered by the CLC) and has in place insurance cover for oil pollution no less in scope and amounts than is available under the rules of Protection and Indemnity (P&I) Clubs entered into among the International Group of P&I Clubs. The P&I Insurance will include full coverage against liability for cargo loss/damage and coverage against liability for pollution for an amount not less than US Dollars One Billion (US\$1,000,000,000) per incident (or higher if the P&I Club minimum rises). If requested by the Buyer, the Seller shall promptly furnish to the Buyer proper evidence of such P&I Insurance upon nominating the Vessel or at any time during the term of the Agreement;

- 7.3.3 be fully compliant with the ISM Code and the ISPS Code and the Seller shall provide any necessary documentation to the Buyer if so requested;
- 7.3.4 comply with the Terminal Regulations and/or Procedures and the Load Port Authority Regulations and Discharge Port Authority Regulations, including but not limited to any security regulations and safety and emergency procedures;
- 7.4 Without prejudice to any of the foregoing, the Seller shall procure that each Accepted Vessel shall, at the time of loading and discharge:
- 7.4.1 be capable of either:
- (a) discharging a full cargo within twenty four (24) hours; or
- (b) maintaining pressure of seven (7) bar (or 100 p.s.i) at the Vessel's rail, receiving facilities permitting;
- 7.4.2 regarding health, safety, security, environmental and operational matters, comply with all applicable regulations, legislation and directions of governmental, local and port authorities (including the Loading Terminal) and shall conform in all respects to all relevant international regulations and agreements;
- 7.4.3 have hull, machinery, boilers, tanks, equipment and facilities which are in good order and condition, in every way fit for the service required and fit to load and carry the Oil specified in the Specific Agreement; and
- 7.4.4 dispose of dirty ballast, bilges, slops or other substances in accordance with MARPOL 73/78, including updates, and in no manner that is prohibited within the Discharge Terminal and the Discharge Port.
- 7.5 Notwithstanding any prior acceptance of the Vessel by the Buyer, if at any time the Accepted Vessel fails to comply with the requirements of Clauses 7.3 and 7.4 above, then the Buyer may at any time refuse to berth or discharge or continue to discharge the Accepted Vessel at the Discharge Terminal and all time lost or spent as a result thereof shall not count as used Laytime, or if the Accepted Vessel is on demurrage, as demurrage.
- 7.6 The Seller shall ensure that the Accepted Vessel complies with the requirements of the International Code for the Security of Ships and of Port Facilities and the relevant amendments to Chapter XI of SOLAS (ISPS Code) and if located within US jurisdiction, with the US Maritime Transportation Act 2002 (MTSA).
- 7.7 The Buyer shall ensure that the Discharge Port and Discharge Terminal comply with the requirements of the International Code for the Security of Ships and of Port Facilities and the relevant amendments to Chapter XI of SOLAS (ISPS Code) and if located within US jurisdiction, with the MTSA.
- 7.8 Any costs or expenses for the Accepted Vessel including demurrage or any additional charge, fee or duty levied on the Accepted Vessel at the Discharge Port and actually incurred by the Seller resulting directly from the failure of the Discharge Port or Discharge Terminal to comply with the ISPS Code or MTSA (if applicable), shall be for the account of the Buyer, including but not limited to the time required or costs incurred by the Accepted Vessel in taking any action or any special or additional security measures required by the ISPS Code or MTSA (if applicable).
- 7.9 The Buyer's liability to the Seller under the Agreement for any costs, losses or expenses incurred by the Accepted Vessel, the charterers or the Accepted Vessel owners resulting from the failure of the Discharge Port or Discharge Terminal to comply with the ISPS Code or MTSA (if applicable) shall be limited to the payment of demurrage and any other costs

actually incurred by the Seller. The Buyer shall reimburse these costs to the Seller within seven (7) days of demand by the Seller.

- 7.10 The Seller shall have the right to refuse to use the Berth without liability should the Discharge Terminal or operations not meet the minimum standards as defined by the ISGOTT (for non-LPG vessels) or SIGTTO (for LPG vessels) and OCIMF Ship to Ship Transfer Guide. In such event, the Buyer and the Seller shall negotiate in good faith to agree an alternative solution, provided always that such negotiations shall be without prejudice to the Seller's obligation to deliver, or the Buyer's obligation to receive, the Oil under the Agreement. All costs incurred by the Seller as a result of the Seller refusing to use the Berth in accordance with this Clause 7.10 or pursuant to any alternative solutions agreed between the Parties shall be for the account of the Buyer. Any costs so incurred by the Seller shall be reimbursed by the Buyer to the Seller within seven (7) days of demand by the Seller.

8 Arrival, Berthing and Discharge

8.1 Discharge Conditions

- 8.1.1 Without prejudice to Clause 6.2, the Seller shall notify the Buyer and the Discharge Terminal operator of the estimated time of arrival (ETA) for the Accepted Vessel at the Discharge Port at seven (7) days, seventy two (72) hours, forty eight (48) hours and twenty four (24) hours in advance of arrival, with notification of variations in excess of four (4) hours within the last twenty four (24) hours, plus any intervals as reasonably required by the Buyer, the Buyer's Delegates or the Discharge Terminal operator and/or the Discharge Port Authority. The ETA is for indicative purposes only and the Parties acknowledge and agree that delivery of the Oil by the ETA is not a condition of the Agreement or a material breach of the Agreement and any failure to deliver Oil by the ETA shall not be a breach of the Agreement or give rise to any liability on the part of the Seller.
- 8.1.2 The Seller shall use reasonable endeavours to ensure that the Accepted Vessel arrives at the Discharge Port at the ETA notified by it to the Buyer. The Seller shall inform the Buyer of any changes to the ETA at the Discharge Port as soon as reasonably practicable. Notwithstanding the foregoing, failure by the Accepted Vessel to arrive at the Discharge Port at the ETA, or the date range stated in the Specific Agreement, shall not relieve the Buyer of its obligations to discharge the Oil from the Accepted Vessel in accordance with this Clause 8, upon its arrival at the Discharge Port. Any date range as regarding the ETA stated in the Specific Agreement shall be for indicative purposes only.
- 8.1.3 On the Accepted Vessel's arrival at the customary anchorage for the Discharge Port, the master or his representative shall tender to the Buyer or its agent at the Discharge Port, NOR of the Accepted Vessel to discharge the Oil.
- 8.1.4 The Accepted Vessel shall submit a DoS to the appropriate authorities prior to arrival at the Discharge Port when required.
- 8.1.5 The Buyer shall provide, or cause to be provided, a safe berth for the Accepted Vessel free of all wharfage, dockage and quay dues and other charges, which the Accepted Vessel can safely reach and leave and where it can always lie and discharge whilst always safely afloat. Upon receipt of the NOR the Buyer shall discharge the Oil as expeditiously as possible at the Berth so provided
- 8.1.6 The Buyer shall not be liable for any loss or damage, nor be obliged to commence or continue discharging, should the Accepted Vessel exceed the length, draught or other dimensions as previously advised by the Seller and so ascertained for the Discharge Terminal or approach.

- 8.1.7 The Buyer shall at all material times and at its own expense provide and maintain in good working order all necessary flexible hoses, connections, pipelines, storage and tankage facilities and other accommodation for discharge of the Accepted Vessel.
- 8.1.8 The Accepted Vessel should carry all adaptors and reducers/cross connections necessary to match the shore connections (as such shore connections have been notified to the Seller or the Accepted Vessel). The Discharge Terminal, Discharge Port Authority, Buyer and/or the Buyer's Delegates may refuse to berth or discharge the Accepted Vessel in the event of non-compliance with the foregoing and all delays and expenses of the Seller due to such non-compliance shall be for the Seller's account.

8.2 Vessel Shifting

- 8.2.1 The Buyer has the right to instruct the Accepted Vessel to shift from one safe Berth or anchorage to another safe Berth or anchorage at the Discharge Port, with all costs, including but not limited to wharfage, towage, pilotage, additional agency fees and demurrage for the Buyer's account if such shifting is for the Buyer's purposes and the time taken on account of such shifting shall count as used Laytime. Shifting of the Vessel for the Seller's purposes shall be for Seller's account and time so consumed shall not count as Laytime. Any shifting that is required shall be deemed to be "for the Buyer's purposes" except for shifts made for the following reasons:
- (a) if the Specific Agreement states that a Berth shift is required;
 - (b) if it is customary for the Discharge Terminal and/or Discharge Port or customary for the particular quantity and/or combination of Oil that is to be discharged;
 - (c) as a result of Force Majeure;
 - (d) for safety reasons attributable to the Accepted Vessel;
 - (e) due to a problem with the Accepted Vessel; or
 - (f) for taking on bunkers.
- 8.2.2 The Buyer is responsible for all costs related to shifting or berthing other than any shift that is specifically for the Seller's purposes.

8.3 Lightering

- 8.3.1 The Seller shall not be obliged to lighter in relation to the Accepted Vessel at the Discharge Port. However, should the Seller agree to there being any lightering at the request of the Buyer, it shall be arranged by the Buyer and carried out at the Buyer's risk and all losses, costs, expenses, damages and proceedings arising therefrom, including, without limitation, all mother vessel demurrage and shifting between lightering area and berth, shall be for the Buyer's account.
- 8.3.2 All time expended in connection with lightering shall count as discharging time for the purposes of calculating Laytime and demurrage under the provisions of Clause 9.
- 8.3.3 Any lightering or ship-to-ship transfer shall be subject to the Seller's prior written acceptance and approval of the lightering vessels, and all operations shall be conducted in accordance with the procedures and standards detailed in the ICS/OCIMF Ship-to-Ship transfer guides.

9 Laytime and Demurrage

9.1 Laytime

9.1.1 Subject to the provisions of the Agreement, a full cargo shall be deemed as ninety eight percent (98%) of the full carrying capacity of the Accepted Vessel. The Laytime allowed for the discharge of a full cargo shall be thirty six (36) running hours unless otherwise agreed in the Specific Agreement, pro-rata part cargo, all days and holidays included unless discharging on the day or holiday in question is prohibited by law or regulation at the Discharge Port.

9.1.2 Laytime shall begin to run at the earlier of either:

- (a) six (6) hours after NOR has been tendered of the Accepted Vessel's readiness in all respects to discharge at the Discharge Terminal, Berth or no Berth, at any time of night or day, by the master or his representative to the Buyer or its representative; or
- (b) as soon as the Accepted Vessel is securely moored to the Berth (or alongside the lighter vessel, whichever occurs first) at the Discharge Terminal.

The NOR may be tendered at any time after the Accepted Vessel arrives within the customary anchorage or waiting place of the Discharge Port or, if the Vessel moves directly to the discharge Berth, when the Accepted Vessel is securely moored to the Berth.

9.1.3 Should the discharge be conducted by ship-to-ship transfer at sea then Laytime shall commence as soon as the Accepted Vessel arrives at the transfer area and tenders NOR to discharge.

9.1.4 Discharge shall be complete and Laytime shall cease and be deemed completed upon disconnection of the cargo hoses which shall be effected promptly upon completion of discharge. Should the Buyer delay the Accepted Vessel for more than two (2) hours after the hoses have been disconnected, Laytime shall continue to run and demurrage, if incurred, shall continue to be payable from disconnection of the cargo hoses until the termination of such delay and the Accepted Vessel departs from the Berth.

9.1.5 Time shall not count against Laytime if the Accepted Vessel is:

- (a) on an inward passage moving from the waiting place to the discharging place nominated by the Buyer until the Accepted Vessel is securely moored at the Berth with its gangway (or equivalent) in place;
- (b) delayed as a result of the Seller or the Accepted Vessel or the master, crew owner or operator of the Accepted Vessel preventing, obstructing or delaying discharge, including but not limited to as a result of their failure to comply with the Terminal Regulations and/or Procedures at the Discharge Port or the Discharge Port Authority Regulations, fully or partly;
- (c) preparing to handle, or is handling ballast, draining pumps and pipes or bunkering, discharging slops or Vessel generated waste, unless concurrent with normal operations such that no time is lost;
- (d) inefficient or has any fault or failure including breakdown, inability of the Accepted Vessel's facilities to discharge within the time allowed by Buyer, repairs and maintenance; and/or

- (e) delayed in reaching or clearing the Berth after the Discharge Port Authority notifies the Accepted Vessel to proceed, or after disconnection of hoses or release of the Accepted Vessel, caused by conditions not reasonably within the Discharge Terminal operator's or Discharge Port Authority's control, including but not limited to awaiting tide, tugs, pilot, better weather or sea conditions, daylight, immigration, customs or pratique and/or channel blockage – unless any or all of these delays are directly caused by the Buyer's requirement to shift Berth for the Buyer's purposes as per Clause 8.2.

9.1.6 No other event shall suspend the running of time to be counted as Laytime or demurrage.

9.2 Demurrage

9.2.1 Subject to the provisions of the Agreement, if the time taken to discharge the Accepted Vessel exceeds the Laytime allowance, the Buyer shall pay the Seller demurrage in the same currency as is prescribed for payment of the Oil delivered under the Agreement for the time used for discharging in excess of the allowed Laytime per Clause 9.1.1.

9.2.2 Subject to Clause 9.2.3, the Seller shall be deemed to have waived any claim relating to demurrage and the Buyer shall be discharged and released from all liability for payment of demurrage if the Seller's fully documented claim for demurrage has not been received by the Buyer within sixty (60) days from the date of the NOR to discharge from which the claim for demurrage arises. Full supporting documentation shall include, but not be limited to:

- (a) clear calculation of any claim;
- (b) the demurrage rate, if any, as specified in the Specific Agreement;
- (c) the Accepted Vessel's port and pumping logs, signed by the master of the Accepted Vessel;
- (d) a copy of the relevant sections of the CP (if the demurrage rate has not been specified in the Specific Agreement and is specified in the CP) and/or related third party invoice;
- (e) NOR documents;
- (f) the discharge/Laytime statement;
- (g) the Seller's invoice; and
- (h) details of the Seller's bank account into which any demurrage payment should be made.

9.2.3 Should any of the supporting documents be unavailable within the timeframe stipulated, then the Seller shall notify the Buyer of the claim within the sixty (60) day period following the issue of NOR to discharge, and the Seller shall provide as much supporting documentation and detail as is available including an estimate of the total amount of the claim. Such submission shall satisfy the conditions for receipt of a claim, provided that all supporting documentation is submitted to the Buyer within one hundred (100) days of the NOR having been served.

9.2.4 The appropriate demurrage rate per day, or pro rata for part of a day, shall be determined as below:

- (a) the rate, if any, as specified in the Specific Agreement; or

- (b) where no rate is specified in the Specific Agreement, then the applicable CP rate, subject to the provisions of Clause 9.2.4(c); or
- (c) where no rate is specified in the Specific Agreement and there is no CP rate (for example where the Seller owns or time charters the Accepted Vessel), or the Accepted Vessel is significantly larger than the size of the cargo, then the demurrage rate shall be as assessed for a similar shipment using an appropriately sized Vessel for the lifting, by reference to an award from the London Tanker Broker's Panel or any other body mutually agreed by the Parties; the costs, if any, of such references shall be shared equally by the Parties. Should the London Tanker Broker's Panel not make such reference, or cease to make such references, and the Parties cannot agree on another body within thirty (30) days of the written request of either Party, then the Seller shall appoint a body or independent expert to make such reference.

9.2.5 Should all or part of the demurrage payable by the Buyer be due to the occurrence of any of the following events, then provided that neither Party has given notice pursuant to Clause 14 that such event constitutes Force Majeure (in which case Clause 9.2.6 shall apply), the rate of demurrage payable shall be reduced to fifty percent (50%) of the full rate, for the affected period:

- (a) explosion or fire in the Discharge Terminal or Discharge Port;
- (b) breakdown of machinery or equipment affecting the receipt of Oil (not resulting from want of due diligence by the Buyer and always provided that the Accepted Vessel is not already on demurrage);
- (c) weather and/or sea conditions including, but not limited to, sandstorms, fog, mist, heavy rain, storm, wind and waves; or
- (d) arising from delay to the Accepted Vessel at the Discharge Port resulting directly from the Accepted Vessel being required by the Discharge Port Authority or any other relevant authority to take any action or any special or additional security measures or to undergo additional inspections by virtue of the Accepted Vessel's previous ports of call, except where a) the Parties have agreed otherwise or b) the Accepted Vessel has failed to comply with the requirements of the International Code for the Security of Ships and of Port Facilities and the relevant amendments to Chapter XI of SOLAS (ISPS Code) or, if within the USA and US territories or waters, with the US Maritime Transportation Security Act 2002 (MTSA) or with the Discharge Port Authority Regulations or the Discharge Terminal Regulations and/or Procedures.

9.2.6 If after title to any of the Oil has transferred from the Seller to the Buyer, an event of Force Majeure should prevent or delay the Accepted Vessel from entering the Discharge Port, from discharging Oil or from departing the Discharge Port, any resulting costs incurred or payable by the Seller, including without limitation, demurrage and Deviation costs calculated in accordance with Clauses 9.2.4 and 7.1 respectively, shall be for the account of the Buyer.

9.2.7 The Seller's claim for demurrage, as described in this Clause 9, shall be the Seller's sole remedy for the time used to discharge the Oil in excess of the allowed Laytime.

9.2.8 The Buyer shall pay demurrage to the Seller within thirty (30) days of the date of the Seller's claim (the date of the invoice equals day one (1)) and shall otherwise comply with the provisions on payment in Clause 10.

10 Payment

10.1 The Buyer shall pay the Seller for the Oil within thirty (30) days of each Bill of Lading (the "Due Date") (BL date counts as day one (1)) against presentation of:

- 10.1.1 the Seller's invoice;
 - 10.1.2 a full set of original Bills of Lading issued or endorsed to the Buyer (and the Seller's invoice shall be based on the quality and quantity set out in such Bill of Lading); and
 - 10.1.3 original certificates of quality and quantity issued at the Loading Terminal in accordance with Clause 5; and
 - 10.1.4 in the case of CIF sales only, an original certificate of insurance or insurance company's cover note.
- 10.2 The Seller's invoice referred to in Clause 10.1.1, shall be prepared on the basis of the BL (or equivalent document(s)) issued by the Loading Terminal in accordance with Clause 5.3.2.
 - 10.3 Should any or all of the supporting documents not be available or provided by the Seller, the Buyer shall pay the Seller against receipt of the Seller's invoice and a Letter of Indemnity, executed by the Seller. The Letter of Indemnity shall be valid until the earlier of (a) the end of three (3) years from its date of issue or (b) provision by the Seller of the missing documentation.
 - 10.4 The price of the Oil shall be as specified under the Specific Agreement and shall, unless otherwise agreed between the Seller and the Buyer, be in US Dollars. Unit prices (i.e. US Dollars per Barrel, US Dollars per Tonne, US Cents per American Gallon, etc.) shall be calculated to three (3) decimal places and shall be rounded up where the fourth digit after the decimal point is a five (5) or higher. Invoices shall be rounded to two (2) decimal places and shall be rounded up where the third digit after the decimal point is a five (5) or higher.
 - 10.5 Should the Specific Agreement include outturn quantity and/or quality, or Pricing References not be known at the time of invoicing, the Seller shall prepare a provisional invoice based upon the BL quantity and quality of the Oil, and the pricing information available at the time, and the Buyer shall make payment against this. The Seller shall prepare a final invoice to reflect the final Pricing References, quality and any changes to the BL quantity at the Discharge Port as soon as practicable thereafter and the Due Date for payment of the balance due by either Party shall be seven (7) days after the Buyer receives the final invoice, provided that the Buyer shall always be deemed to have received a minimum of ninety nine point five per cent (99.5%) of the BL quantity as established at the Loading Terminal and pursuant to the final invoice the Buyer shall pay a purchase price based on such minimum quantity or where applicable any greater quantity established at the Discharge Port.
 - 10.6 Unless otherwise agreed, the payment of any other costs, expenses or charges which arise under the terms of the Agreement shall be made against presentation of the Seller's invoice and shall be for settlement by the Buyer on or by the date advised thereon.
 - 10.7 At least seven (7) days before the Due Date, the Seller shall provide the Buyer with the invoice and supporting documentation along with written notice of the bank details into which payment must be made quoting the Buyer's name and the invoice number. The Seller may provide the invoice and supporting documentation in writing in a form including originals, facsimile or secure electronic submission if so agreed between the Parties. Should the Seller provide the invoice less than seven (7) days before the Due Date, or make changes by late notice of less than seven (7) days before the Due Date, then payment shall be made within seven (7) days after receipt by the Buyer of the invoice or within seven (7) days of such late notice (the "Adjusted Due Date").
 - 10.8 Where any payment under the Agreement falls due on a non-Banking Day then the Buyer shall pay the Seller on or before the last preceding Banking Day to comply with the Due Date or Adjusted Due Date.
 - 10.9 Where the currency of the Specific Agreement is the US Dollar, the Seller shall have the option, by giving at least seven (7) days notice to the Buyer before the Due Date, or the

Adjusted Due Date, to invoice and/or demand payment in a currency other than US Dollars provided that:

- 10.9.1 Where the option to invoice or demand payment in a currency other than US Dollars is exercised by the Seller, the rate of exchange from US Dollars to the chosen currency shall be the mid rate of exchange quoted at 1500 hours on Tokyo Fix (Reuters code: TKFE) (or if no rate is quoted at such time, the first rate quoted immediately thereafter) published on Reuters on the second banking day (as defined below) before the Due Date or Adjusted Due Date. Should Reuters not publish such rate of exchange for such day, then the rate of exchange shall be the last rate of exchange published by Reuters immediately before such second banking day;
- 10.9.2 Should Reuters either not quote, or cease to quote for the currency in question, then the Seller and the Buyer shall consult and agree an appropriate exchange rate prior to any payment in a currency other than US Dollars.
- 10.9.3 For purposes of Clause 10.9.1 only, "banking day" shall mean days on which banks in New York and the central bank of the chosen currency are open for normal banking business.
- 10.10 Payment for the Oil shall be made by the Buyer in full and free of all charges without deduction, withholding, set-off, condition or counterclaim in immediately available funds as specified in the Specific Agreement or as otherwise notified in writing by the Seller pursuant to Clause 10.7.
- 10.11 Should any payment for the Oil not be received by the Due Date or Adjusted Due Date or any other monies due to the Seller for any reason whatsoever not be received by the dates specified in the Agreement, the Seller shall have the right to charge the Buyer interest on the amount overdue at the rate of LIBOR plus three percent (+3%). The interest shall be calculated daily based upon a three hundred and sixty (360) day year.
- 10.12 The charging of interest by the Seller does not signify an acceptance of late payment and shall not be construed as an indication of any willingness on the part of the Seller to provide extended credit as a matter of course and shall be without prejudice to any rights and remedies which the Seller may have for late or delayed payment under the Agreement or otherwise. The Buyer shall indemnify the Seller for any additional costs incurred by the Seller related to the late or non-payment by the Buyer. Such costs may include but not be limited to legal fees and debt collection agency fees.
- 10.13 In the event of a disagreement concerning any invoice or statement, the Buyer shall make provisional payment of the total amount stated in such invoice or statement on or before the Due Date or Adjusted Due Date, and shall notify the Seller within thirty (30) days of the date of the relevant invoice of the reason for such disagreement (or where the reason for disagreement concerns a deficiency in quantity or quality, within the period specified in Clause 5.6) and the amount that is in dispute.
- 10.14 Without prejudice to Clause 10.7, an invoice or statement may be modified by the Seller upon notification by the Seller to the Buyer that a modification is justified and the basis for such modification.
- 10.15 Any dispute concerning any invoice or statement shall be resolved through the procedures described in Clause 5.6 or the dispute resolution procedures set forth in Clause 15 as applicable. Following resolution of any dispute regarding amounts set forth in an invoice or statement, a Party to whom an amount is owed shall be paid such amount by the other Party together with interest accrued thereon at an annual rate equal to LIBOR (calculated on the basis of a 360-day year) in respect of each day from and including the Due Date or Adjusted Due Date for such invoice or statement until and including the date upon which the amount so due is actually received by the relevant Party in immediately available funds.

- 10.16 With the prior consent in writing of the Buyer, which consent shall not be unreasonably withheld or delayed, the Seller may assign, transfer or otherwise dispose of, either partially or totally, its right to receive payment of the price of the Oil sold under the Agreement or of any other monies owed by the Buyer to the Seller under the Agreement, and such assignment, transfer or disposal shall be effective upon the Seller giving the Buyer written notice thereof.

11 Taxes, Duties, Other Charges and Costs

- 11.1 The Buyer shall obtain all necessary approvals, licenses and permits necessary for the import of the Oil, and be recorded as the importer.
- 11.2 The Seller shall be liable for all costs imposed or levied on the Oil prior to risk and title to the Oil passing to the Buyer, including but not limited to all taxes, duties, imposts, charges, fees and dues.
- 11.3 The Buyer shall be the importer into the country of destination for the Oil delivered under the Agreement and shall be liable for all costs imposed or levied on the Oil after taking risk and title, including but not limited to all taxes, duties, imposts, charges, fees and dues, and, in the case of taxes only, even if the tax laws are amended and such changes are applied retroactively, after the passing of risk and title to the Oil to the Buyer has taken place. The Buyer shall be responsible for complying with customs and excise entry procedure at the Discharge Port and shall be liable to customs and excise for all costs, duties and taxes that arise and the arrangements in relation to and costs of carrying out customs formalities payable on importation of the Oil.
- 11.4 The Seller shall be liable for all costs imposed or levied on the Accepted Vessel prior to the Buyer taking risk and title to the Oil, including but not limited to all taxes, duties, imposts, charges, pilotage, mooring fees, quay dues and tonnage expenses at the Load Port.
- 11.5 All port charges, port dues, duties, imposts and other taxes at the Discharge Port on or by reference to or payable in respect of the Oil or the Accepted Vessel, whether retrospective or not, other than those defined by Worldscale as being for the Accepted Vessel owner's account, shall be borne by the Buyer. The Buyer shall pay (or shall reimburse the Seller for the full amount of) any such taxes, duties and imposts imposed, levied or assessed by any governmental authority measured by or arising from the Oil in the country of importation
- 11.6 Should Value Added Tax (VAT), Mineral Oil Tax (MOT), Excise Duty (ED) or other tax or duty be applicable from the sale of the Oil or the transfer of risk and title therein (which, without limitation, may be levied depending on the destination of, use of and/or documentation of the Oil), the Seller shall invoice the Buyer for these unless the Buyer can prove to the Seller that the purchase of the Oil is exempt therefrom, in which case the Buyer shall provide proof of such exemption (including but not limited to the destination and use of the Oil) satisfactory to the Seller.
- 11.7 The Buyer shall indemnify the Seller against all costs, penalties and interest associated with the payment or recovery of any taxes and/or duties where the documentation provided by the Buyer relating to the tax or duty fails to comply with the necessary requirements, including but not limited to timelines, and any circumstance of fraud or misrepresentation.
- 11.8 The Seller shall use its reasonable endeavours to ensure that the correct tax or duty is payable on the sale of the Oil and mitigate unnecessary costs and charges to the Buyer.
- 11.9 Should taxes and/or duties which are payable by or on behalf of the Buyer be subsequently recoverable by the Seller, the Seller shall inform the Buyer and then the Seller shall use its reasonable endeavours, at the Buyer's expense and cost, to obtain a credit or repayment in respect of such taxes and/or duties. If the Seller succeeds at recovering any repayment, the Seller shall pay it to the Buyer within seven (7) days of receiving the credit or repayment, after first deducting any costs, charges and taxes incurred by Seller associated with such credit or repayment.

- 11.10 The Buyer shall pay the Seller for any other expenses, costs or charges that the Seller incurs or is subject to, arising directly as a result of a transfer of Oil made under the Agreement, provided that such expenses, costs or charges are not expressly stated to be for the Sellers account, pursuant to the Agreement.

12 Financial Security

- 12.1 The Seller shall have the right in its sole discretion at any time to require the Buyer to provide financial security for the anticipated value of the Oil and/or costs associated with the purchase of the Oil in such amount as may be reasonably determined by the Seller (acting in its sole discretion). Such security may include, but not be limited to:
- 12.1.1 payment for the Oil in advance of loading;
 - 12.1.2 making a cash deposit against potential non-Oil liabilities;
 - 12.1.3 provision of a bank performance bond in a format and from a bank acceptable to the Seller;
 - 12.1.4 provision of an irrevocable standby letter of credit in a format acceptable to the Seller (example per Appendix B) and raised from or confirmed by a bank acceptable to the Seller;
 - 12.1.5 provision of a parent company guarantee in a format and substance from an Affiliate, acceptable to the Seller (example per Appendix B).
- 12.2 Should loading and/or discharge be delayed and if the Seller so requests, the Buyer shall provide either new financial security or an extension of the validity of the existing financial security to cover the circumstances, in accordance with Clause 12.1.
- 12.3 All costs and charges associated with providing financial security in accordance with Clause 12.1 are for the Buyer's account and there shall be no discount for early payment.
- 12.4 Unless otherwise specified by the Seller, the security shall be received by the Seller no later than 17:00 hours London time on the fifth (5th) Working Day prior to the first (1st) day of the Accepted Date Range for the loading of the Oil.
- 12.5 The Buyer's failure to provide any financial security within the time prescribed by the Seller shall be a breach of condition by the Buyer, which shall give the Seller the absolute right to either terminate the Agreement or, without prejudice to the right to terminate, suspend in whole or in part the supply of Oil under the Specific Agreement, in either case, without any liability of the Seller to the Buyer.
- 12.6 The Buyer shall be liable for all losses suffered by the Seller as a result of the Buyer's breach.
- 12.7 The Seller's right to terminate the Agreement pursuant to this Clause 12 shall be without prejudice to any right of action or claim accrued on or before the date of termination.

13 Destination

- 13.1 Should the Seller discharge the Oil to the Buyer via ship-to-ship transfer, lightering or into intermediate storage facilities or the Oil is redelivered in any way, the Buyer must provide the Seller documentation that clearly shows the final destination and details of the operations, logistics and facilities used for the re-delivery of the Oil (for the avoidance of doubt excluding details of the customer(s) of the Buyer or the selling price for the Oil achieved by the Buyer). The Buyer shall ensure that the Seller receives the completed certificate of discharge for the re-delivery within two (2) months of the original Bill of Lading date, and should any detail not be available then the Buyer must formally advise the missing information to the Seller in writing.

- 13.2 The Seller shall have the right to appoint a representative to verify and/or witness the final discharge of any re-delivery of the Oil sold under the Agreement for up to three (3) years after the original Bill of Lading date. This shall include verification of any relevant documentation and the investigation of the discharge of the re-delivery by an independent expert and all costs in this regard shall be for the Seller's account.
- 13.3 The Buyer shall notify the Seller, within two (2) Working Days of the completion of discharge of the re-delivered Oil, of the details, including but not limited to, the quantity and date of discharge, and the Discharge Port and Discharge Terminal for each cargo or part cargo.
- 13.4 The Buyer shall provide to the Seller an original certificate of discharge for each re-delivery of Oil prepared on headed paper by the Vessel's agents and attested by an official seal and signature of the Customs Authorities or local chamber of commerce responsible for the Discharge Port. If the Customs Authorities or local chamber of commerce responsible for the Discharge Port refuses to attest the certificate of discharge, the certificate of discharge shall be signed only by the Buyer, who shall certify such refusal took place.
- 13.5 The certificate of discharge of the re-delivered Oil shall clearly state the Vessel's name and agent, Discharge Port, date, quality and quantity of discharge, plus the Load Port, the date of loading and quality and quantity loaded. The Seller may, in its sole discretion, either cancel or suspend in whole or in part the supply of Oil under the Agreement without any liability should the Buyer fail to provide appropriate discharge documentation for any re-delivery within the two (2) month period.
- 13.6 It is an express condition of the Agreement that the Oil purchased shall not be sold, supplied, imported or exported (by the Buyer or others), directly or indirectly and irrespective of means, to any destination or counterparty that is:
- 13.6.1 at the relevant time prohibited under the laws of the country in which the Oil was produced;
- 13.6.2 in violation of any code, decree, directive, rule, regulation or guideline issued or applied by the government (or any agency thereof) of the producing country; or
- 13.6.3 prohibited by the conditions under which the Seller has purchased the Oil and advised to the Buyer in the Specific Agreement.
- 13.7 The Seller undertakes to advise the Buyer of any sale and/or delivery restrictions and updates of changes to such restrictions. However it is the express responsibility of the Buyer to keep itself informed of any sale and/or delivery restrictions and ensure compliance. Should the Buyer have, or could have, difficulty in complying with the above due to any conflicting law, policy, demand or request from another government or agency thereof, then the Buyer shall advise the Seller immediately and the Parties shall jointly review the implications thereof.
- 13.8 The Seller may at its sole discretion either cancel or suspend in whole or in part the supply of Oil under the Agreement or any other agreement between the Buyer and the Seller as a result of Buyer's violation of this Clause 13 without any liability of the Seller to the Buyer.
- 13.9 For the purposes of this Clause 13, Oil shall be deemed to be redelivered when it is transported or moved to a destination that differs from the destination at which the Oil is discharged by the Seller in accordance with Clause 8.
- 13.10 Notwithstanding anything to the contrary, nothing in the Agreement is intended to, nor should be interpreted to, induce or require either Party or any other person to act (or be prevented from acting) in any way that is prohibited by, penalised under or inconsistent with, any applicable laws, regulations or requirements relating to anti-trust or competition law, foreign trade or export controls, embargoes or international boycotts of any type.

14 Force Majeure

- 14.1 Subject to Clauses 9.2.5 and 9.2.6 no failure, delay or omission by either Party to fulfil any of its obligations under the Agreement, in whole or in part, shall give rise to any claim against such Party or be deemed to be a breach of the Agreement by such Party if and to the extent such failure, delay or omission arises from events that are beyond the reasonable control of the affected Party to avoid, prevent or overcome, (each an event of “Force Majeure”), except in relation to each Party’s respective obligations concerning payment and the provision of security and documentation. Subject to the foregoing, such events shall include, but not be limited to:
- 14.1.1 the refusal of the producing country’s government (or any agency thereof) to sell or allow the sale of the requested volume of Oil to the Seller or the Seller’s supplier;
 - 14.1.2 the election of the producing country’s government (or any agency thereof) to take royalty Oil in kind;
 - 14.1.3 compliance by the Seller or the Seller’s supplier with contractual obligations to the producing country’s government (or any agency thereof);
 - 14.1.4 compliance with laws, regulations, orders, guidelines, requests, or the like of any government (or any agency thereof), or international organisation;
 - 14.1.5 the restriction on production of Oil by reason of the imposition by any government or person purporting to act under governmental authority of conditions or requirements which in the reasonable judgment of the Seller or the Seller’s supplier make it necessary to cease or reduce the production of said Oil;
 - 14.1.6 expropriation, nationalisation, confiscation, allocation, or requisitioning of Oil by an act of a government (or any agency thereof);
 - 14.1.7 war (declared or undeclared), embargoes, blockades, acts of the public enemy, pirates, assailing thieves or other belligerents, civil unrest, riots or disorders, terrorism, sabotage, revolutions or insurrections;
 - 14.1.8 fires, explosions, lightning, maritime peril, collisions, strandings, storms, landslides, earthquakes, floods, disease, pestilence, and other actions of the elements;
 - 14.1.9 strikes, lockouts or other labour difficulties (whether or not involving employees of the Seller, the Seller’s supplier, the Seller’s agents or the Buyer);
 - 14.1.10 disruption or breakdown of Oil production, storage, transportation or loading facilities, equipment, labour or materials;
 - 14.1.11 closing or restrictions on the use of harbours, pipelines or any applicable Loading Port or Discharge Port;
 - 14.1.12 any change in the characteristics of the Oil before it is loaded which would result in the Oil not meeting the description set forth in the Specific Agreement;
 - 14.1.13 any interruption in Seller’s source of supply; and/or
 - 14.1.14 any other cause whether or not of the same class or kind that is beyond the reasonable control of the affected Party to avoid, prevent or overcome.
- 14.2 Notwithstanding the above, where a delay occurs or is anticipated to occur due to Force Majeure, the Party affected shall give prompt notice to the other Party in writing thereof and give full details of the cause and an estimate of the impact and duration of the delay and shall endeavour to remedy the delay with all reasonable dispatch. Upon cessation of the event of

Force Majeure, the Party affected shall promptly resume performance of its obligations and keep the other Party updated on the progress made in such efforts.

- 14.3 During any period that delivery by the Seller of the Oil sold under the Agreement is affected by Force Majeure, the Seller can maintain delivery of the Oil during the Accepted Date Range. In the event that the Oil sold under the Agreement is affected by Force Majeure, the Seller can, subject to the Buyer's agreement, advance or postpone delivery of the Oil until such time when delivery can take place without delaying or interfering with the loading of other Vessels, which at the time the Force Majeure occurred were scheduled to load before or after the Accepted Vessel.
- 14.4 During any period that the Seller is unable to obtain sufficient Oil to meet its obligations under the Agreement due to Force Majeure, the Parties shall jointly review and negotiate an acceptable outcome to mitigate the consequences, however:
- 14.4.1 subject to Clause 14.6, neither Party may unilaterally cancel or terminate the Agreement, nor extend the Agreement to make up for time or Oil lost;
- 14.4.2 the Seller shall be entitled to allocate its available supplies of Oil from any source at its sole and absolute discretion;
- 14.4.3 the Seller shall not be obliged to purchase Oil to supply the shortfall;
- 14.4.4 the Buyer shall be free to purchase any Oil from other parties; and
- 14.4.5 the shortfall quantity of Oil not supplied by the Seller to the Buyer shall be deducted from the quantity required to be delivered under the Specific Agreement.
- 14.5 The Parties' performance under the Agreement shall be resumed as soon as is practicable after the Force Majeure event and its effects have been remedied.
- 14.6 If by reason of Force Majeure the fulfilment by either Party of any terms and conditions of the Agreement is delayed for a period exceeding six (6) consecutive months, either Party shall have the right to terminate the Agreement by giving not less than thirty (30) days' written notice thereof.
- 14.7 Nothing contained in this Clause 14 shall relieve the Buyer of its obligations to pay in full for all Oil sold and delivered hereunder or to make any other payment (including under any indemnity) which has become due and payable under the Agreement prior to or during the occurrence of any Force Majeure.

15 Law and Settlement of Disputes

15.1 Governing Law

The Agreement shall be governed by and construed in accordance with English law.

15.2 Mutual Agreement

The Parties shall act in good faith and use all reasonable endeavours to settle any claim or dispute amicably through negotiations and other constructive discussions within sixty (60) days of notification of such claim or dispute by either Party as follows:

- 15.2.1 the claimant shall communicate to the other Party the nature of its claim or position in the dispute;
- 15.2.2 within fourteen (14) days of such communication, the Party to which the claim or dispute has been submitted shall accept or refuse such claim or agree or refuse to settle such dispute;

- 15.2.3 should the claim be refused or the dispute not settled then representatives and/or senior management from each Party shall meet within twenty eight (28) days of the initial communication of the claim or dispute and use all reasonable endeavours to settle it;
- 15.2.4 the Parties shall advise each other in writing of the outcome of the meeting within the following fourteen (14) days; and
- 15.2.5 further meetings and/or investigation shall be conducted as soon as practicable after the initial meeting in order to expedite amicable resolution of the claim or dispute within the sixty (60) days referenced at the beginning of Clause 13.2.

15.3 Arbitration

Without prejudice to Clauses 15.2 and 15.4, any claim or dispute that the Parties are unable to resolve by mutual agreement pursuant to Clause 15.2 shall be exclusively and finally settled as follows:

- 15.3.1 By arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce (the "Rules") as in force on the date that one Party notifies the other Party that it wishes to commence arbitration proceedings, except as modified by the provisions of this Clause 15 (Law and Settlement of Disputes).
- 15.3.2 Any arbitration initiated under this Clause 15 shall be conducted by one or more arbitrators appointed pursuant to the Rules.
- 15.3.3 The place of arbitration shall be London, England.
- 15.3.4 The arbitration shall be conducted in English, and all arbitrators shall be fluent in the English language.
- 15.3.5 The arbitration tribunal shall decide all questions strictly in accordance with the terms of the Agreement and shall give effect to the same.
- 15.3.6 The arbitrators' mandate shall continue until registration of the award.
- 15.3.7 The Parties agree that the arbitrators' award shall be final and binding upon the Parties, and that the Parties shall give effect to and comply with any such award. The Parties agree to exclude and waive any appeal right to any court which would otherwise have jurisdiction in the dispute or out of the award. Any Party may, however, make an application to any court having jurisdiction for registration of the award for the arbitral award to be recognized and enforced, including enforcement of any award granting interlocutory relief, against any Party and for the obtaining of any evidence (whether by discovery of documents, interrogatories, affidavits, or testimony of witnesses, or whatever) which the arbitrators direct shall be admitted in the arbitral proceedings.
- 15.3.8 Notwithstanding the other provisions of this Clause 15, any claim or dispute may be referred for settlement to an alternative dispute resolution mechanism, if all the parties to the claim or dispute agree that such alternative is more appropriate to the circumstances.
- 15.3.9 The arbitrators may, upon the request of a party who is not a Party, add such requesting party to the arbitration at any time.
- 15.3.10 The Parties agree that if a claim or dispute which is or is to be referred to arbitration hereunder:

- (a) raises issues which are substantially the same as, or are connected with, issues raised in a claim or dispute arising out of any other agreement relating to the Seller and which has already been referred to arbitration; or
- (b) arises out of substantially the same facts as are the subject of a related claim or dispute as described above,

then the arbitrators appointed or to be appointed in respect of the related claim or dispute shall also become the tribunal in respect of the claim or dispute under the Agreement. Such arbitrators shall have the power to make all necessary directions as to the determination of the claim or dispute as they may consider appropriate.

15.4 Experts

- 15.4.1 Should any term or area of the Agreement require the assistance of an expert, or the Parties mutually agree to the assistance of an expert, the Party requesting the appointment of the Expert shall give notice to the other Party giving details of the question proposed to be determined by the Expert. The Parties shall jointly appoint the Expert and determine his terms of engagement.
- 15.4.2 If, within fourteen (14) days from the service of the above notice, the Parties have failed to appoint the Expert, the Expert shall be appointed by the International Centre for Expertise in accordance with the provisions for the appointment of experts under the Rules of Expertise of the International Chamber of Commerce.
- 15.4.3 The Expert appointed pursuant to these provisions (the "Expert") shall be qualified by education, training, and experience to determine the question in dispute. No Expert shall be appointed who is or at any time has been an employee or agent of the Seller or the Buyer, or who has an interest (financial or otherwise) which conflicts or may conflict with the Expert's impartiality versus the Parties.
- 15.4.4 The Expert shall be instructed, as soon as possible after his appointment, to fix a reasonable time and place (or method) for receiving submissions and information from the Parties, and the Expert may make such other inquiries and require such other evidence as may be necessary for determining the issue in question. The Expert shall be instructed to render his decision within one month of his appointment, with a possible extension of fourteen (14) days if justified by specific circumstances, such as delays in the Parties' provision of pertinent information.
- 15.4.5 Each Party shall provide all necessary information and evidence for the Expert to perform his required function.
- 15.4.6 The Expert shall not act as an arbitrator, and shall render his decision only as an expert. No law relating to arbitration shall apply to such Expert, his determination, or the procedure by which he reaches his decision.
- 15.4.7 The Expert's decision shall be made in writing, contain the reasons for such decision, and shall be final and binding on the Parties, except in the case of fraud, manifest error, conflict of interest, or corruption.
- 15.4.8 Each Party shall bear the costs and expenses of all counsel, witnesses, and others retained by it for the purposes of an Expert decision; however, the Parties shall share the costs of the Expert equally.

15.5 Miscellaneous

- 15.5.1 The Seller and/or the Buyer may pursue arrest, attachment and/or other interim actions against the Accepted Vessel and/or the other Party, in any court in relation to non-payment of any monies due under the Agreement.
- 15.5.2 Should any term within the Agreement be determined to be inconsistent with, or in conflict with English law, then such term shall be deemed omitted or amended to conform with English law without affecting any other term or the validity of the Agreement.
- 15.5.3 Neither the Seller nor the Buyer waives any of their rights whatsoever under the Agreement should they delay or not insist on the strict performance of any of the terms and conditions of the Agreement, which shall remain in full force and effect. All rights, benefits and remedies are cumulative.
- 15.5.4 Each Party hereby consents, in respect of any legal action or proceedings arising out of or in connection with the Agreement, to the giving of any relief or the issue of any process in connection with such action or proceedings in respect of the making, enforcement or execution of any order or judgement which may be made or given in such action or proceedings against its assets as may be invested in financial, commercial or industrial activities, or deposited in banks (except any assets or properties of the government (or any agency thereof) of the State of Qatar which may be necessary for its proper functioning as a sovereign power).
- 15.5.5 Each Party in relation to the Agreement only (i) hereby represents and warrants that it has entered into the Agreement and it is acting in a commercial capacity and (ii) hereby irrevocably consents for the benefit of the other Party not to claim and hereby irrevocably waives immunity from suit for itself and from execution or attachment in respect of its assets as may be invested in financial, commercial or industrial activities, or deposited in banks (except for any assets or properties of the government (or any agency thereof) of the State of Qatar which may be necessary for its proper functioning as a sovereign power).
- 15.5.6 The United Nations Convention on Contracts for the International Sale of Goods of Vienna, 11th April 1980, as amended, shall not apply to the Agreement.
- 15.5.7 The Buyer understands that the Agreement is subject to any and all applicable English laws, rules and regulations and shall not knowingly take any action that would violate or cause the Seller (or the government (or any agency thereof) of the State of Qatar) to be in violation of or penalised under any applicable law of any jurisdiction.

16 Termination and Suspension

- 16.1 If the Buyer enters into an arrangement with its creditors or goes into bankruptcy or liquidation of any kind, whether compulsory or voluntary, or is subject to any other analogous proceedings, then the Seller may forthwith terminate the Agreement upon written notice to this effect to the Buyer or its representatives. Such termination shall not affect the rights of either Party against the other insofar as these rights were accrued prior to such termination, but neither shall such termination create any liability of the Seller towards the Buyer.
- 16.2 The Agreement may be terminated or suspended upon seven (7) days written notice, without prejudice to any right of action or claim accrued to that date, by either Party in the event of a material breach by the other Party. Such material breach shall include, without limitation, the following:
- 16.2.1 the Seller fails to nominate a Vessel in accordance with the Agreement;
- 16.2.2 the Buyer fails to nominate a Discharge Port in accordance with the Agreement;

- 16.2.3 the Buyer fails to make payments by the Due Date or Adjusted Due Date or fails to raise financial security if required by the Seller as per Clause 12;
 - 16.2.4 the Buyer fails to take delivery of the Oil in accordance with the Agreement;
 - 16.2.5 subject to Clause 8.1.1, the Seller fails to make delivery of the Oil in accordance with the Agreement;
 - 16.2.6 the Buyer fails to comply with the destination requirements as per Clause 13;
 - 16.2.7 either Party fails to comply with the Ethical Standards requirements as per Clause 21.
- 16.3 The Agreement may also be terminated by either Party:
- 16.3.1 upon extended Force Majeure as per Clause 14.6; or
 - 16.3.2 in accordance with Clause 17.3.

17 New and Changed Regulations or Specifications

- 17.1 The Agreement is entered into on the basis of the laws, rules, regulations, decrees and specifications ("Regulations") available and applicable on the date of the Agreement.
- 17.2 If at any time during the term of the Agreement, the Regulations are changed by any government or their agent or public authority, or the basis of reference prices are changed, which has a material impact upon either Party, and is not covered elsewhere in the Agreement, then the Seller and the Buyer each have the option to give notice and request a renegotiation of the Agreement within sixty (60) days of serving notice of the change, or the change being implemented, whichever is the later. Upon receipt of any such notice the Seller and Buyer shall forthwith proceed to renegotiate the Agreement (including the price of the Oil), each acting in good faith.
- 17.3 Should the Parties fail to agree on new terms within sixty (60) days of notice being served, then the Seller and the Buyer each shall have the right to terminate the Agreement at the end of the said sixty (60) days.
- 17.4 The Parties must continue to perform their obligations during the period of renegotiation in accordance with the terms of the Agreement, and all Oil lifted during this period shall be governed by the originally agreed terms. If agreement is reached upon new terms and conditions to be implemented, then such new terms and conditions shall apply as of the date that notice was originally given by a Party under Clause 17.2 and any payments made in respect of such period shall be adjusted accordingly.

18 Liability

- 18.1 **NEITHER THE BUYER NOR THE SELLER SHALL BE LIABLE UNDER ANY CIRCUMSTANCES FOR INDIRECT, SPECIAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES IN RELATION TO THE PERFORMANCE (OR NON-PERFORMANCE) OF THE AGREEMENT, INCLUDING BUT NOT LIMITED TO LOSS OF ANTICIPATED PROFITS, GOODWILL, REPUTATION, CONTRACTS OR OPPORTUNITIES. FOR THE AVOIDANCE OF DOUBT, THE FOREGOING PRINCIPLES SHALL ALSO APPLY TO ANY INDEMNITY GIVEN PURSUANT TO THE AGREEMENT (INCLUDING ANY LETTER OF INDEMNITY).**
- 18.2 Without prejudice to Clauses 5.6 and 5.6.2, should there be any claim hereunder against the Seller (with respect to the quality and/or quantity of the Oil supplied, and/or any delay and/or failure in the supply of the Oil), then the Seller's liability shall be limited to the following direct costs and expenses:

- 18.2.1 any amount by which the price of the replacement cargo of Oil (including brokerage if applicable) exceeds the price that the Buyer would have paid for the Seller's cargo of Oil; and
- 18.2.2 should the replacement cargo purchased by the Buyer be at a lower price than would have been paid to the Seller under the Specific Agreement then the difference shall be deducted from the Buyer's claim.
- 18.3 In any event, or combination of events, the Seller's liability shall be limited to the value of the BL quantity (or Accepted Quantity if no BL) of the Oil specified for the specific delivery in the Agreement.
- 18.4 Any claim or dispute by either Party shall be deemed waived unless the claiming Party notifies the other Party in writing within the period(s) defined in the Agreement, and in the absence of any such express period, within sixty (60) days of the Bill of Lading, or the last day of the Accepted Date Range for loading if there is no Bill of Lading, providing as much supporting documentation and detail as is available, including an estimate of the total claim.
- 18.5 The Buyer shall defend, indemnify and hold the Seller harmless against any loss, damage or injury resulting from any risk or event that occurs after title to the Oil has been transferred to the Buyer, including, without limitation, from the handling, transportation or use of the Oil sold under the Agreement.
- 18.6 Without prejudice to any other remedy that may be available to the Seller, if the Buyer fails to accept delivery or fails to discharge the Oil in accordance with the terms of the Agreement without the prior written consent of the Seller, the Seller reserves the right to pursue disposal of the cargo via any other means. The Seller will, if reasonably or commercially feasible, advise the Buyer promptly in writing before any action is taken. If taken, this action will not relieve the Buyer of any remaining obligations to receive specific quantities of Oil or any other obligations under the Agreement. Further, the Buyer will be liable to the Seller for:
- (a) any difference in price between the purchase price payable under the Agreement for such cargo of Oil and, if less, the actual price at which the cargo was actually sold; and
 - (b) any and all other direct costs, losses, damages, expenses and liabilities incurred by the Seller as a result of the Buyer's failure to accept delivery of the Oil.
- 18.7 Each Party shall use all reasonable endeavours to mitigate any and all costs, losses, damages and expenses that could be claimed against the other Party.
- 18.8 Notwithstanding any contrary provision in the Agreement, neither Party limits or excludes its liability in respect of any costs, losses, damages, expenses or liability caused by its gross negligence, wilful misconduct, any fraud or any statutory or other liability which cannot be excluded under applicable law.
- 18.9 The Buyer acknowledges that the Oil sold by the Seller has been purchased by the Seller from producing entities in the State of Qatar (the "Producing Entities") and that Qatar Petroleum is acting as the Seller's Delegate.. Subject to Clauses 18.1 and 18.8 the Buyer hereby agrees to be responsible to compensate the Producing Entities and Qatar Petroleum for any costs, losses, damages, expenses and liabilities suffered by the Producing Entities or Qatar Petroleum (as applicable) as a result of any breach of the Agreement by the Buyer and further agrees to defend, indemnify and hold harmless the Seller, the Producing Entities and Qatar Petroleum in respect of any such costs, losses, damages, expenses and liabilities. The Buyer's liability and indemnity covered in this Clause 18.9 shall be capped, per incident, at the value of the BL quantity (or Accepted Quantity if no BL) of the Oil under the Agreement. For the avoidance of doubt, nothing in this Clause 18.9 shall be construed to apply to the Buyer's obligations under Clause 18.5. For clarification, nothing in this Clause 18.9 shall render the

Buyer liable for consequential and indirect losses/damages (including, without limitation, loss of production).

- 18.10 Notwithstanding any contrary provision in the Agreement, except for claims or disputes related to the payment for the Oil or interests for late payment thereof, neither Party shall be liable to the other Party for unrelated claims or disputes which are USD one thousand (1,000) or less; each Party hereby waives any right to recover any amounts for such claims or disputes. Claims or disputes shall be deemed unrelated if they do not arise from the same cargo and BL and the same facts or circumstances that give rise to the claim or dispute.
- 18.11 This Clause 18 shall remain effective after the expiry and/or termination of the Agreement.

19 Third Party Rights and Assignment

- 19.1 The Agreement has been entered into for the sole benefit of the Seller (the Seller to include the Producing Entities and Qatar Petroleum to the extent set out in Clause 18.9) and the Buyer.
- 19.2 Nothing in the Agreement, express or implied, is intended to create or confer upon any person (other than the Parties, the Producing Entities, Qatar Petroleum and each of their respective successors and permitted assignees) any rights, remedies, third party status or obligations, beneficiary status or liabilities under or by reason of the Agreement. For the avoidance of doubt, the Producing Entities and Qatar Petroleum shall be entitled to the benefit of the Agreement to the extent set out in Clause 18.9.
- 19.3 Subject to Clauses 10.16 and 19.4, neither Party has the right to assign, transfer or otherwise dispose of its rights and obligations under the Agreement, in whole or in part, without the prior consent in writing of the other Party, which consent shall not be unreasonably withheld or delayed. Upon such consent the assignee shall assume all rights and obligations and shall be subject to all terms and conditions of the Agreement as if such assignee were a Party to the Agreement initially. However, whenever an assignment, transfer or other disposal is made the assigning Party shall remain jointly and severally responsible with the assignee for the full performance of their obligations under the Agreement.
- 19.4 The Seller may, in its absolute discretion, assign, transfer or otherwise dispose of its interests in the Agreement to any entity that is wholly owned and/or controlled (directly or indirectly) by the government of the State of Qatar provided that such entity (i) is subject to the Law and (ii) shall undertake in writing to succeed to and assume all of the rights and obligations of the Seller, and that the rights of the Buyer are not diminished by such assignment, transfer or disposal. The Seller shall not be obliged to remain jointly and severally responsible for the performance of such entity's obligations following any such assignment, transfer or disposal.

20 Health, Safety and Environment

- 20.1 The Buyer shall ensure that it, its agents, contractors and its respective employees take care and attention for the proper and safe handling, storage, transportation, use and/or disposal of the Oil sold under the Agreement, including, but not limited to, the provision of appropriate equipment, information and training to staff, contractors and agents.
- 20.2 Each Party shall comply with all legislation, permits and consents applicable at and in the Load Port and Discharge Port, as well as all international treaties and regulations signed by the country supplying the Oil, the Terminal Regulations and/or Procedures, and the Load Port Authority Regulations and Discharge Port Authority Regulations.
- 20.3 The Seller shall be responsible for procuring and maintaining all permits and consents necessary for the performance of its obligations under the Agreement and the Buyer shall be responsible for procuring and maintaining all permits and consents necessary for the performance of its obligations under the Agreement.

- 20.4 The Seller shall provide information to the Buyer about the health, safety and environmental data including handling requirements and impacts of the Oil, as required under all applicable rules and regulations and as requested by the Buyer, including, for example, a material safety data sheet.
- 20.5 The Buyer shall be responsible for, and provide all necessary documentation, guidance and advice to its agents, employees, customers and any entity that receives the Oil, as applicable, regarding the handling and use after the Buyer has received the Oil. The Buyer represents and warrants that it has in place a health, safety and environment management system and a crisis response plan, and the Seller has the right to appoint an independent expert to assess the effectiveness of such systems and plan as they relate to the Agreement. All costs of any such expert shall be for the Seller's account.
- 20.6 The Seller shall advise the Buyer immediately if the Accepted Vessel is involved in any health, safety or environmental incident as per Appendix C.

21 Ethical Standards

Each of the Seller and the Buyer undertake that, in connection with the Agreement, its directors, officers, employees and agents, will not make, offer or agree to make or offer any loan, gift, service or other payment, directly or indirectly, whether in cash or in kind, for the purposes of influencing any act or decision, or inducing a director, officer, employee or agent of the other Party, any third party or government officials to do or omit to do any act in order to obtain or retain any improper benefit under the Agreement or otherwise to secure any improper advantage. Should either Party be in violation of this provision, the other Party may terminate the Agreement and any other agreement between the Parties immediately and without liability, except for payment of any amount owed prior to the date of termination.

Furthermore, the Buyer agrees and undertakes to comply with the Seller's Code of Conduct, as amended from time to time

22 Confidentiality

- 22.1 All information contained in, and relating to the Agreement, is confidential as between the Seller and the Buyer for the duration of the Agreement and for three (3) years thereafter. Neither Party shall disclose information or documents about the Agreement to any third party without the other Party's prior consent in writing, and, if required by the disclosing Party, subject to a written undertaking of confidentiality by such third party. For the avoidance of doubt, these General Terms and Conditions for CFR/CIF Sales and Purchases of Bulk Oils, standing alone, are not QPSPP confidential information.
- 22.2 The obligations of non-disclosure and of confidentiality shall not apply to the Agreement or information or documents of the disclosing Party to the extent that they:
- (a) are or become known to the receiving Party independently of any disclosure by the disclosing Party or any agent or Affiliate or shareholder of the disclosing Party, which has not been wrongly disclosed to or obtained by such receiving Party and in respect of which there is no bar against disclosure;
 - (b) are, or have become, public knowledge otherwise than through a wrongful act or default of the receiving Party or a person to whom the receiving Party is permitted to disclose such confidential information hereunder.
- 22.3 If a receiving Party is required to furnish the Agreement or any other confidential information of the disclosing Party in any arbitration or legal proceedings (other than arbitration or legal proceedings between the Parties themselves), the receiving Party shall be entitled to make such disclosure provided that prior to any such disclosure the receiving Party shall immediately notify the disclosing Party of such fact, and shall make every reasonable effort to contest such requirement and/or obtain protective orders limiting the disclosure of the

Agreement or other confidential information of the disclosing Party, and secure for the disclosing Party the opportunity to seek relief from the requirement of disclosure from the arbitrator or authority conducting the legal proceeding.

22.4 To the extent required, a receiving Party may disclose the Agreement or other confidential information of the disclosing Party to the following persons who require such disclosure where bona fide necessary for the proper performance of their duties related to the Agreement:

- (a) directors, officers, employees of the receiving Party or its Affiliates, banks or other financial institutions and communicated in accordance with the regulations of a recognized stock exchange; or
- (b) any consultant, accountant, legal counsel or agent retained by the receiving Party,

provided that any such receiving person undertakes in writing, or is under a duty to the disclosing Party, to maintain the confidentiality of such information.

22.5 The receiving Party will use confidential information of the other Party solely for purposes of performing its obligations under the Agreement.

22.6 Without prejudice to Clause 22.4, the Seller may disclose the Agreement or other confidential information of the Buyer to Qatar Petroleum acting as the Seller's Delegate to the extent Qatar Petroleum requires such bona fide disclosure for the proper performance of its roles, duties and obligations related to the Agreement or under the Decree Law No. (15) of the State of Qatar, as amended by Law No. (9) of 2016 of the State of Qatar.

23 Notices

All notices, nominations, confirmations, and other communications for the purposes of the Agreement shall be in English and must be made to the other Party in writing in the form of letter, telegram, cable, telex or facsimile. Such notice shall only be valid once received at the required address (physical or electronic) and it is the responsibility of the sender to ensure timely receipt. Proof of receipt includes the correct response/answerback from the receiver's machine showing that the transmission had been sent and received correctly, and physical delivery to the address advised under the Agreement, whether or not the counterparty is there to receive it.

The address for notices shall be set out in the Specific Agreement.

The Seller and the Buyer may modify their respective addresses for notices at any time upon at least fifteen (15) days advance written notice to the other Party.

24 Definitions and Miscellaneous

24.1 The following terms and abbreviations used in this and the Specific Agreement shall mean:

"Accepted Date Range" means the date range, from 00:01 in local time on the first date to 24:00 in local time on the last date during which the Accepted Vessel must tender Notice of Readiness (NOR) for loading a cargo of Oil at the Loading Terminal;

"Accepted Quantity" means the quantity of Oil to be delivered against a specific nomination;

"Accepted Vessel" means a Vessel nominated by the Seller and accepted by the Buyer pursuant to Clause 6 of these General Terms and Conditions (whether nominated prior to or after commencement of loading) and which is provided at the Seller's expense;

"Affiliate" means, in relation to either Party, a company or entity that directly or indirectly controls, or is controlled by, or is under common control with the Seller, or the Buyer, as the

case may be, and in relation to the Seller shall also include Qatar Petroleum, Affiliates of Qatar Petroleum and the Government of the State of Qatar. For the purposes of this definition, “**control**” shall mean (except for nominal shares held by directors which may be required by the law of the jurisdiction of such corporation or legal entity):

- (a) ownership or control (whether directly or otherwise) of fifty percent (50%) or more of the equity share capital, voting capital or the like of the controlled entity;
- (b) ownership of equity share capital, voting capital, or the like by contract or otherwise, conferring control of, power to control the composition of, or power to appoint, fifty percent (50%) or more of the members of the board of directors, board of management, or other equivalent or analogous body of the controlled entity; or
- (c) entitlement to receive fifty percent (50%) or more of any, but not necessarily every, income or capital distribution made by the controlled entity, either on the liquidation, winding up, dissolution, or otherwise;

“**Agreement**” means these “General Terms and Conditions” (including Appendices) together with the applicable Specific Agreement;

“**API**” means the American Petroleum Institute;

“**ASTM**” means the American Society for Testing and Materials;

“**Banking Day**” means any day that the banks are open for normal business in the place specified for the payment of the invoice. If no place is specified then this shall be Doha, Qatar;

“**Barrel**” means forty two (42) U.S. gallons of two hundred and thirty one (231) cubic inches at sixty (60) degrees Fahrenheit;

“**Berth**” means a jetty, dock, anchorage, submarine line, single point or single berth mooring facility, offshore location, alongside Vessels or lighters or any other loading and/or discharge place as agreed by the Parties;

“**Bill of Lading**” or “**BL**” is the customary document of title provided by the Seller to the Buyer pursuant to the Agreement;

“**Buyer**” shall have the meaning set out in the applicable Specific Agreement;

“**CFR**” or “**CIF**” have the respective meanings as defined in the Incoterms. If there is any inconsistency or conflict between Incoterms and the Agreement, then the Agreement shall prevail;;

“**CP**” means the charter party or contract of carriage concluded between the Seller and the owner of the Accepted Vessel or substitute Vessel;

“**Delegate**” means any entity that is designated by the Seller or the Buyer to perform any obligation or exercise any of their rights under the Agreement, including any entity that is a direct or indirect source of Oil or services;

“**Delivery Point**” means the point at the Loading Terminal at which: (i) the last permanently installed flange coupling of the Seller's loading line joins the flange coupling of the Oil intake manifold onboard the Seller's Vessel, or (ii) if Seller installs or causes to be installed temporary connections to perform the loading, the flange coupling of the Seller's temporary connection joins the intake manifold onboard the Seller's Vessel;

“**Deviation**” means (a) any departure by a Vessel from the customary route of the voyage or timetable established by the Seller for delivery of the cargo or (b) any change to the

Discharge Port originally specified in accordance with the Agreement or notified to and accepted by the Seller pursuant to Clause 6.7.1.

“Discharge Point” means the point at the Discharge Port at which the flange coupling of the Buyer's discharge line joins the flange coupling of the Oil intake or discharge manifold onboard the Seller's Vessel;

“Discharge Port” means any port within which any Berth is situated at which Oil is to be, or was, discharged, as determined by the Discharge Port Authority;

“Discharge Port Authority” means such entity having authority and jurisdiction over the Discharge Port from time to time;

“Discharge Port Authority Regulations” means the port regulations and information issued by the Discharge Port Authority in relation to the Discharge Port from time to time;

“Discharge Terminal” means the storage and delivery facilities for Oil at a Discharge Port;

“DoS” is a Declaration of Security;

“Due Date” and **“Adjusted Due Date”** means the date that payment under the Agreement should be received by the Seller from the Buyer, as per Clause 10;

“ETA” means the estimated time of arrival for a Vessel at the Load Port or Discharge Port as appropriate;

“Expert” means an expert appointed pursuant to Clause 15.4;

“Force Majeure” has the meaning given in Clause 14;

“ICS” means the International Chamber of Shipping;

“IMO” means the International Maritime Organisation;

“Incoterms” means Incoterms 2000, as published by the International Chamber of Commerce;

“Independent Inspector” means an independent, recognised, person or firm, of first class and good international reputation, that is qualified to sample and test the quality and quantity of Oil, who shall be mutually acceptable to the Parties, acting reasonably and appointed in accordance with Clause 5;

“Institute Warranties” means the set of express warranties for use in policies covering ships, mainly relating to navigational warranties restricting the ship's navigational areas as issued by the British Institute, unless otherwise agreed in the policy;

“ISGOTT” means the International Safety Guide for Oil Tankers and Terminals;

“ISM” means International Safety Management;

“ISPS” means International Ship and Port Security;

“ITOPF” means the International Tanker Owners Pollution Federation;

“Law” means Law No. 15 of 2007 of the State of Qatar;

“Laytime” means the time allowed to the Buyer for discharging the Oil as specified in Clause 9.1;

“**Letter of Indemnity**” means a letter of indemnity substantially in the form set out in Appendix A;

“**LIBOR**” means the London Interbank Offer Rate as published by the British Bankers Association for the three (3) month rate for the US Dollar displayed on the appropriate page of the Reuters screen as of 11 a.m. on the relevant day. If the agreed page is replaced or service ceases to be available, the Seller may specify another page or service displaying the appropriate rate after consultation with the Buyer;

“**Load Port**” means any port within which any Berth is situated at which Oil is to be, or was, loaded for shipment, as determined by the Load Port Authority;

“**Load Port Authority**” means such entity having authority and jurisdiction over the Load Port from time to time;

“**Load Port Authority Regulations**” means the port regulations and information issued by the Load Port Authority in relation to the Load Port from time to time;

“**Loading Terminal**” means the storage and delivery facilities for Oil at a Load Port as may be specified in the Specific Agreement;

“**London Tanker Broker’s Panel**” means the independent and impartial authority which provides a variety of rate assessments on a fee-paying basis for individual oil companies, traders, tanker operators and other interests worldwide, based in London and known as the “London Tanker Broker’s Panel”;

“**MARPOL**” means the International Convention for the Prevention of Pollution from Ships;

“**MPMS**” means the Manual of Petroleum Measurement Standards published by API, latest edition;

“**Notice of Readiness**” or “**NOR**” means a valid written notice of readiness given by the master of the Accepted Vessel (or representative) to load/discharge at the Loading/Discharge Terminal as appropriate. NOR tendered by radio shall qualify as written notice provided it is confirmed in writing as soon as reasonably possible;

“**OCIMF**” means the Oil Companies International Marine Forum;

“**Oil**” means any hydrocarbon including crude oil, products, gas, feedstock, blending component and lubricant or as otherwise specified in the Specific Agreement;

“**Party**” means either the Buyer or the Seller, and jointly they may be referred to as the “**Parties**”;

“**P&I Club**” means the applicable Protection and Indemnity Club being a member of the International Group of P&I Clubs;

“**Pricing Reference**” means any index used to determine the price of Oil, as specified in the Specific Agreement;

“**QPSPP**” has the meaning given in Clause 1;

“**Regulations**” has the meaning given in Clause 17.1;

“**Rules**” has the meaning given in Clause 15.3.1;

“**SIGTTO**” means the Society of International Gas Tanker and Terminal Operators;

“**Specific Agreement**” means the specific contract details and any special terms and conditions negotiated and agreed by the Parties, which supplement these General Terms and Conditions;

“**SPM**” is a Single Point Mooring;

“**Terminal Regulations and/or Procedures**” means all regulations and procedures established or customarily practiced by the operator of a Loading Terminal or Discharge Terminal (as the case may be) with respect to notifications, nominations, berthing, scheduling, Vessel acceptance, documentation, departure, measurement, and other health, safety, environmental and operational matters;

“**Tonne**” means a metric tonne or quantity with a mass of one thousand (1,000) kilograms;

“**Toxic**” means a substance (including vapours given off) harmful to persons if ingested, absorbed and/or inhaled, including all substances for which exposure limits are recommended as they may be harmful to health;

“**US Dollar**” or “**USD**” or “**\$**” means the lawful currency of the United States of America;

“**Vessel**” means a ship which is wholly or mainly constructed or is adapted for the carriage of Oil;

“**Volatile**” means when a gas evaporates rapidly at atmospheric pressure and/or has a flash point higher than minus ten (10) degrees centigrade;

“**Working Day**” means a day that the banks are open for normal business in Doha, State of Qatar unless expressly stated otherwise in the Agreement; and

“**Worldscale**” means New Worldwide Tanker Nominal Freight Scale.

24.2 Amendments

All changes, updates and modifications of the Agreement shall only be effective once formally detailed and confirmed in writing by the Parties as having been agreed.

24.3 Brand, Trade Marks, partnerships and agencies

Nothing in these General Terms and Conditions:

- (a) shall give the right for either Party to use any brand or trade mark or other intellectual property right used and/or owned by the other Party; or
- (b) is intended to or shall operate to create a partnership, agency, unincorporated association or other co-operative entity between the Seller and the Buyer.

24.4 Gender

Words denoting or implying any gender include all genders.

24.5 Interpretation

24.5.1 The order of Clauses, sections and sub-sections, and their headings are for convenience only and do not affect interpretation of the Agreement.

24.5.2 Where the Agreement specifies “... days notice”, this shall always mean that the notification day equals day one (1), e.g. fifteen (15) days notice means that a notice given on the 1st day of the month shall be effective on the fifteenth (15th) day of the

month. For the avoidance of doubt, where the last day for any notice to be given under the Agreement falls on a day which is not a Working Day, such notice shall be given on or before the last preceding Working Day.

24.5.3 The Gregorian calendar shall apply to the Agreement and any references to days, months, quarters and years in the Agreement are to days, months, quarters and years of the Gregorian Calendar. Unless expressly stated otherwise, all references to a time of day shall be a reference to the time of day in Doha, Qatar.

24.5.4 Where the word “deliver” is used it shall include “arrange to be delivered” and the term “delivery” shall be interpreted accordingly.

24.5.5 Where the word “supply” is used it shall include “arrange to be supplied” and the term “supply” shall be interpreted accordingly.

24.6 Language

English is the governing language of the Agreement and must be used for all notices, communication and information.

24.7 No Waiver

24.7.1 Neither Party shall be deemed to have waived, released or otherwise modified any of its rights hereunder unless such Party has expressly stated its intention to do so in a written instrument duly executed by such Party, provided further that any such instrument shall relate only to such matter to which it expressly refers, and therefore shall not apply to any other matter or to any prior, concurrent or subsequent matter.

24.7.2 If any provision of the Agreement is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such finding shall not affect, impair or invalidate the other provisions of the Agreement, unless the exclusion of the invalid or unenforceable provision results in a material change which causes the transactions contemplated herein to be unreasonable, and all remaining provisions not affected by such finding shall remain in full force and effect. The Parties agree to attempt to substitute for any invalid or unenforceable provision a valid or enforceable provision which achieves, to the greatest extent possible, the economic, legal, and commercial objectives of the invalid or enforceable provision.

24.8 Operator, Agent and Delegate

Any references within the Agreement to the Seller or the Buyer performing an obligation or exercising a right shall not be interpreted as personal to the Seller or the Buyer so as to prevent an operator, agent or Delegate from performing such obligation or exercising such right on behalf of the Seller or the Buyer; provided always that each Party shall remain liable to the other under the Agreement for procuring the performance of such obligations and for the actions of any operator, agent or Delegate, as the case may be.

24.9 Persons

Words denoting persons shall include companies, firms, corporations and joint ventures, and vice versa.

24.10 Recording of Conversations

QPSPP has the unconditional right to record any or all negotiations and conversations and such recordings may be used for its' own purposes and in evidence in any proceedings relating to the Agreement and for the purposes of other commercial matters between the Parties.

24.11 References

All references to documents, codes, rules, publications, laws, rules, regulations and decrees, include all updates, amendments, supplements and replacements thereof.

24.12 Singular / Plural

Words denoted in the singular shall include the plural and vice versa.

24.13 Time of the essence

The Agreement has been entered into by the Parties on the specific understanding that time is of the essence in the performance of the Agreement where a time period is stated.

25 Entire Agreement

The Agreement constitutes the entire understanding and agreement between the Buyer and the Seller for the transactions described therein. For all matters covered in the Agreement it supersedes any prior understanding, agreement and or statement of intent in the negotiations, both written and oral, that relate to the Agreement.

Appendix A
Letter of Indemnity (Example)

From: Qatar Petroleum For The Sale of Petroleum Products Company Ltd (QPSPP)

Agreement Reference: Dated

To:

IN CONSIDERATION of your paying for the cargo of

U.S. Barrels/Metric Tonnes of (type of Oil)

which sailed from (Load Port)

on (Vessel and date)

loaded with such cargo when the (documents)

for such cargo has not been delivered to you at the time payment is due under our Agreement dated

We hereby warrant to you that at the time property passed as specified under the terms of the above Agreement we had the right to sell the said cargo to you and we had unencumbered title to the said cargo.

We hereby irrevocably and unconditionally undertake to indemnify you and hold you harmless against:

- (i) any claim made against you by anyone as a result of breach by us of any of our warranties as set out above; and
- (ii) all losses, costs (including, but not limited to, costs as between attorney or solicitor and own client), damages, and expenses which you may suffer, incur or be put to, other than losses, costs damages or expenses which are of a type excluded by Clause 18.1 of the Agreement, arising as a result of our failure to deliver the above document(s) in accordance with the Agreement.

This indemnity shall terminate on the earlier of (a) three years from the date of this letter of indemnity or (b) delivery by us of the aforesaid document(s).

This indemnity shall be governed by and construed in accordance with English law and all disputes, controversies or claims arising out of or in relation to this indemnity or the breach, termination or validity hereof shall be subject to the exclusive jurisdiction of the courts of England.

Appendix B
Financial Security (Examples)

Standby Letter of Credit Format (Example)

Irrevocable Standby Letter of Credit No. [●]

Beneficiary

Applicant

[name and address]

[name and address]

At the request of the above applicant, and for its account, we [name and address of Bank] hereby open in your favour our Irrevocable Standby Letter of Credit No [●].

This Stand-by Letter of Credit is for an amount of [amount in figures/words] and is available for payment at our counters at sight against the following documents:

- (a) Copy of unpaid invoice.
- (b) Beneficiary's certificate purporting to be signed by an official of the Beneficiary certifying that "the amount demanded represents a payment which has not been made to [name of Beneficiary] by [name of Applicant] within the terms of the contract in respect of invoice number [●] which is legally and properly past due".

Covering: [Details of the Agreement]

Multiple drawings are permitted.

The expiration of this Letter of Credit is [●]

We hereby agree with you that presentation of the documents in compliance with the terms of this Standby Letter of Credit will be duly honoured on presentation to us no later than the expiry date of this Letter of Credit.

Special Conditions:

- 1 All bank charges are for the account of the Applicant.
- 2 Above documents presented in telex form acceptable.
- 3 This Letter of Credit shall take effect in accordance with its terms but such terms shall not alter, add to or in any way affect the Agreement between [Seller] and [Buyer] to which this Letter of Credit relates.
- 4 The construction, validity and performance of this Letter of Credit shall be governed by and construed in accordance with English law and any dispute with respect to this Letter of Credit shall be submitted to and finally settled by the courts of England.

Except as otherwise expressly provided herein, this Standby Letter of Credit is subject to the Uniform Customs and Practices for Documentary Credits Revision 2007 (ICC Publication No. 600).

For floating price Agreements, add to the Special Conditions:

- 5 The value of this Letter of Credit may escalate/de-escalate in accordance with the above Price Clause without any further amendment on our part.

Appendix B II

Form of Parent Company Guarantee (Example)

Dear Sirs:

- 1 This Parent Company Guarantee is hereby delivered as of the date hereof in consideration of Buyer entering into an Oil sales and purchase agreement dated the [●] day of [●], (hereinafter referred to as the "Agreement"), between; Qatar Petroleum For The Sale of Petroleum Products Company Ltd (QPSPP), a company organized and existing under the laws of the State of Qatar (hereinafter referred to as "Seller"); and [●], a corporation organised under the laws of [●] (hereinafter referred to as "Buyer").
- 2 We the undersigned (name of the Parent Company), a company incorporated under the laws of [●] have our registered office at [●] (hereinafter referred to as the "Parent Company"), represent and warrant to Seller that we are the Parent Company of (name of Buyer) under the Agreement, of which we the Parent Company, own or control all or a majority of the issued and outstanding equity share capital thereof.
- 3 In our capacity as the Parent Company of Buyer, we the Parent Company by this Parent Company Guarantee, hereby irrevocably and unconditionally:
 - (a) guarantee to the Seller, as principal obligor and not merely as surety, the due, timely prompt, full and complete performance by Buyer of all obligations including without limitation, payments, sums, due interests, demurrages, fines, penalties and damages, thereby due to Seller, as well as the full performance of all and any of Buyer's obligations and/or all and any of Buyer's liabilities under the Agreement.
 - (b) subject to (c) below with respect to any obligation to make payment under the Agreement, agree that if and to the extent that Buyer has failed to perform any or all of its respective obligations or has committed any breach of its respective obligations, and has failed to remedy any such breach within the time limits contained in the Agreement, the Parent Company, upon receiving written notification from Seller shall immediately perform or cause to be performed Buyer's unfulfilled obligations in accordance with the Agreement free of offsets, without restriction or conditions not otherwise contained in the Agreement, and notwithstanding any contestation or objection by Buyer; and
 - (c) agree that if, and to the extent that, Buyer fails timely to perform any obligations which constitutes an obligation to pay any amount under the Agreement, the Parent Company will, within 5 Business Days after receiving written notification from Beneficiary following the due date of such obligation, pay such sum as has not been paid by Buyer, together with interest thereon at the rate per annum payable by Buyer on such sum pursuant to the Agreement from the date such sum becomes payable by Buyer under the Agreement until the payment of such sum in full. A "Business Day" is any calendar day other than a Friday, Saturday or Sunday and any other national holiday or day on which the banks in the primary office location of the Parent Company and Seller are closed for business.

The Parent Company waives any right it may have of first requiring Seller to proceed against or enforce any other rights or other guarantee or security with respect to or claim payment from Buyer before making a demand against or claiming from the Parent Company hereunder.

- 4 This Parent Company Guarantee shall extend to any amount that constitutes part of the obligations owed by Buyer pursuant to the Agreement. If the obligations are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding Buyer or the Parent Company (including, without limitation, the dissolution of Buyer or the Parent

Company), the obligations of the Parent Company under this Parent Company Guarantee shall continue in full force and effect and shall continue to legally bind the Parent Company as if there had been no such unenforceability against or refusal or inability or lack of capacity on the part of Buyer to allow payment of any amount that constitutes part of the obligations. This Parent Company Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the obligations is rescinded or must otherwise be returned by Seller upon the insolvency, bankruptcy, reorganization or liquidation of, or similar proceeding with respect to Buyer or the Parent Company (including, without limitation, the dissolution Buyer or the Parent Company) or otherwise, all as though such payment had not been made.

- 5 Notwithstanding any payment or payments made by the Parent Company under this Parent Company Guarantee, the Parent Company shall not have any right of subrogation in respect of the Agreement, and the Parent Company waives, until the Buyer's obligations under the Agreement have been discharged in full:
- (a) any right to enforce any remedy that the Parent Company may have against the Buyer; and
 - (b) the benefit of, and any right to participate in, any security with respect to the obligations now or hereafter held by the Seller.

If, notwithstanding the foregoing, any amount shall be paid to the Parent Company on account of such subrogation rights prior to the time when all of the obligations under the Agreement shall have been paid in full, such amount shall be held by the Parent Company in trust for Seller and shall forthwith upon receipt by the Parent Company, be turned over to Seller in the exact form received by the Parent Company, to be applied against the obligations in such order as Seller may determine.

- 6 As separate and primary obligations, the Parent Company shall indemnify and hold Seller harmless against all costs, liabilities, losses, and/or damages resulting from or arising out of Buyer's breach of its obligations, and/or the Parent Company's failure to perform with respect to or breach of this Parent Company Guarantee or the unenforceability of the Parent Company's obligations hereunder.
- 7 All payments by the Parent Company hereunder shall be made free and clear of, and without deduction for or on account of any taxes, except to the extent that the Parent Company is required to make any such payment subject to the deduction or withholding of any tax. If any tax or amount in respect of a tax must be deducted or withheld from any amounts payable or paid by the Parent Company, on account of or by reference to any payment by or obligation of the Parent Company hereunder, the Parent Company shall pay such additional amounts as may be necessary to ensure that Seller receives a net amount equal to the full amount which it would have received from the Parent Company had payment not been made subject to such deduction or withholding.
- 8 All taxes required to be deducted or withheld by the Parent Company from any amounts paid or payable hereunder shall be paid by the Parent Company prior to the date on which penalties attach thereto and the Parent Company shall, within 30 days of such payment being made, deliver to Seller such evidence as is reasonably available to the Parent Company that payment has been duly remitted to the appropriate taxing authority.
- 9 The Parent Company represents and warrants to Seller:
- (a) The Parent Company is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all requisite power and authority to conduct its business as now being conducted and to execute, deliver and perform its obligations under this Parent Company Guarantee;
 - (b) The execution, delivery and performance by the Parent Company of this Parent Company Guarantee has been duly authorized by all necessary corporate action on

the part of the Parent Company and this Parent Company Guarantee has been validly executed and delivered by the Parent Company;

- (c) This Parent Company Guarantee constitutes a legal, valid and binding obligation of the Parent Company;
 - (d) No authorisations, approvals or consents of any governmental or regulatory authority or agency or any other person and no filings or registrations with any governmental authority or agency are necessary for the execution, delivery or performance by the Parent Company of this Parent Company Guarantee or for the validity or enforceability thereof;
 - (e) The obligations of the Parent Company under this Parent Company Guarantee rank at least pari passu with all of its other unsecured and unsubordinated liabilities (contingent or otherwise) and its unsecured and unsubordinated obligations, except obligations that are mandatorily preferred by law;
 - (f) Neither the execution and delivery by the Parent Company of this Parent Company Guarantee, nor its compliance with, or performance of the terms and conditions of this Parent Company Guarantee will contravene the organizational documents of the Parent Company or any legal obligation or any order, writ, injunction, or decree of any court or governmental authority or will conflict with or result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, any agreement, contract or instrument to which the Parent Company is a party, except for any such conflict, breach or default that would not reasonably be expected to have a material adverse effect on the Parent Company's ability to perform its obligations under this Parent Company Guarantee; and
 - (g) There is no action, suit or proceeding at law or in equity by or before any court or arbitral tribunal now pending or, to the best of the knowledge of the Parent Company, threatened against the Parent Company which would reasonably be expected to have a material adverse effect on the Parent Company's ability to perform its obligations under this Parent Company Guarantee.
- 10 This Parent Company Guarantee shall inure to the benefit of Seller and its respective successors and assigns. Seller may at any time assign or otherwise transfer any or all of its rights hereunder to an Affiliate of Seller. The Parent Company shall not assign or transfer any or all of its obligations hereunder, but may cause others to perform its obligations hereunder.
- 11 This Parent Company Guarantee is a continuing guarantee and shall be effective as of the Effective Date of the Agreement, and remain in full force so long as Buyer has obligations to be performed by it in accordance with the Agreement and/or the Parent Company has obligations pursuant to or arising out of this Parent Company Guarantee.
- 12 The Parent Company's obligations hereunder shall not be exonerated, discharged or released by any of the following described actions, circumstance, matter or things which, but for this provision, might operate to discharge, release or otherwise exonerate the Parent Company from its obligations under this Parent Company Guarantee in whole or in part or otherwise affect such obligations, and whether or not known to the Parent Company or Seller:
- (a) any amendment, modification, extension, indulgence, time, waiver, or concession granted to Buyer, whether as to payment, time, performance, or otherwise;
 - (b) the taking, variation, renewal, or refusal or neglect to perfect or enforce the Agreement or any rights or remedies against or securities granted by Buyer;
 - (c) any legal limitation, disability, incapacity or other similar circumstances relating to Buyer;

- (d) any unenforceability, invalidity, or frustration of any obligations of Buyer to be performed by it in accordance with the Agreement, with the intent that the Parent Company's obligations hereunder shall remain in full force and this Parent Company Guarantee shall be construed accordingly as if there were no such unenforceability, invalidity, or frustration;
 - (e) any notice (including notice of the acceptance of this Parent Company Guarantee), promptness, diligence, presentment, protest and demand with respect to any of the Obligations; and/or
 - (f) the bankruptcy or insolvency of Buyer.
- 13 No failure to exercise, and no delay in exercising on the part of Seller, any right, power, or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or privilege preclude any other or further exercise thereof, or the exercise of any other right, power, or privilege. No waiver by Seller shall be effective unless it is in writing.
- 14 The rights and remedies of Seller herein provided are cumulative, and not exclusive of any rights or remedies provided by law. This Parent Company Guarantee shall not be reduced or defeated by any other compensation, which Seller receives on account of any breach, claim, liability or loss by Buyer.
- 15 If any provision of this Parent Company Guarantee is prohibited or unenforceable in any jurisdiction, such prohibition or unenforceability shall not invalidate the remaining provisions hereof, or affect the validity or enforceability of such provision in any other jurisdiction.
- 16 Terms defined in the Agreement shall have the same meanings in this Parent Company Guarantee, except as otherwise defined herein.
- 17 All notices, requests, demands and other communications that are required or may be given under this Parent Company Guarantee shall be in writing and shall be deemed to have been duly given:
- (a) when received, if personally delivered or delivered by express courier service; or
 - (b) when transmitted, if transmitted by facsimile, subject to sender's facsimile machine receiving the correct answerback report or the recipient confirming by telephone to the sender that the recipient has received the facsimile message.

A notice given in accordance with this article but received on a day other than a Business Day or after business hours in the place of receipt will be deemed to have been received on the next Business Day in that place. In each case notice shall be sent to:

(Name and address of the Parent Company)

Attention:

Telephone number:

Facsimile number

E-mail:

or such other place as the Parent Company may designate by written notice to Seller (at the notice address for Seller provided in the Agreement or otherwise advised to the Parent Company in writing by Seller).

- 18 Any notice given under or in connection with this Parent Company Guarantee shall be in English.
- 19 This Parent Company Guarantee shall be governed by, subject to, and construed and interpreted in accordance with English laws.
- 20 Any dispute between Seller and the Parent Company regarding this Parent Company Guarantee that cannot be settled amicably between them within three (3) months, shall be submitted to and finally settled by the courts of England.

Signed for and behalf of

(Name of the parent company)

Signed by: President and Attorney in Fact

Appendix C

Incident Reporting

The Seller shall advise the Buyer on a highly urgent basis by telephone if, in performing the Agreement, the Accepted Vessel is involved in any accident, casualty, collision, grounding, pollution, Oil spill to deck, fire/explosion, or any incident involving cargo loss or affecting performance of the Accepted Vessel, including alleged pollutions, touching bottom, hard contact with terminals, jetties, piers, SPM's, and failure or breakdown of the Accepted Vessel's equipment including main, auxiliary or cargo handling machinery.

The Seller should arrange for an immediate report of the incident to be sent by e-mail to the Buyer.

The contact details for telephonic and written notification of incidents shall be set out in the Specific Agreement.

Periodic follow-up reports should be e-mailed to the same address as information regarding the incident develops.

The initial notification and report should include:

- AA Name of the Vessel
- BB Date and local time incident occurred
- CC Location coordinates
- DD Type of incident
- EE Estimate of damage, extent of cargo loss and extent of any pollution
- FF Any personal injuries
- GG Effect on operations, delays to the Vessel
- HH Authorities notified
- II Degree of publicity, if any

As soon as practical, the Seller shall arrange through the Accepted Vessel's owners/operators to forward a written report by e-mail, detailing the incident, including root causes.

These reporting requirements do not relieve the Accepted Vessel's master/owner from responsibilities to provide appropriate responses to any incident specified in the foregoing and do not imply any obligation on the Seller or the Buyer either to take, or not to take, any action subsequent to the receipt of such report(s) other than those expressly covered under the terms of the Agreement.