



ADNOC GLOBAL TRADING LTD

General Terms & Conditions for International Sales
and Purchases of Crude Oil and Refined Products

the 1990s, the number of people in the UK who are employed in the public sector has increased from 10.5 million to 12.5 million (12% of the population).

There are a number of reasons for this increase. One is that the public sector has become a more important part of the economy. Another is that the public sector has become more efficient. A third is that the public sector has become more attractive to workers. A fourth is that the public sector has become more competitive.

The public sector has become a more important part of the economy because it provides a range of services that are essential for the well-being of the population. These services include health care, education, and social care. The public sector has also become more efficient because of the introduction of new technologies and the reorganisation of services.

The public sector has become more attractive to workers because it offers a range of benefits that are not available in the private sector. These benefits include a pension scheme, a sick leave scheme, and a flexible working arrangement. The public sector has also become more competitive because of the introduction of competition in a number of areas.

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PART 1

FOB DELIVERIES

1. Delivery

The Crude Oil or Product shall be delivered by the Seller to the Buyer, in bulk FOB at the Loading Terminal.

2. Measurement and sampling, independent inspection and certification

2.1 Measurement and Sampling

- (a) Measurement of the quantities and the taking of samples and analysis for the purposes of determining the compliance of the Crude Oil or Product with the quality and quantity provisions of the Sales Confirmation shall be carried out in the following manner:
- (i) where the Loading Terminal is operated by the Seller or the Seller's Affiliate, by the Loading Terminal's own qualified inspector in accordance with the good standard practice at the Loading Terminal at the time of shipment, except where the Buyer and the Seller jointly agree to an independent inspector in which case, by the independent inspector in accordance with the good standard practice at the Loading Terminal. All charges of the independent inspector shall be shared equally between the Parties and the inspector's report shall be made available to both Parties or
 - (ii) where the Loading Terminal is not operated by the Seller or the Seller's Affiliate and if jointly agreed upon by the Buyer and the Seller, by an independent inspector in accordance with the good standard practice at the Loading Terminal at the time of shipment. All charges of the independent inspector shall be shared equally between the Parties and the inspector's report shall be made available to both Parties. The Seller shall use reasonable endeavours to enable the independent inspector so appointed to have full access to the facilities at the Loading Terminal necessary to perform his duties; or
 - (iii) should the Parties fail to agree upon an independent inspector, or should the Loading Terminal refuse access to any independent inspector appointed by the Parties, then by the Loading Terminal's own qualified inspector in accordance with the good standard practice at the Loading Terminal at the time of shipment. In the event that the Loading Terminal does not refuse access but the Parties fail to agree upon the appointment of an independent inspector, if required by the Buyer, the Seller shall allow the Buyer or its appointed representative to witness, but not to undertake, the measurement of quantity and the drawing of any samples and the laboratory analysis of those samples. Full details of the Buyer's representative shall be notified in writing to the Seller in advance. All charges relating to the Buyer's representative shall be solely for the Buyer's account and shall be considered solely as a service to the Buyer.

2.2 Certificates of Quantity and Quality

- (a) Provided always the certificates of quantity and quality (or such other equivalent documents as may be issued at the Loading Terminal) of the Crude Oil or Product comprising the cargo are issued in accordance with Section 2.1 and this Section 2.2(a), then they shall, except in cases of manifest error or fraud, be used for invoicing purposes and the Buyer shall be obliged to make payment in full in accordance with Section 53 but without prejudice to the rights of either Party to make any claim pursuant to Section 50.

- (b) Any certificate of quantity and quality issued by an independent inspector pursuant to Section 2.1 shall record that the independent inspector did witness, or himself undertook, the taking of samples, the analysis of such samples and the measurement of quantity. For the avoidance of doubt, the Parties agree that a certificate of quantity and quality countersigned by an independent inspector confirming these matters shall be a certificate of quantity and quality for the purposes of Section 2.2(a).
- (c) In the event that the independent inspector did not undertake or did not witness the measurement of quantity, the taking of samples or the analysis of such samples then the certificate of quantity and quality issued or countersigned by him must expressly reflect this and it will not, in these circumstances, be a certificate of quantity and quality for the purposes of Section 2.2(a) but merely evidence of those matters undertaken or witnessed by the independent inspector.

2.3 Place of Certification

Where it is not customary practice at the Loading Terminal at the time of shipment for measurement and sampling pursuant to Section 2.1 to take place at the Vessel's permanent hose connection immediately prior to loading, then it is a condition of the Agreement that the Seller shall be obliged to provide the same quantity and quality of the Crude Oil or Product at the Vessel's permanent hose connection at the Loading Terminal as set out in the certificates of quantity and quality so issued.

3. Risk and property

Notwithstanding any right of the Seller to retain the documents referred to in Section 53 until payment, the risk and property in the Crude Oil or Product delivered under the Agreement shall pass to the Buyer as the Crude Oil or Product passes the Vessel's permanent hose connection at the Loading Terminal.

4. Laydays

4.1 The Laydays shall be the day or range of days in which:

- (a) the Buyer's nominated Vessel must tender NOR at the Loading Terminal pursuant to Section 6.1; and
- (b) the Seller shall have a sufficient quantity of the Crude Oil or Product deliverable under the Agreement available at the Loading Terminal so as to enable loading to commence and continue on an uninterrupted basis pursuant to Section 6.2.

4.2 The Laydays shall be:

- (a) as specified in the Sales Confirmation; or
- (b) established in accordance with the procedures specified in the Sales Confirmation; or

- (c) where such Laydays cannot be ascertained by reference to Sections 4.2(a) or 4.2(b) as notified by the Seller to the Buyer by not later than either:
 - (i) the date twelve (12) days prior to the first day of the Laydays so notified; or
 - (ii) the twentieth (20th) day of the month preceding the first month in which the Laydays fall,whichever is the later.

4.3 The Laydays established in accordance with Sections 4.2(b) or 4.2(c) shall, unless otherwise specifically agreed between the Parties, fall entirely within any delivery period specified in the Sales Confirmation.

4.4 Where the Laydays are to be established in accordance with Section 4.2(c), the Buyer may notify the Seller of its preferred Laydays at any time prior to the date of the Seller's notice given pursuant to such Section. The Seller shall notify its supplier of such preferred Laydays provided always that the Seller shall not be under any obligation whatsoever to provide such Laydays.

5. Nomination of Vessels

5.1 Full Cargo Lots and Part Cargo Lots

Unless otherwise provided in the Sales Confirmation, delivery hereunder shall be given and taken in Full Cargo Lots or Part Cargo Lots at the Buyer's option but subject always to the prior agreement of the Loading Terminal operator.

5.2 Nomination of Vessel

- (a) Each Vessel which is to load the Crude Oil or Product shall be nominated in writing by the Buyer to the Seller. Such notice shall specify:
 - (i) the name of the Vessel, date built, summer deadweight and cargo tank capacity excluding slop tanks and flag;
 - (ii) the grade and approximate quantity of Crude Oil or Product to be loaded;
 - (iii) the ETA of the Vessel;
 - (iv) the destination of the Vessel;
 - (v) the length of the Vessel and such other information about the Vessel as may be required by the Loading Terminal operator from time to time;
 - (vi) full written instructions regarding the particulars and destination of the bills of lading and such other customary Loading Terminal documentation which may be required, (and for the avoidance of doubt, (i) the Buyer shall be liable for all costs resulting from any delays in loading the Crude Oil or Product due to failure by the Buyer to supply such information in a timely manner, and (ii) any such delays shall not count as used Laytime or, if the Vessel is on demurrage, as time on demurrage); and

- (vii) details, where known, of any cargo on board or to be laden on board if loading a Part Cargo Lot.
- (b) The nomination shall not be effective unless it is received by the Seller not later than either (1) five (5) days for Products or (2) eight (8) days for Crude Oil, prior to the first day of the Laydays. Notwithstanding the foregoing, if the nomination is received by the Seller after the above nomination deadline and is accepted by the Seller, it shall be effective but, subject to the provisions of Section 6.2(a) and Section 7 running hours allowed to the Seller for the loading of the Crude Oil or Product shall not commence until such time as the Vessel has actually commenced loading. In the event that the Agreement is entered into after the nomination deadline but prior to the first day of the Laydays then the nomination must be received by the Seller as soon as practically possible.

5.3 Vessel requirements

- (a) The Vessel nominated by the Buyer to the Seller shall comply with:
 - (i) all Applicable Law at the Loading Terminal; and
 - (ii) the applicable requirements set out in Schedule 5.

5.4 Substitution of Vessels

- (a) In respect of any Vessel named in the nomination, the Buyer may, or if necessary to perform its obligations under the Agreement must, substitute another Vessel, provided always that:
 - (i) the size of the substitute Vessel and the quantity to be loaded shall not, without the prior written consent of the Seller, differ materially from the size of the Vessel previously named and the quantity specified in the nomination;
 - (ii) the Laydays which would have applied in respect of the Vessel originally nominated shall apply to the substitute Vessel; and
 - (iii) the Buyer shall give to the Seller notice in writing of the substitution:
 - (A) within one (1) Business Day of fixing such Vessel "sub-details" or upon receiving notice of an alternative Vessel, but in any event not later than the ETA of the substitute Vessel or the ETA of the Vessel originally nominated, whichever is the earlier; and
 - (B) shall include in the notice of substitution all the information listed in Section 5.2(a) in respect of the proposed substitute Vessel.

5.5 ETA

The Buyer or its representative shall notify the Seller or its representative of any change or changes in the ETA notified pursuant to Sections 5.2(a)(iii) or 5.4(a)(iii), but the Laydays shall be revised only with the Seller's specific written agreement. The giving or withholding of such agreement shall be at the absolute discretion of the Seller.

5.6 Rejection of nominations and Vessels

- (a) The Seller shall give notice accepting or rejecting any Vessel nominated by the Buyer within one (1) Business Day of receipt of the Buyer's nomination.
- (b) Notwithstanding anything to the contrary express or implied elsewhere herein, the Seller shall have the right (which right may only be exercised prior to the passing of property of the Crude Oil or Product):
 - (i) to reject any nomination made by the Buyer pursuant to Sections 5.2 or 5.4 on any reasonable grounds;
 - (ii) to refuse, on any reasonable grounds, to accept for berthing or loading any Vessel named pursuant to Sections 5.2 or 5.4; and
 - (iii) to reject the Vessel in question, notwithstanding any prior acceptance of such Vessel, on any reasonable grounds if such Vessel is involved in any incident or more recent information regarding such Vessel becomes available to the Seller at any time after such prior acceptance.
- (c) Without derogating from any other reasonable grounds that may be available to the Seller, reasonable grounds shall include if the Vessel:
 - (i) is determined by the Seller to be unacceptable under the Seller's Ship Vetting Policy;
 - (ii) does not comply with all Applicable Law at the Loading Terminal; and
 - (iii) does not comply with the applicable requirements set out in Schedule 5.

5.7 Consequences of rejection

- (a) In the event of a rejection or a delay of the Vessel or other restriction suffered in respect of the Vessel by virtue of the application of any regulations or other applicable requirements of either this Section 5 or of Schedule 5 (or both):
 - (i) the Seller shall not be liable for the consequences of such rejection, delay or restriction of the Vessel, including demurrage;
 - (ii) the Buyer shall be liable for any costs or damages incurred by the Seller arising out of any such rejection of, delay to or restriction of the Vessel; and
 - (iii) the Buyer's obligations under the Agreement to nominate a suitable Vessel and to ensure that it tenders NOR at the Loading Terminal in accordance with Section 6.1(b) shall be unaffected.

5.8 Changes in procedures

Without prejudice to the Seller's obligations as set out in Section 6.3(a), this Section 5 shall be subject to modification, by written notice from the Seller to the Buyer, to take account of changes in the nomination and other procedures (or any) applicable from time to time at the Loading Terminal.

6. Arrival of Vessel, Berth and loading

6.1 Arrival of Vessel

- (a) The Buyer shall arrange for its Vessel to report to the Seller or its representative at the Loading Terminal each of 72, 48 and 24 hours prior to its arrival and otherwise in accordance with the standard reporting procedure applicable from time to time at the Loading Terminal in question. If the Buyer's Vessel fails, for any reason, to give at least 24 hours prior notice of arrival at the Loading Terminal, the time allowed to the Seller for loading pursuant to Section 7.1 shall be extended by a period equal to the delay in giving such 24 hours' notice, but in any case not exceeding an additional 24 hours.
- (b) The Buyer shall ensure that by no later than 2359 hours (local time) on the last day of the Laydays:
 - (i) the Vessel nominated by the Buyer shall arrive at the Loading Terminal in question complete all formalities and in all respects be ready to commence loading the Crude Oil or Product deliverable hereunder; and
 - (ii) NOR has been tendered.
- (c) Once NOR has been tendered pursuant to Section 6.1(b), the Buyer shall be obliged to receive delivery of the Crude Oil or Product in accordance with Section 6.2(b).

6.2 Loading

- (a) Unless otherwise agreed in writing by the Seller, the Seller shall not be under any obligation to commence loading hereunder prior to 0600 hours (local time) on the first day of the Laydays.
- (b) After receipt of the NOR pursuant to Section 6.1 the Seller, having regard to the requirements of the Loading Terminal, Loading Terminal procedures and the time when the Vessel has complied with the provisions of Section 6.1, shall commence and complete loading as soon as reasonably practicable, even if this means that loading is effected or completed outside the Laydays.

6.3 Berth

- (a) The Seller shall provide or cause to be provided free of charge to the Buyer (subject to the provisions of Sections 52.2 and 52.3) a Berth to be indicated by the Seller or its representative at which the Vessel can when fully laden safely reach and leave and where it can always lie Safely Afloat.
- (b) If, while the Vessel nominated by the Buyer is approaching, entering or departing from or is present in the Berth, the length, draught or other dimensions of such Vessel shall exceed the length, draught or other dimensions so ascertained for the Berth in question for whatever reason, the Seller shall not be liable for any loss or damage caused as a result thereof and the Seller shall not be obliged to commence or continue loading.

6.4 Vacation of Berth

The Buyer's Vessel shall vacate the Berth as soon as loading hoses have been disconnected, provided that such Vessel's departure is not delayed awaiting production of Loading Terminal documents unless such documents can be delivered to the Vessel at a suitable anchorage or an early departure procedure is applied. If the Vessel fails to vacate the Berth, unless for reasons attributable to the Seller, its supplier or the Loading Terminal operator, any loss or damage suffered by the Seller or its supplier resulting from such failure shall be paid by the Buyer to the Seller.

6.5 Berth utilisation

Notwithstanding the provisions of Section 7, if at the Loading Terminal the Seller's supplier or any Third Party (whether or not an Affiliate of the Seller) imposes on the Seller, in respect of the Buyer's Vessel, an excess Berth utilisation charge in accordance with the Loading Terminal regulations or a contractually agreed or otherwise established scale for any hours of Berth utilisation in excess of the agreed Laytime or such specified period of hours (as may be advised by the Seller to the Buyer from time to time), but does not impose such charge directly on the Buyer's Vessel itself, such charge shall be for the Buyer's account. The foregoing shall not apply where such excess Berth utilisation is caused by the Loading Terminal, the Seller or the Seller's supplier. For the avoidance of doubt, it is agreed that for the purposes of this Section any technical failure or breakdown on the part of the Vessel shall be a cause within the control of the Vessel and the Buyer.

6.6 Shifting

The Seller shall have the right to shift the Vessel from one Berth to another. All costs, including damages for delay, shall be for the Seller's account if such shifting is for the Seller's purposes and otherwise shall be for the Buyer's account.

6.7 Lightering

- (a) If the Loading Terminal requires the Buyer's Vessel to be loaded from a lighter, this shall be subject to the Buyer's Ship Vetting Policy and terminal vetting procedures. The Buyer may, on any reasonable grounds and without liability, refuse the use of such lighter for the purpose of loading its nominated Vessel.
- (b) Either Party may request to load the Vessel from lighters with such request subject to acceptance by the non-requesting Party, such acceptance not to be unreasonably withheld.
- (c) In the event of lightering required by the Loading Terminal in accordance with Section 6.7(a), or requested by the Seller in accordance with Section 6.7(b), the cost of such lightering shall be for the Seller's account. Any additional costs in excess of those provided for in Section 7 (including additional steaming or waiting time (or both)) shall be for the Seller's account.
- (d) In the event of lightering requested by the Buyer in accordance with Section 6.7(b), the cost of such lightering shall be for the Buyer's account. Any additional costs in excess of those provided for in Section 7 (including additional steaming or waiting time (or both)) shall be for the Buyer's account.

- (e) All time expended in connection with any such lightering shall count as running hours for the purposes of calculating the liability for demurrage under the provisions of Section 7.
- (f) The Seller shall notify the place of lightering to the Buyer which shall be subject to approval of the Buyer, such approval not to be unreasonably withheld. The place of lightering shall be deemed the Berth for the purposes of Sections 6 and 7 and all references therein to the Berth shall be construed accordingly.

6.8 Floating Storage and Vessel-to-Vessel

- (a) If the Loading Terminal requires the Buyer's Vessel to be loaded from a floating storage facility or other Vessel by means of Vessel-to-Vessel transfer, this shall be subject to the Buyer's Ship Vetting Policy and terminal vetting procedures. The Buyer may, on any reasonable grounds and without liability, refuse the use of such floating storage facility or other Vessel for the purpose of loading its nominated Vessel.
- (b) In the event of loading from a floating storage facility or other Vessel by means of Vessel-to-Vessel transfer being required by the Loading Terminal in accordance with Section 6.8(a), the cost of such loading shall be for the Seller's account. Any additional costs in excess of those provided for in Section 7 (including additional steaming or waiting time (or both)) shall be for the Seller's account.
- (c) In the event of loading from a floating storage facility or other Vessel by means of Vessel-to-Vessel transfer being required by the Loading Terminal in accordance with Section 6.8(a), all time expended in connection with such loading shall count as running hours for the purposes of calculating the liability for demurrage under the provisions of Section 7.
- (d) Where the Loading Terminal has required loading from a floating storage facility or other Vessel by means of Vessel-to-Vessel transfer in accordance with Section 6.8(a), the Seller shall notify the place of loading to the Buyer and which shall be subject to approval of the Buyer, such approval not to be unreasonably withheld. The place of loading shall be deemed the Berth for the purposes of Sections 6 and 7 and all references therein to the Berth shall be construed accordingly.
- (e) Notwithstanding any of the foregoing, the Seller and the Buyer may mutually agree that delivery is made by loading from a floating storage facility or other Vessel by means of Vessel-to-Vessel transfer, in which case: (i) the place of loading shall be deemed the Berth for the purposes of Sections 6 and 7 and all references therein to the Berth shall be construed accordingly; and (ii) all time expended in connection with such loading shall count as running hours for the purposes of calculating the liability for demurrage under the provisions of Section 7.

6.9 Lightering, Floating Storage and Vessel-to-Vessel Approval

- (a) Any lighter, floating storage facility or Vessel involved in lightering, loading from floating storage or Vessel-to-Vessel transfer operation, as applicable, must be acceptable to both the Seller and the Buyer and remain acceptable throughout such operation under the Parties' respective Ship Vetting Policies.
- (b) The provider of any lightering, loading from floating storage or Vessel-to-Vessel transfer services must be acceptable to both the Seller and the Buyer.

6.10 Lightering, Floating Storage and Vessel-to-Vessel Procedures

Any lightering, loading from floating storage, or Vessel-to-Vessel transfer operations shall be carried out in accordance with the procedures set out in the ICS/OCIMF Ship-to-Ship transfer guides and MARPOL Annex I as amended by Resolution MEPC.186 (59), Chapter 8: Prevention of Pollution during Transfer of Oil Cargo between Oil Tankers at Sea, Regulations 40, 41, 42 for the transfer of Crude Oil and Petroleum Products or any modifications thereto.

6.11 Imposts, fees, charges and dues at the Loading Terminal

All imposts, fees, charges (including pilotage, mooring and towage expenses) and dues (including quay dues) in respect of the Vessel (not the Crude Oil or Product) incurred at the Loading Terminal shall be for the Buyer's account.

7. Time allowed, delays and demurrage

7.1 Time allowed

(a) Unless provided otherwise in the Sales Confirmation, the time allowed to the Seller for the loading of the quantity of the Crude Oil or Product deliverable hereunder to each Vessel shall be:

- (i) in the case of Vessels of 15,000 tons summer deadweight or less, 24 running hours; or
- (ii) in all other cases, 36 running hours;

all days and holidays shall be included unless loading on the day or holiday in question is prohibited by Applicable Law at the Loading Terminal.

7.2 Running hours

(a) Save as otherwise provided in this Section 7.2 or elsewhere in the Sales Confirmation, running hours shall commence Berth or no Berth 6 hours after NOR is tendered, or on commencement of loading, whichever is the earlier, provided always that (i) the Buyer has complied with Section 6.1(a), and (ii) such NOR is given in accordance with the provisions of Section 6.1(b).

(b) If NOR is given for the Vessel before the first day of the Laydays, running hours shall commence at 0600 hours on the first day of the Laydays or on commencement of loading, whichever is the earlier. If NOR is given for the Vessel after the last day of the Laydays and is accepted for loading by the Seller in its sole and absolute discretion, then, without prejudice to any of the Seller's other rights, running hours shall commence only on commencement of loading.

(c) For the purposes of calculating running hours, which shall include any time spent lightering or loading from a floating storage facility or Vessel-to-Vessel transfer, loading shall be deemed to be completed upon disconnection of loading hoses. However, time shall recommence 2 hours after disconnection of hoses if the Vessel is delayed in its departure due to the Seller's or the Seller's supplier's purposes and shall continue until the termination of such delay.

- (d) Any delay arising out of or in connection with any of the following situations shall not be counted or included in calculating the time taken by the Seller to load the Crude Oil or Product or the time in respect of which the Seller is liable for demurrage (whether or not the Vessel is already on demurrage):
- (i) awaiting free pratique, tugs, tides, pilot or daylight;
 - (ii) inward passage until the Vessel is securely moored at the Berth and its gangway, if it is to be used, is in place;
 - (iii) adverse weather or sea state;
 - (iv) preparing for and handling or shifting of ballast, bilges, slops or other substances or bunkering unless concurrent with cargo operations;
 - (v) restrictions imposed by the owner, charterer or Master of the Vessel;
 - (vi) any breakdown of the Vessel's equipment or failure to comply with the requirements of the Loading Terminal with respect to equipment aboard or any other matter causing delay or restriction to loading operations;
 - (vii) cleaning of the Vessel's cargo tanks;
 - (viii) inspection of the Vessel's cargo tanks (not including inspection of the Crude Oil or Product);
 - (ix) time spent complying with any of the regulations and other requirements referred to in Section 5;
 - (x) any other delay attributable to the Vessel, the Buyer or agents of the Buyer;
 - (xi) any onboard strike by members of the crew.
- (e) Notwithstanding the provisions of Section 55, any delay in loading by reason of a labour dispute, strike, lock out or industrial disturbance of any shoreside workmen essential to loading, shall count as one half Laytime or, if the Vessel is on demurrage, at one half of the demurrage rate provided always that the cause of the delay was not within the reasonable control of the Seller.

7.3 Delays

- (a) If the Crude Oil or Product is not loaded within the time allowed in accordance with Section 7.1, the time so allowed shall be extended by the excess time but (subject always to Section 6.2(b)) the Seller shall pay to the Buyer demurrage, in the same currency as is prescribed for payment for the Crude Oil or Product delivered under the Agreement, in respect of the excess time at the appropriate rate per day (or pro rata for part of a day) as hereinafter specified. The Seller shall not be liable (other than for demurrage as aforesaid) for any loss or damage, direct or indirect, which the Buyer may suffer as a result of the Crude Oil or Product not being loaded within the time allowed in accordance with Section 7.1.

- (b) The appropriate rate of demurrage shall be:
- (i) the applicable rate specified in the Sales Confirmation; or
 - (ii) where there is no rate specified in the Sales Confirmation, the applicable charterparty rate; or
 - (iii) where there is no charterparty rate, the market rate current on the date running hours commence as aforesaid for a Vessel of the size and type used for a single voyage charter from the Loading Terminal to the Buyer's Discharge Terminal. If the Parties fail to agree within thirty (30) days of any claim being made upon such rate, then at the instance of either Party, such rate shall be determined by The London Tanker Brokers Panel Ltd. (or its successors in title), whose decision thereon shall be final and binding and whose costs shall be paid for by the applicant.
- (c) In no event shall the Seller be liable for demurrage unless the demurrage claim has been received by the Seller in writing within forty-five (45) days of the date of disconnection of loading hoses, stating in reasonable detail the specific facts upon which the claim is based, provided that any supporting documentation which is not at that time available to the Buyer shall be received by the Seller within ninety (90) days of the date of disconnection of loading hoses. If the Buyer fails to give such notice or fails to provide such documentation within the aforesaid limits, then any liability of the Seller for demurrage shall be extinguished.
- (d) Notwithstanding the provisions of this Section 7 or the charterparty (where the Sales Confirmation specifies that laytime and demurrage shall be determined in accordance with the charterparty terms and conditions), the Buyer shall not be entitled to recover demurrage from the Seller except to the extent that the Seller is able to recover and does recover such demurrage from the Seller's supplier and the Seller shall not be obliged to pay any amounts in excess thereof.
- (e) The Seller may only rely on Section 7.3(d) if, and to the extent, that:
- (i) the Seller's contractually agreed terms with the Seller's supplier include laytime and demurrage provisions so as to allow the recovery of demurrage on terms that are no worse than the Loading Terminal's usual terms; and
 - (ii) the Seller has exercised reasonable endeavours to recover from the Seller's supplier any demurrage for which the Buyer has presented a claim.

7.4 Part Cargo Lots

- (a) If delivery is given and taken as other than a Full Cargo Lot, then Sections 7.1, 7.2 and 7.3 shall apply, but for the purposes of ascertaining the appropriate rate of demurrage under Section 7.3(b) a Vessel of a summer deadweight equal to the cargo plus five (5) per cent shall be deemed to have been used. If the Parties fail to agree within thirty (30) days of any claim being made upon such appropriate rate, then at the instance of either Party, such rate shall be determined by The London Tanker Brokers Panel Ltd. (or its successors in title), whose decision thereon shall be final and binding and whose costs shall be paid for by the applicant.
- (b) If the delivery hereunder is co-loaded with the Crude Oil or Product being delivered to the Buyer by another supplier at the same Berth, the Seller shall only be liable for that proportion of the demurrage equal to the ratio of the volume delivered by the Seller to the total volume loaded onto the Vessel at that Berth.

PART 2

CFR AND CIF DELIVERIES

8. Delivery

The Crude Oil or Product shall be delivered by the Seller to the Buyer in bulk at the Loading Terminal and shipped by the Seller CFR or CIF (as applicable) to the Discharge Terminal.

9. Measurement and sampling, independent inspection and certification

9.1 Measurement and sampling

- (a) Measurement of the quantities and the taking of samples and analysis for the purposes of determining the compliance of the Crude Oil or Product with the quality and quantity provisions of the Sales Confirmation shall be carried out in the following manner:
 - (i) where the Loading Terminal is operated by the Seller or the Seller's Affiliate, by the Loading Terminal's own qualified inspector in accordance with the good standard practice at the Loading Terminal at the time of shipment, except where the Buyer and the Seller jointly agree to an independent inspector in which case, by the independent inspector in accordance with the good standard practice at the Loading Terminal. All charges of the independent inspector shall be shared equally between the Parties and the inspector's report shall be made available to both Parties; or
 - (ii) where the Loading Terminal is not operated by the Seller or the Seller's Affiliate and if jointly agreed upon by the Buyer and the Seller, by an independent inspector in accordance with the good standard practice at the Loading Terminal at the time of shipment. All charges of the independent inspector shall be shared equally between the Parties and the inspector's report shall be made available to both Parties. The Seller shall use reasonable endeavours to enable the independent inspector so appointed to have full access to the facilities at the Loading Terminal necessary to perform his duties; or
 - (iii) should the Parties fail to agree upon an independent inspector, or should the Loading Terminal refuse access to any independent inspector appointed by the Parties, then by the Loading Terminal's own qualified inspector in accordance with the good standard practice at the Loading Terminal at the time of shipment. In the event that the Loading Terminal does not refuse access but the Parties fail to agree upon the appointment of an independent inspector, if required by the Buyer the Seller shall allow the Buyer or its appointed representative to witness, but not to undertake, the measurement of quantity and the drawing of any samples and the laboratory analysis of those samples. Full details of the Buyer's representative shall be notified in writing to the Seller in advance. All charges relating to the Buyer's representative shall be solely for the Buyer's account and shall be considered solely as a service to the Buyer.

- (b) Notwithstanding the provisions of Section 9.1(a), if prior to the nomination of such cargo by the Seller to the Buyer pursuant to Section 14 an independent inspector has already been appointed by the Seller or any Third Party in respect of the Crude Oil or Product, or, if such inspection has already been carried out, the details of which are when possible expressly stated in the relevant Sales Confirmation, then both Parties shall be bound by the results of such measurement of quantity, sampling and analysis thereof as carried out by such independent inspector to the extent set out in Section 9.2(a) below, provided always that the certificates of quantity and quality (or such other equivalent documents as may be issued at the Loading Terminal) of the Crude Oil or Product comprising the cargo are issued in accordance with Section 9.2(b) below.

9.2 Certificates of Quantity and Quality

- (a) Provided always the certificates of quantity and quality (or such other equivalent documents as may be issued at the Loading Terminal of the Crude Oil or Product comprising the cargo are issued in accordance with Sections 9.1 and 9.2(b) then they shall, except in cases of manifest error or fraud, be used for invoicing purposes and the Buyer shall be obliged to make payment in full in accordance with Section 53 but without prejudice to the rights of either Party to make a claim pursuant to Section 50.
- (b) Any certificate of quantity and quality issued by an independent inspector pursuant to Section 9.1 shall record that the independent inspector did witness, or himself undertook, the taking of samples, the analysis of such samples and the measurement of quantity. For the avoidance of doubt, the Parties agree that a certificate of quantity and quality countersigned by an independent inspector confirming these matters shall be a certificate of quantity and quality for the purposes of Section 9.2(a) above.
- (c) In the event that the independent inspector did not undertake or did not witness the measurement of quantity, the taking of samples or the analysis of such samples then the certificate of quantity and quality issued or countersigned by him must expressly reflect this and it will not, in these circumstances, be a certificate of quantity and quality for the purposes of Section 9.2(a) but merely evidence of those matters undertaken or witnessed by the inspector.

9.3 Place of Certification

Where it is not customary practice at the Loading Terminal at the time of shipment for measurement and sampling pursuant to Section 9.1 to take place at the Vessel's permanent hose connection immediately prior to loading, then it is a condition of the Agreement that the Seller shall be obliged to provide the same quantity and quality of the Crude Oil or Product at the Vessel's permanent hose connection at the Loading Terminal as set out in the certificates of quantity or quality (or both) so issued.

9.4 CFR Outturn and CIF Outturn deliveries

For the purpose of determining the compliance of the Crude Oil or Product with the quantity and quality provisions of the Sales Confirmation, quality shall be determined at the Loading Terminal in accordance with Sections 9.1 and 9.2, and quantity measurement shall be determined at the Discharge Terminal in accordance with Section 18.1(c).

9.5 Part Cargo Lots delivered CFR or CIF

Where delivery is made as an unsegregated Part Cargo Lot to the Buyer and a Third Party, the quantity determined in accordance with the foregoing shall be adjusted so that, following completion of discharge of the relevant Part Cargo Lots, the Buyer and such Third Party shall each be allocated a percentage of the total loaded quantity (determined at the Loading Terminal in accordance with the provisions of Section 9.1 above) equal to that percentage of the total quantity (determined at each Discharge Terminal in accordance with the provisions of Section 18.1) which was discharged at its Discharge Terminal. The costs of such independent inspection shall be shared equally between the Parties and the Third Party for their respective Discharge Terminals and the inspector's report shall be made available to all the relevant parties (including the Parties).

10. Risk and property

10.1 Notwithstanding any right of the Seller to retain the documents referred to in Section 53 until payment, the risk in the Crude Oil or Product delivered under the Agreement shall pass to the Buyer as the Crude Oil or Product passes the Vessel's permanent hose connection at the Loading Terminal, and property in the Crude Oil or Product shall pass:

- (a) in the case of delivery as a Full Cargo Lot, or in the case of a Part Cargo Lot where the Crude Oil or Product is separately ascertainable, as the Crude Oil or Product passes the Vessel's permanent hose connection at the Loading Terminal; or
- (b) in the case of delivery as a Part Cargo Lot where the Crude Oil or Product is not identifiable and ascertainable on board the Vessel separately from the Crude Oil or Product which is destined for receivers other than the Buyer:
 - (i) as the Crude Oil or Product passes the Vessel's permanent hose connection at the Discharge Terminal if such Part Cargo Lot is not the last Part Cargo Lot to be discharged, or
 - (ii) immediately upon completion of discharge of all other Crude Oil or Product if such Part Cargo Lot is the last Part Cargo Lot cargo to be discharged.

10.2 If the Vessel has commenced or completed loading prior to being nominated to and accepted by the Buyer pursuant to Section 14, then, notwithstanding any right of the Seller to retain the documents referred to in Section 53 until payment, the property in the Crude Oil or Product shall pass immediately upon receipt by the Seller of the Buyer's acceptance of such nomination or as the Crude Oil or Product passes the Vessel's permanent hose connection at the Loading Terminal, whichever is later and the risk in the Crude Oil or Product delivered under the Agreement shall be deemed to have passed to the Buyer as the Crude Oil or Product passes the Vessel's permanent hose connection at the Loading Terminal.

- 10.3 Subject to the Seller's rights under Section 53, and notwithstanding any other provision of the Agreement and without affecting the passing of risk, where the Agreement relates to Crude Oil or Product that has already been loaded onto a Vessel and provides for the Buyer to provide Credit Support:
- (a) property in the Crude Oil or Product shall not pass to the Buyer before such Credit Support has been provided in accordance with the Agreement; and
 - (b) such Credit Support shall be provided within two (2) Business Days of the conclusion of the Agreement, and in any event before the Crude Oil or Product is discharged.

11. Laydays and Indicative Discharge Dates

- 11.1 Where Laydays are specified in the Sales Confirmation, they shall be the day or range of days in which the Seller's nominated Vessel must tender NOR at the Loading Terminal and loading shall commence and complete as soon as reasonably practicable thereafter, even if this means loading is effected or completed outside the Laydays.
- 11.2 Where Laydays are specified in the Sales Confirmation and the Seller provides the Buyer with a date or range of dates either expressly or impliedly indicating the date or range of dates within which the Vessel shall arrive at the Discharge Terminal (the "**Indicative Discharge Date**"), this shall be indicative only. The Seller shall not assume any responsibility for the delivery of the Crude Oil or Product at the Discharge Terminal and, save as regards the calculation of Laytime and demurrage as set out in Section 16 below, the rights and obligations of the Parties shall be the same in all respects as for CFR and CIF deliveries.
- 11.3 Where no Laydays are specified in the Sales Confirmation and the Seller provides the Buyer with the Indicative Discharge Date, this shall be indicative only (provided that the Seller has ensured that the Vessel has tendered NOR at the Loading Terminal at a time consistent with arrival at the Discharge Terminal within the Indicative Discharge Date, given a reasonable assessment of the customary loading and voyage time). The Seller shall not assume any responsibility for the delivery of the Crude Oil or Product at the Discharge Terminal and, save as regards the calculation of Laytime and demurrage as set out in Section 16 below, the rights and obligations of the Parties shall be the same in all respects as for CFR and CIF deliveries.

12. Insurance

- 12.1 CFR deliveries
- (a) Neither Party shall have any obligation to the other Party to secure cargo insurance, whether against marine or other risks.

12.2 CIF deliveries

- (a) The Seller undertakes to procure and pay for insurance against marine risks to the full value of the Crude Oil or Product to be delivered under the Sales Confirmation plus ten (10) per cent. Such insurance, which shall operate from the time the Crude Oil or Product passes the Vessel's permanent hose connection at the Loading Terminal until the time the Crude Oil or Product passes the Vessel's permanent hose connection at the Discharge Terminal, shall be in accordance with the provisions of a Marine Cargo Insurance Policy subject to Bulk Oil Clauses SP 13C, or, at the Seller's option, Institute Cargo Clauses (A), and the benefit thereof shall accrue to the Buyer upon the passing of risk in the Crude Oil or Product as provided for in the Agreement.
- (b) The Seller does not undertake to procure insurance against war, strikes, riots and civil commotions risks in respect of the delivery of the Crude Oil or Product save where the Seller shall, by written notice actually received by it at least two (2) Business Days prior to the commencement of loading, have been requested by the Buyer to procure such insurance. Where, upon request as aforesaid, the Seller procures such insurance, it shall be subject to Institute War Clauses (Cargo) and Institute Strikes Clauses (Cargo) current on the date of sailing of the Vessel and the actual premium payable at the current London Market rate for the voyage to be performed ruling on the said date shall be charged to and be recoverable from the Buyer by the Seller at cost as an addition to the price in the Sales Confirmation and such addition shall then form part of such price in the Agreement.
- (c) If requested by the Buyer, the Seller shall provide the Buyer with the original certificate of insurance or broker's cover note.

12.3 Additional Vessel insurance

- (a) In all cases and notwithstanding Section 12.1, if and for so long as the voyage to the Discharge Terminal, or any seas through which the Vessel has to travel in performance of the Agreement, the Seller shall pursuant to the terms of the relevant charterparty incur additional insurance or war risk insurance premia whether at the date of the Sales Confirmation or subsequently for the Vessel's hull and machinery, protection and indemnity or cargo insurances, crew bonuses and the provision of security services for the Vessel, or any or all of them, the cost of such additional insurance or additional premia (or both) shall be paid by the Buyer to the Seller at cost in addition to the price payable pursuant to the Sales Confirmation.
- (b) The Seller reserves the right to refuse at any time:
 - (i) to direct any Vessel to undertake or to complete the voyage to the Discharge Terminal if such Vessel is required in the performance of the Agreement:
 - (A) to transit or to proceed to or to remain in waters so that the Vessel concerned 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 thereof;

- (ii) prior to the commencement of loading to direct any Vessel to undertake the voyage to the intended Discharge Terminal if such Vessel is required in the performance of the terms of the Agreement to transit waters which, in the Seller's reasonably held opinion, would involve abnormal delay; or
 - (iii) to undertake any activity in furtherance of the voyage which in the opinion of the Vessel's Master could place the Vessel, its cargo or crew at risk.
- (c) If the Seller agrees to direct a Vessel to undertake or to complete the voyage as referred to in Section 12.3(b), the Buyer undertakes to reimburse the Seller, in addition to the price payable under the Sales Confirmation, for costs incurred by the Seller in respect of any additional insurance premia (including those referred to in Section 12.2) and any other sums that the Seller may be required to pay to the Vessel's owner including any sums in respect of any amounts deductible under such Vessel owners' insurance and any other costs or expenses (or both) incurred by the Seller.

13. Charterparty conditions

13.1 Subject always to any provisions for payment and documents pursuant to Section 53.2, Section 53.11 and Section 53.12 and the terms of the Sales Confirmation, the Seller may arrange shipment under bills of lading which incorporate charterparty conditions normally in use for Vessels. Without prejudice to the generality of the foregoing, such conditions shall be deemed to include:

- (a) the provision that the Crude Oil or Product shall be pumped out of the Vessel at the Vessel's expense;
- (b) the provision that if, without prejudice to the Buyer's obligations under Section 15.3(a) at any time after loading but before commencement of discharge:
 - (i) importation of the Crude Oil or Product comprising the cargo at the port at which discharge was to have taken place is prohibited under the laws of the country in which such Crude Oil or Product was produced, or by laws, regulations, rules, directives or guidelines applied by the government of that country or any relevant agency thereof; or
 - (ii) the country, state, territory or region at which discharge was to have taken place is subject to a Trade Restriction (as defined in Section 61.2(a)(ii));

or both,

the Crude Oil or Product shall be discharged at an alternative safe Berth nominated by the Buyer which is not subject to any such prohibition or restriction and which is acceptable to the Seller (which acceptance shall not be unreasonably withheld).

13.2 If any prohibition or restriction referred to in Section 13.1(b) becomes applicable, such alternative port shall be deemed to be the Discharge Terminal stipulated under the Agreement for the Crude Oil or Product in question and all extra expenses (if any) involved in the Vessel's reaching such alternative Discharge Terminal and in the discharge of the Crude Oil or Product thereat (or either) shall be for the Buyer's account.

13.3 Without prejudice to the Buyer's obligations under Section 16, the Seller undertakes in all cases to settle freight, including deviation costs without limitation, and demurrage due to the Vessel owner.

13.4 Where the Buyer, by written instruction, specifically requests that the Seller discharge a quantity of Crude Oil or Product either:

- (a) without bills of lading being available for presentation to the Vessel's Master at the Discharge Terminal; or
- (b) at a Discharge Terminal or to a party other than that named in the bill of lading; or
- (c) that is different from the bill of lading quantity;

or any of the above, and

the Seller procures the discharge of the Crude Oil or Product in accordance with the Buyer's written instructions, then the Buyer shall indemnify and hold the Seller harmless against any liability, loss, damage or expense (including legal costs as between attorney or solicitor and client as associated expenses) which the Seller may sustain by reason of delivering or procuring the delivery of the Crude Oil or Product in accordance with the Buyer's instructions. The indemnity given by the Buyer to the Seller shall be no less in scope than the indemnity required by the Vessel owner to comply with the Buyer's request. This Section shall not be included in the scope of Sections 56 and 57.

13.5 Where the Buyer, by written instruction to the Seller, requests that the Vessel:

- (a) co-mingle different grades of cargo belonging to the Buyer;
- (b) otherwise breach the Vessel's natural segregation;
- (c) dope the cargo by introducing additives after loading;
- (d) add dye to the cargo after loading;
- (e) perform on board blending of the cargo;
- (f) carry additives/dye in drums on deck;
- (g) carry out such other cargo operation as the Buyer may reasonably require,

and always providing the Vessel is capable of performing such operations and that such operations are within the scope of the charterparty conditions, then the Buyer shall indemnify and hold the Seller harmless against any liability, loss, damage, delay or expense which the Seller may sustain by reason of complying with the Buyer's request. The indemnity given by the Buyer to the Seller shall be no less in scope than the indemnity required by the Vessel owner to comply with the Buyer's request. This Section shall not be included in the scope of Sections 56 and 57.

14. Nomination of Vessels

14.1 Full Cargo Lots and Part Cargo Lots

Unless otherwise provided in the Sales Confirmation, delivery hereunder shall be given and taken in Full Cargo Lots or Part Cargo Lots at the Seller's option.

14.2 Nomination of Vessels

- (a) The Seller shall give to the Buyer a notice of nomination of the Vessel either: (1) on or about the time the Agreement is entered into between the Seller and the Buyer; or (2) no later than (a) five (5) days for Products or (b) eight (8) days for Crude Oil (as applicable) prior to the first day of the Loading Terminal Laydays of the Vessel so nominated, whichever is the later. Such nomination shall specify:
- (i) the name of the Vessel, date built, summer deadweight and cargo tank capacity excluding slop tanks and flag;
 - (ii) the grade and approximate quantity of the Crude Oil or Product to be loaded (or the bill of lading quantity, if known);
 - (iii) the Loading Terminal Laydays or the bill of lading date (if known) and the ETA at the Discharge Terminal;
 - (iv) the length of the Vessel and its estimated (or actual, if known) sailing draught on completion of loading and any other reasonable information about the Vessel that the Discharge Terminal may require from time to time;
 - (v) the Vessel/charterer's agent at the Discharge Terminal (where known);
 - (vi) details (where known), of any other cargo on board or to be laden on board if delivery is of a Part Cargo Lot; and
 - (vii) in the case of any sales afloat, whereby the Crude Oil or Product has been or will be laden onboard (which shall include storage, and any intervening Vessel-to-Vessel transfer, as well as by way of carriage) more than one Vessel the Seller shall provide the name of each such Vessel, date built and flag.
- (b) Notwithstanding Section 14.2(a), if the nomination is received by the Buyer after the nomination deadline in Section 14.2(a) and is accepted by the Buyer, it shall be effective. In the event that the Agreement is entered into after the nomination deadline but prior to the first day of the Laydays then the nomination must be received by the Buyer as soon as practically possible.

14.3 ETA

The Seller undertakes to inform the Buyer of any changes to the ETA at the Discharge Terminal as soon as practicable after receipt thereof from its supplier or the Vessel's owner or agent and, where applicable, such information as shall be necessary so as to establish the time and place of the passing of property in the Crude Oil or Product.

14.4 The Buyer's nomination

- (a) The Buyer shall, within one (1) Business Day or such other period as may be specified in the Sales Confirmation after receipt of the Seller's nomination made pursuant to Section 14.2, notify the Seller of:
- (i) the final Discharge Terminal, if not already specified in the Sales Confirmation, when the Seller's approval thereto shall be required in writing within one (1) Business Day thereafter, such approval not to be unreasonably withheld. No change to the final Discharge Terminal so nominated or specified shall be made without the Seller's prior written acceptance which shall not be unreasonably withheld and subject always to the provisions of Section 14.10. If the Sales Confirmation provides a range within which a Discharge Terminal or port may be nominated, the Seller's approval to each port shall be required in writing within one (1) Business Day after any valid nomination, such approval not to be unreasonably withheld; and
 - (ii) full written instructions regarding the particulars and destination of the bills of lading and such other customary Loading Terminal documentation which may be required (and, for the avoidance of doubt, the Buyer shall be liable for all costs resulting from any delays in loading the Crude Oil or Product hereunder due to failure by the Buyer to supply such information in a timely manner). The Seller shall have the right to issue its own instructions if such instructions are not so provided by the Buyer.

All costs (including demurrage) arising out of any failure by the Buyer to comply with the foregoing provisions of Section 14.4 shall be for the Buyer's account.

14.5 Substitution of Vessels

- (a) In respect of any Vessel named in the nomination, the Seller may, or if necessary to perform its obligations under the Agreement must, substitute the nominated Vessel with another Vessel provided always that:
- (i) the size of the substitute Vessel and the quantity to be loaded shall not, without the prior written consent of the Buyer, differ materially from the size of the Vessel previously named and the quantity specified in the nomination; and
 - (ii) the Seller shall give to the Buyer notice in writing of the substitution:
 - (A) not less than three (3) days before the last day of the Loading Terminal Laydays of the substitute Vessel or the last day of the Loading Terminal Laydays of the Vessel originally nominated, whichever is the earlier, provided always that such substitution shall not be allowed after commencement of loading of the Vessel originally nominated unless otherwise specifically agreed between the Parties; and
 - (B) shall include in the notice of substitution given by the Seller to the Buyer all the information listed in Section 14.2(a) in respect of the proposed substitute Vessel.

14.6 Rejection of nominations and Vessels

- (a) The Buyer shall give notice accepting or rejecting any Vessel nominated by the Seller within one (1) Business Day of receipt of the Seller's nomination.
- (b) Notwithstanding anything to the contrary express or implied elsewhere, the Buyer shall have the right (which right may only be exercised prior to the passing of property) to refuse, on any reasonable grounds, to accept any Vessel named pursuant to Section 14.2(a) including any Vessel referred to in Section 14.2(a)(vii). The Buyer shall not be liable for any loss or damage, direct or indirect, which the Seller may suffer as a result of the Buyer exercising such right.
- (c) Notwithstanding any prior acceptance of a Vessel (whether named in the Sales Confirmation or nominated or substituted pursuant to Sections 14.2 or 14.5), the Buyer shall have the right (which right may only be exercised prior to the passing of property) to reject the Vessel in question on any reasonable grounds if such Vessel is involved in any incident or more recent information regarding such Vessel becomes available to the Buyer at any time after such prior acceptance.
- (d) If the facilities at the Loading Terminal in question require the Seller's Vessel to be loaded from a floating storage facility, lighter or other Vessel by means of Vessel- to-Vessel transfer, such facility shall be subject to the Buyer's Ship Vetting Policy and the Loading Terminal marine assurance procedures and the Buyer may, on any reasonable grounds and without liability, refuse the use of such facility for the purpose of loading the nominated Vessel.
- (e) Without derogating from any other reasonable grounds that may be available to the Buyer, reasonable grounds shall include if the Vessel is determined by the Buyer to be unacceptable under the Buyer's Ship Vetting Policy.

14.7 Vessel requirements

- (a) The Vessel shall comply with:
 - (i) all Applicable Law and port regulations at the Loading Terminal and at the Discharge Terminal (including any alternative or substituted Discharge Terminal under Section 14.10); and
 - (ii) the applicable requirements set out in Schedule 5.
- (b) Notwithstanding anything to the contrary express or implied in Section 15 and 16 or in this Section 14.7, if any Vessel nominated by the Seller does not comply with the foregoing provisions or any of them, the Buyer may:
 - (i) reject the Vessel when nominated or subsequently; and
 - (ii) refuse to berth or discharge the Vessel in question.

14.8 Consequences of rejection

- (a) In the event of a rejection or a delay of the Vessel or other restriction suffered in respect of the Vessel by virtue of the application of any regulations or other applicable requirements of either this Section 14 or of Schedule 5 (or both):
 - (i) the Buyer shall not be liable for the consequences of rejection of, delay to or restriction of the Vessel, including demurrage;
 - (ii) the Seller shall be liable for any costs or damages incurred by the Buyer arising out of any such rejection of, delay to or restriction of the Vessel; and
 - (iii) the Seller's obligations under the Agreement to nominate a suitable Vessel and to ensure that it tenders NOR at the Loading Terminal in accordance with Section 11 shall be unaffected.

14.9 Pumping

The Seller warrants that the Vessel will discharge her full cargo within 24 hours (or pro-rata in the case of a Part Cargo Lot) or shall maintain an average minimum discharge pressure of 100PSI at the Vessel manifold throughout the bulk discharge operation, provided shore facilities permit discharge within such time or at such pressure. Time lost as a result of the Vessel being unable to discharge the Crude Oil or Product as stated above shall not count as Laytime or time on demurrage.

14.10 Alternative or Range of Discharge Terminal

- (a) Where the Buyer exercises any Discharge Terminal options in accordance with the Sales Confirmation or Section 14.4(a)(i) where such options are also available to the Seller under the terms of the relevant charterparty:
 - (i) the price stated in the Sales Confirmation shall be adjusted by the freight differential calculated in accordance with such charterparty terms or, if the Vessel has not been voyage chartered, such rate as shall be mutually agreed between the Parties in respect of such Discharge Terminal, provided always that any delays arising out of such failure to agree shall be for the Buyer's account; and
 - (ii) the Buyer shall be liable for any additional costs incurred by the Seller, including deviation costs and costs in respect of any additional bunker consumption.

14.11 Loaded details

As soon as possible after the loading has been completed, the Seller shall, if requested to by the Buyer, notify the Buyer of the actual quantity loaded and the updated ETA of the Vessel at the Discharge Terminal.

14.12 Prompt delivery

If the date of the Agreement is later than any of the dates for notification specified in the Sales Confirmation, Section 11 or this Section 14, then both Parties shall make best efforts to complete as soon as practically possible any outstanding time limited requirements, notifications, nominations and procedures which would have preceded the date of the Agreement aforesaid.

14.13 Imposts, fees, charges and dues at the Loading Terminal

All imposts, fees, charges (including pilotage, mooring and towage expenses) and dues (including quay dues) in respect of the Vessel (not the Crude Oil or Product) incurred at the Loading Terminal shall be for the Seller's account, except for those specified in Worldscale as being for the Vessel owner's account.

15. Arrival of Vessel, Berth, discharge

15.1 Arrival of Vessel

- (a) The Seller shall arrange for its Vessel to report to the Buyer or its representative at the Discharge Terminal each of 72, 48 and 24 hours prior to its arrival and otherwise in accordance with the standard reporting procedure applicable from time to time at the Discharge Terminal.
- (b) Upon arrival of the Vessel at the Discharge Terminal or Berth and having regard to the requirements of the Discharge Terminal and Discharge Terminal procedures, the Vessel shall tender NOR.

15.2 Discharge

After tender of NOR pursuant to Section 15.1(b) the Seller, having regard to the requirements of the Discharge Terminal, Discharge Terminal procedures and the time when the Vessel has complied with the provisions of Section 15.1, shall commence and complete discharge as soon as reasonably practicable.

15.3 Berth

- (a) For the discharge of the Crude Oil or Product the Buyer shall provide or cause to be provided free of charge to the Seller (subject to the provisions of Sections 52.2 and 52.3) a Berth to be indicated by the Buyer or its representative at which the Vessel can when fully laden safely reach and leave and where it can always lie Safely Afloat.
- (b) Notwithstanding the Buyer's obligations under Section 15.3(a), where the Buyer has purchased the Crude Oil or Product on board a named Vessel, the Seller represents to the Buyer and warrants that the named Vessel can safely berth and discharge the contractual quantity of Crude Oil or Product at the Discharge Terminal regardless of whether the contractual quantity is a Full Cargo Lot or a Part Cargo Lot and irrespective of the port scheduling of the Vessel. Failure to comply with this term shall entitle the Buyer to refuse to berth the named Vessel. Any costs incurred by the Seller in providing a substitute Vessel, or lightering, or Vessel-to-Vessel transfer of the Crude Oil or Product at the Discharge Terminal including demurrage shall be for the account of the Seller.

15.4 Shifting

The Buyer shall have the right to shift the Vessel from one Berth to another. All costs, including damages for delay, shall be for the Seller's account if such shifting is for the Seller's purposes and shall otherwise be for the Buyer's account.

15.5 Lightering

- (a) If the Discharge Terminal requires the Seller's Vessel to be discharged to a lighter, this shall be subject to the Seller's Ship Vetting Policy and terminal marine assurance procedures. The Seller may, on any reasonable grounds and without liability, refuse the use of such lighter for the purpose of discharging its nominated Vessel.
- (b) Either Party may request to discharge the Vessel to lighters with such request subject to acceptance by the non-requesting Party, such acceptance not to be unreasonably withheld.
- (c) In the event of lightering required by the Discharge Terminal in accordance with Section 15.5(a) or by the Buyer in accordance with Section 15.5(b), the cost of such lightering shall be for the Buyer's account. Any additional costs in excess of those provided for in Section 16 (including additional steaming or waiting time (or both)) shall be for the Buyer's account.
- (d) In the event of lightering requested by the Seller in accordance with Section 15.5(b), the cost of such lightering shall be for the Seller's account. Any additional costs in excess of those provided for in Section 16 (including additional steaming or waiting time (or both)) shall be for the Seller's account.
- (e) All time expended in connection with any such lightering shall count as running hours for the purposes of calculating the liability for demurrage under the provisions of Section 16.
- (f) The Buyer shall notify the place of lightering to the Seller which shall be subject to approval of the Seller, such approval not to be unreasonably withheld. The place of lightering shall be deemed the Berth for the purposes of Sections 15 and 16 and all references therein to the Berth shall be construed accordingly.

15.6 Floating Storage and Vessel-to-Vessel

- (a) If the Discharge Terminal requires the Seller's Vessel to be discharged to a floating storage facility or other Vessel by means of Vessel-to-Vessel transfer, this shall be subject to the Seller's Ship Vetting Policy and terminal marine assurance procedures. The Seller may, on any reasonable grounds and without liability, refuse the use of such floating storage facility or other Vessel for the purpose of discharging its nominated Vessel.
- (b) In the event of discharging to a floating storage facility or other Vessel by means of Vessel-to-Vessel transfer being required by the Discharge Terminal in accordance with Section 15.6(a), the cost of such discharging shall be for the Buyer's account. Any additional costs in excess of those provided for in Section 16 (including additional steaming or waiting time (or both)) shall be for the Buyer's account.

- (c) In the event of discharging to a floating storage facility or other Vessel by means of Vessel-to-Vessel transfer being required by the Discharge Terminal in accordance with Section 15.6(a), all time expended in connection with such discharging shall count as running hours for the purposes of calculating liability for demurrage under the provisions of Section 16.
- (d) Where the Discharge Terminal has required discharging to a floating storage facility or other Vessel by means of Vessel-to-Vessel transfer in accordance with Section 15.6(a), the Buyer shall notify the place of discharging to the Seller which shall be subject to approval of the Seller, such approval not to be unreasonably withheld. The place of discharging shall be deemed the Berth for the purposes of Sections 15 and 16 and all references therein to the Berth shall be construed accordingly.
- (e) Notwithstanding any of the foregoing, the Seller and the Buyer may mutually agree that delivery is made by discharging to a floating storage facility or other Vessel by means of Vessel-to-Vessel transfer, in which case: (i) the place of discharging shall be deemed the Berth for the purposes of Sections 15 and 16 and all references therein to the Berth shall be construed accordingly; and (ii) all time expended in connection with such discharging shall count as running hours for the purposes of calculating the liability for demurrage under the provisions of Section 16.

15.7 Lightering, Floating Storage and Vessel-to-Vessel Approval

- (a) Any lighter, floating storage facility or Vessel involved in lightering, discharging to floating storage or Vessel-to-Vessel transfer operation, as applicable, must be acceptable to both the Seller and the Buyer and remain acceptable throughout such operation under the Parties' respective Ship Vetting Policies.
- (b) The provider of any lightering, discharging to floating storage or Vessel-to-Vessel transfer services must be acceptable to both the Seller and the Buyer.

15.8 Lightering, Floating Storage and Vessel-to-Vessel Procedures

Any lightering, discharging to floating storage, or Vessel-to-Vessel transfer operations shall be carried out in accordance with the procedures set out in the ICS/OCIMF Ship-to-Ship transfer guides and MARPOL Annex I as amended by Resolution MEPC.186 (59), Chapter 8: Prevention of Pollution during Transfer of Oil Cargo between Oil Tankers at Sea, Regulations 40, 41, 42 for the transfer of Crude Oil and Petroleum Products or any modifications thereto.

15.9 Imposts, fees, charges and dues at the Discharge Terminal

All impost, fees, charges (including pilotage, mooring and towage expenses) and dues (including quay dues) in respect of the Vessel (not the Crude Oil or Product) incurred at the Discharge Terminal shall be for the Buyer's account, except for those specified in Worldscale which shall solely be for the Vessel owners' account.

16. Time allowed, delays and demurrage

16.1 Time allowed

- (a) The time allowed to the Buyer for the discharge of the quantity of the Crude Oil or Product deliverable by each Vessel hereunder shall be:
 - (i) in the case of discharge of a Full Cargo Lot:
 - (A) in the case of Vessels of 15,000 tons summer deadweight or less, 24 running hours; or
 - (B) in all other cases, 36 running hours;
 - (ii) in the case of discharge of a Part Cargo Lot, that proportion of 24 or 36 running hours, as the case may be, which the quantity of the Crude Oil or Product in the Part Cargo Lot, plus five (5) per cent, bears to the total quantity of Crude Oil or Product loaded on the Vessel at the Loading Terminal.

all days and holidays shall be included unless discharging on the day or holiday in question is prohibited by law or regulation at the Discharge Terminal.

16.2 Running hours

- (a) Subject as otherwise provided in this Section 16.2, or elsewhere in the Sales Confirmation, running hours shall commence, Berth or no Berth, 6 hours after NOR is tendered or on commencement of discharge, whichever is the earlier. For the purposes of calculating running hours, which shall include any time spent lightering or discharging to a floating storage facility or Vessel-to-Vessel transfer, discharge shall be deemed to be completed upon disconnection of discharging hoses.
- (b) Time shall cease to run upon final disconnection of discharging hoses after completion of discharge of the cargo. However, time shall recommence 2 hours after disconnection of hoses if the Vessel is delayed in its departure due to the Buyer's or the Buyer's receiver's purposes and shall continue until the termination of such delay.
- (c) Any delay arising out of or in connection with any of the following situations shall not be counted or included in calculating the time taken by the Buyer to discharge the Crude Oil or Product or the time in respect of which the Buyer is liable for demurrage (whether or not the Vessel is already on demurrage):
 - (i) awaiting free pratique, tugs, tides, pilot or daylight;
 - (ii) inward passage until the Vessel is securely moored at the Berth and its gangway, if it is to be used, is in place;
 - (iii) preparing for and handling or shifting of ballast, bilges, slops or other substances or bunkering unless concurrent with cargo operations;

- (iv) restrictions imposed by the Vessel's owner, charterer or Master of the Vessel;
 - (v) any breakdown of the Vessel's equipment or failure to comply with the requirements of the Discharge Terminal with respect to equipment aboard or any other matter causing delay or restriction to discharge operations;
 - (vi) time spent complying with any of the regulations and other requirements referred to in Section 14.7;
 - (vii) any other delay attributable to the Vessel, the Seller or agents of the Seller;
 - (viii) any onboard strike by members of the crew.
- (d) Notwithstanding the provisions of Section 55, any delay in discharge of the Crude Oil or Product by reason of a trade or labour dispute, strike, lock out or industrial disturbance of any shoreside workmen essential to the discharge shall count as one half Laytime or, if the Vessel is on demurrage, at one half of the demurrage rate provided always that the cause of the delay was not within the reasonable control of the Buyer.

16.3 Delays

- (a) If the Crude Oil or Product is not discharged within the time allowed in accordance with Section 16, the Buyer shall pay to the Seller demurrage, in the same currency as is prescribed for payment of the Crude Oil or Product delivered under the Agreement, in respect of the excess time at the appropriate rate per day (or pro rata for part of a day) as hereinafter specified, always provided that, if by reason of her own deficiencies the Vessel cannot maintain an average pumping rate as specified in Section 14.9 from the time of commencing pumping, any additional time used solely by reason of such deficiencies shall be deducted in calculating the time (if any) in respect of which the Buyer is liable for demurrage as herein provided. The Buyer's liability as to Laytime and demurrage shall be absolute and not subject to qualification by the provisions of Section 55 but in the event of delay directly attributable to:
- (i) adverse weather or sea state conditions; or
 - (ii) the breakdown or failure of equipment, plant or machinery at the Discharge Terminal (not resulting from want of due diligence by the Buyer and always provided that the Vessel is not already on demurrage),
- the rate of demurrage shall be reduced by one half for the period of such delay.
- (b) The appropriate rate of demurrage shall be:
- (i) the rate, if any, specified in the Sales Confirmation; or
 - (ii) the applicable charterparty rate; or

- (iii) where there is no charterparty rate, the market rate current on the date running hours commence as aforesaid for a Vessel of the size and type used for a single voyage charter from the Loading Terminal to the Discharge Terminal. If the Parties fail to agree within thirty (30) days upon such rate, then at the instance of either Party the question shall be referred to and determined by The London Tanker Brokers Panel Ltd. (or its successors in title), whose decision thereon shall be final and binding and whose costs shall be paid for by the applicant.
- (c) In no event shall the Buyer be liable for demurrage unless the demurrage claim has been received by the Buyer in writing within ninety (90) days of the date of disconnection of discharging hoses, stating in reasonable detail the specific facts upon which the claim is based, provided that any supporting documentation which is not at that time available to the Seller shall be received by the Buyer within one hundred and twenty (120) days of the date of disconnection of discharging hoses. If the Seller fails to give such notice or fails to provide such documentation within the aforesaid limits, then any liability of the Buyer for demurrage shall be extinguished.

16.4 Time allowed and damages for delay under CIF and CFR Indicative Discharge Date contracts

- (a) Should the Vessel tender NOR at the Discharge Terminal within the Indicative Discharge Date given by the Seller then the time allowed and damages for delay shall be computed in all respects in accordance with Section 16.3.
- (b) Should the Vessel tender NOR at the Discharge Terminal prior to the Indicative Discharge Date given by the Seller, then notwithstanding Section 16.3, running hours shall commence at 0001 hours on the earliest Indicative Discharge Date or on commencement of discharge, whichever is the earlier.
- (c) Should the Vessel tender NOR at the Discharge Terminal after the Indicative Discharge Date given by the Seller, then Section 16.2(a) shall be modified to the extent that running hours shall commence Berth or no Berth 36 (thirty six) hours after NOR is given or on commencement of discharge, whichever is the earlier. Save as aforesaid, Section 16.3 shall apply in full.

16.5 Vessel Owner Charges

Notwithstanding any other provision of this Section 16, where the Seller is required by the Vessel Owner to pay demurrage or detention charges or similar in relation to their charter of the Vessel in advance of final discharge then the Buyer shall be obliged to pay the Seller's demurrage, detention or other similar sums due under the Agreement for the same time period covered by the Seller's intended payment within seven (7) days of the Seller providing the Buyer with a copy of the relevant invoice received by the Seller and the Seller's calculation of such amount to be paid by the Buyer.

16.6 Crude Oil washing

Cargo stripping up to a maximum of three (3) hours and any discharging time used for Crude Oil washing in excess of any time used to comply with MARPOL regulations shall count as Laytime, or if the Vessel is on demurrage, as demurrage.

PART 3

DAP DELIVERIES

17. Delivery

Subject to the provisions of the Agreement, the Crude Oil or Product shall be delivered by the Seller to the Buyer, in bulk DAP at the agreed Discharge Terminal.

18. Measurement and sampling, independent inspection and certification

18.1 Measurement and sampling

- (a) Measurement of the quantities and the taking of samples and analysis thereof for the purposes of determining the compliance of the Crude Oil or Product with the quality and quantity provisions of the Sales Confirmation shall be carried out at the Discharge Terminal at the time of discharge by an independent inspector identified in the Sales Confirmation or separately agreed between the Seller and the Buyer. The taking of samples and analysis thereof shall be carried out in accordance with the good standard practice at the Discharge Terminal at the time of discharge. All charges of the independent inspector shall be shared equally between the Parties and the inspector's certificates of quality and quantity shall be made available to both Parties. The Buyer shall use reasonable endeavours to enable the independent inspector to have full access to the facilities at the Discharge Terminal necessary to enable him to perform his duties.
- (b) Should the Parties fail to agree upon an independent inspector, or should the Discharge Terminal refuse access to any independent inspector appointed by the Parties then the measurement and sampling shall be carried out by the Discharge Terminal's own qualified inspector in accordance with the good standard practice at the Discharge Terminal at the time of discharge. In the event that the Discharge Terminal does not refuse access but the Parties fail to agree upon the appointment of an independent inspector, if required by the Seller the Buyer shall allow the Seller or its appointed representative to witness, but not to undertake, the measurement of quantity and the drawing of any samples and the laboratory analysis of those samples. Full details of the Seller's representative shall be notified in writing to the Buyer in advance. All charges relating to the Seller's representative shall be solely for the Seller's account and shall be considered solely as a service to the Seller.
- (c) The independent inspector shall for the purpose of determining the quantity of the Crude Oil or Product proceed as follows:
 - (i) where the Crude Oil or Product is delivered from the Seller's Vessel directly into static shore tanks (that is shore tanks to or from which no Crude Oil or Product is being pumped other than the Crude Oil or Product being delivered hereunder) the gross quantity of the Crude Oil or Product so delivered shall be determined by the independent inspector by reference to Discharge Terminal meter measurements taken or witnessed by the independent inspector in accordance with API MPMS Chapter 5. Meters shall be proved prior to discharge by or in the presence of the independent inspector in accordance with API MPMS Chapter 4. Where metering facilities are not available, or where in the opinion of the independent inspector the meters did not perform in accordance with API MPMS Chapter 5, or where the meters were not proven prior to discharge in accordance with API MPMS Chapter 4, the gross quantity of the Crude Oil or Product delivered hereunder shall be determined by reference to shore tank gaugings taken or witnessed by the independent inspector in accordance with API MPMS Chapter 3; or

- (ii) where the Crude Oil or Product is delivered from the Seller's Vessel directly into active shore tanks (that is shore tanks where Crude Oil or Product is being pumped out of the tank during the discharge of the Crude Oil or Product hereunder) and where no correctly functioning or proven Discharge Terminal meters are available in accordance with Section 18.1(c)(i), the gross quantity of the Crude Oil or Product delivered hereunder shall be determined by the independent inspector by reference to the Vessel's discharged figures as adjusted by its Vessel Experience Factor ("VEF") in accordance with VEF Addendum to API MPMS Chapter 17.1.

18.2 Certificates of Quantity and Quality

- (a) Provided always the certificates of quantity and quality (or such other equivalent documents as may be issued at the Discharge Terminal) of the Crude Oil or Product comprising the cargo are issued in accordance with Section 18.1 and Section 18.2(b) then they shall, except in cases of manifest error or fraud, be used for invoicing purposes and the Buyer shall be obliged to make payment in full in accordance with Section 53 but without prejudice to the rights of either Party to make a claim pursuant to Section 50.
- (b) Any certificate of quantity and quality issued by an independent inspector pursuant to Section 18.1(a) shall record that the independent inspector did witness, or himself undertook, the taking of samples, the analysis of such samples and the measurement of quantity. For the avoidance of doubt, the Parties agree that a certificate of quantity and quality countersigned by an independent inspector confirming these matters shall be a certificate of quantity and quality for the purposes of Section 18.2(a) above.
- (c) In the event that the independent inspector did not undertake or did not witness the measurement of quantity, the taking of samples or the analysis of such samples then the certificate of quantity and quality issued or countersigned by him must expressly reflect this and it will not, in these circumstances, be a certificate of quantity and quality for the purposes of Section 18.2(a) but merely evidence of those matters undertaken or witnessed by the inspector.

19. Risk and property

The risk and property in the Crude Oil or Product delivered under the Agreement shall pass to the Buyer as the Crude Oil or Product passes the Vessel's permanent hose connection at the Discharge Terminal.

20. Laydays

- 20.1 The Laydays shall be the day or range of days in which the Seller's nominated Vessel must tender NOR at the Discharge Terminal pursuant to Section 22.
- 20.2 The Laydays shall be either:
 - (a) as specified in the relevant Sales Confirmation; or
 - (b) established in accordance with the procedures specified in the Sales Confirmation.

21. Nomination of Vessels

21.1 Full Cargo Lots and Part Cargo Lots

Unless otherwise provided in the Sales Confirmation, delivery hereunder shall be given and taken in Full Cargo Lots or Part Cargo Lots at the Seller's option.

21.2 Nomination of Vessels

- (a) The Seller shall give to the Buyer a notice of nomination of the Vessel either: (1) on or about the time the Agreement is entered into between the Seller and the Buyer; or (2) no later than (a) five (5) days for Products or (b) eight (8) days for Crude Oil (as applicable) prior to the first day of the Laydays of the Vessel so nominated, whichever is the later. Such nomination shall specify:
- (i) the name of the Vessel, date built, summer deadweight and cargo tank capacity excluding slop tanks and flag;
 - (ii) the grade and approximate quantity to be loaded (or the bill of lading quantity, if known);
 - (iii) the ETA at the Discharge Terminal;
 - (iv) the length of the Vessel and its estimated (or actual, if known) sailing draught on completion of loading;
 - (v) the Vessel/charterer's agent at the Discharge Terminal (where known);
 - (vi) details (where known), of any other cargo on board or to be laden on board if delivery is of a Part Cargo Lot; and
 - (vii) in the case of any sales afloat whereby the Crude Oil or Product has been or will be laden onboard (which shall include storage, and any intervening Vessel-to-Vessel transfer, as well as by way of carriage) more than one Vessel the Seller shall provide the name of each such Vessel, date built and flag.
- (b) The Seller undertakes to inform the Buyer of any changes to the ETA advised pursuant to Section 21.2(a)(iii) as soon as practicable after receipt thereof from its supplier or the Vessel's owner or agent.
- (c) Notwithstanding Section 21.2(a), if the nomination is received by the Buyer after the nomination deadline in Section 21.2(a) and is accepted by the Buyer, it shall be effective. In the event that the Agreement is entered into after the deadline but prior to the first day of the Laydays then the nomination must be received by the Buyer as soon as practically possible.

21.3 The Buyer's nomination

- (a) The Buyer shall, within one (1) Business Day or such other period as may be specified in the Sales Confirmation after receipt of the Seller's nomination made pursuant to Section 21.2, notify the Seller of:

- (i) the final Discharge Terminal, if not already specified in the Sales Confirmation, when the Seller's approval thereto shall be required in writing within one (1) Business Day thereafter, such approval not to be unreasonably withheld. No change to the final Discharge Terminal so nominated or specified shall be made without the Seller's prior written acceptance which shall not be unreasonably withheld and subject always to the provisions of Section 21.9; and
 - (ii) if the Sales Confirmation provides a range within which a Discharge Terminal or ports may be nominated, the Seller's approval to each port shall be required in writing within one (1) Business Day after any valid nomination, such approval not to be unreasonably withheld.
- (b) All costs (including demurrage) arising out of any failure by the Buyer to comply with the foregoing shall be for the Buyer's account.

21.4 Substitution of Vessels

- (a) In respect of any Vessel named in the nomination, the Seller may, or if necessary to perform its obligations under the Agreement must, substitute the nominated Vessel with another Vessel, provided always that:
- (i) the size of the substitute Vessel and the quantity to be loaded shall not without the prior written consent of the Buyer differ materially from the size of the Vessel previously named and the quantity specified in the nomination; and
 - (ii) the Seller shall give to the Buyer notice in writing of the substitution:
 - (A) not less than three (3) days before the ETA of the substitute Vessel or the ETA of the Vessel originally nominated, whichever is the earlier; and
 - (B) shall include in the notice of substitution all the information listed in Section 21.2(a) in respect of the proposed substitute Vessel.

21.5 Rejection of nominations and Vessels

- (a) The Buyer shall give notice accepting or rejecting any Vessel nominated by the Seller within one (1) Business Day of receipt of the Seller's nomination.
- (b) Notwithstanding anything to the contrary express or implied elsewhere, the Buyer shall have the right (which right may only be exercised prior to the passing of property hereunder):
- (i) to reject any nomination made by the Seller pursuant to Sections 21.2 and 21.4 or on any reasonable grounds;
 - (ii) to refuse, on any reasonable grounds, to accept for discharge any Vessel named pursuant to Sections 21.2 or 21.4; and

- (iii) to reject the Vessel, notwithstanding any prior acceptance of a Vessel (whether named in the Sales Confirmation or nominated or substituted pursuant to Sections 21.2 or 21.4), on any reasonable grounds if such Vessel is involved in any incident or more recent information regarding such Vessel becomes available to the Buyer at any time after such prior acceptance.
- (c) Without derogating from any other reasonable grounds that may be available to the Buyer, reasonable grounds shall include if the Vessel is determined by the Buyer to be unacceptable under the Buyer's Ship Vetting Policy.

21.6 Vessel requirements

- (a) The Vessel shall comply with:
 - (i) the Applicable Law and port regulations at the Discharge Terminal (including any alternative or substituted Discharge Terminal under Section 21.9); and
 - (ii) the applicable requirements set out in Schedule 5.
- (b) Notwithstanding anything to the contrary express or implied in Section 22 and Section 23 or in this Section 21.6 if any Vessel nominated by the Seller does not comply with the foregoing provisions or any of them, the Buyer may:
 - (i) reject the Vessel when nominated or subsequently; and
 - (ii) refuse to berth or discharge the Vessel in question.

21.7 Consequences of rejection

- (a) In the event of a rejection or a delay of the Vessel or other restriction suffered in respect of the Vessel by virtue of the application of any regulations or other applicable requirements of either this Section 21 or of Schedule 5 (or both):
 - (i) the Buyer shall not be liable for the consequences of rejection or delay of the Vessel or other restriction suffered in respect of the Vessel, including demurrage;
 - (ii) the Seller shall be liable for any costs or damages incurred by the Buyer arising out of any such rejection of or delay to the Vessel at the Discharge Terminal; and
 - (iii) the Seller's obligations under the Agreement to nominate a suitable Vessel and to ensure that it tenders NOR at the Discharge Terminal in accordance with Section 22 shall be unaffected.

21.8 Pumping

The Seller warrants that the Vessel will discharge her full cargo within 24 hours (or pro-rata in the case of a Part Cargo Lot) or shall maintain an average minimum discharge pressure of 100PSI at the Vessel manifold throughout the bulk discharge operation, provided shore facilities permit discharge within such time or at such pressure. Time lost as a result of a Vessel being unable to discharge the Crude Oil or Product as stated above shall not count as Laytime or time on demurrage.

21.9 Alternative or Range of Discharge Terminal

- (a) Where the Buyer exercises any Discharge Terminal options in accordance with the Sales Confirmation or Section 21.3(a)(i) and such options are also available to the Seller under the terms of the relevant charterparty:
 - (i) the price stated in the Sales Confirmation shall be adjusted by the freight differential calculated in accordance with such charterparty terms or, if the Vessel has not been voyage chartered, such rate as shall be mutually agreed between the Parties in respect of such Discharge Terminal, provided always that any delays arising out of such failure to agree shall be for the Buyer's account; and
 - (ii) the Buyer shall be liable for any additional costs incurred by the Seller, including deviation costs and costs in respect of any additional bunker consumption.

21.10 Prompt delivery

If the date of the Sales Confirmation is later than any of the dates for notification specified in the Sales Confirmation, Section 20 or this Section 21, then both Parties shall make best efforts to complete as soon as practically possible any outstanding time limited requirements, notifications, nominations and procedures which would have preceded the date of the Agreement aforesaid.

22. Arrival of Vessel, Berth and discharge

22.1 Arrival of Vessel

- (a) The Seller shall arrange for its Vessel to report to the Buyer or its representative at the Discharge Terminal each of 72, 48 and 24 hours prior to its arrival and otherwise in accordance with the standard reporting procedure applicable from time to time at the Discharge Terminal.
- (b) The Seller shall ensure that by no later than 2359 hours (local time) on the last day of the Laydays and upon arrival of the Vessel at the Discharge Terminal or Berth, NOR has been tendered.

22.2 Discharge

- (a) Unless otherwise agreed in writing by the Seller, the Seller shall not be under any obligation to commence discharge hereunder prior to 0600 hours (local time) on the first day of the Laydays.
- (b) After tender of NOR pursuant to Section 22.1(b) the Seller, having regard to the requirements of the Discharge Terminal, Discharge Terminal procedures and the time when the Vessel has complied with the provisions of Section 22.1, shall commence and complete discharge as soon as reasonably practicable.

22.3 Berth

- (a) For the discharge of the Crude Oil or Product the Buyer shall provide or cause to be provided free of charge to the Seller (subject to the provisions of Sections 52.2 and 52.3) a Berth to be indicated by the Buyer or its representative at which the Vessel can when fully laden safely reach and leave and where it can always lie Safely Afloat.
- (b) Notwithstanding the Buyer's obligations under Section 22.3(a), where the Buyer has purchased the Crude Oil or Product on board a named Vessel, the Seller represents to the Buyer and warrants that the named vessel can safely berth and discharge the contractual quantity of Crude Oil or Product at the Discharge Terminal regardless of whether the contractual quantity is a Full Cargo Lot or Part Cargo Lot and irrespective of the port scheduling of the Vessel. Failure to comply with this term shall entitle the Buyer to refuse to berth the named Vessel. Any costs incurred by the Seller in providing a substitute Vessel, or lightering, or Vessel-to-Vessel transfer of the Crude Oil or Product at the Discharge Terminal including demurrage shall be for the account of the Seller.

22.4 Shifting

The Buyer shall have the right to shift the Vessel from one Berth to another. All costs, including damages for delay, shall be for the Seller's account if such shifting is for the Seller's purposes and shall otherwise be for the Buyer's account.

22.5 Lightering

- (a) If the Discharge Terminal requires the Seller's Vessel to be discharged to a lighter, this shall be subject to the Seller's Ship Vetting Policy and terminal marine assurance procedures. The Seller may, on any reasonable grounds and without liability, refuse the use of such lighter for the purpose of discharging its nominated Vessel.
- (b) Either Party may request to discharge the Vessel to lighters with such request subject to acceptance by the non-requesting Party, such acceptance not to be unreasonably withheld.
- (c) In the event of lightering required by the Discharge Terminal in accordance with Section 22.5(a) or requested by the Buyer in accordance with Section 22.5(b), the cost of such lightering shall be for the Buyer's account. Any additional costs in excess of those provided for in Section 23 (including additional steaming or waiting time (or both)) shall be for the Buyer's account.
- (d) In the event of lightering requested by the Seller in accordance with Section 22.5(b), the cost of such lightering shall be for the Seller's account. Any additional costs in excess of those provided for in Section 23 (including additional steaming or waiting time (or both)) shall be for the Seller's account.
- (e) All time expended in connection with any such lightering shall count as running hours for the purposes of calculating liability for demurrage under the provisions of Section 23.
- (f) The Buyer shall notify the place of lightering to the Seller which shall be subject to approval of the Seller, such approval not to be unreasonably withheld. The place of lightering shall be deemed the Berth for the purposes of Sections 22 and 23 and all references therein to the Berth shall be construed accordingly.

22.6 Floating Storage and Vessel-to-Vessel:

- (a) If the Discharge Terminal requires the Seller's Vessel to be discharged to a floating storage facility or other Vessel by means of Vessel-to-Vessel transfer, this shall be subject to the Seller's Ship Vetting Policy and terminal marine assurance procedures. The Seller may, on any reasonable grounds and without liability, refuse the use of such floating storage facility or other Vessel for the purpose of discharging its nominated Vessel.
- (b) In the event of discharging to a floating storage facility or other Vessel by means of Vessel-to-Vessel transfer being required by the Discharge Terminal in accordance with Section 22.6(a), the cost of such discharging shall be for the Buyer's account. Any additional costs in excess of those provided for in Section 23 (including additional steaming or waiting time (or both)) shall be for the Buyer's account.
- (c) In the event of discharging to a floating storage facility or other Vessel by means of Vessel-to-Vessel transfer being required by the Discharge Terminal in accordance with Section 22.6(a), all time expended in connection with such discharging shall count as running hours for the purposes of calculating the liability for demurrage under the provisions of Section 23.
- (d) Where the Discharge Terminal has required discharging to a floating storage facility or other Vessel by means of Vessel-to-Vessel transfer in accordance with Section 22.6(a), the Buyer shall notify the place of discharging to the Seller which shall be subject to approval of the Seller, such approval not to be unreasonably withheld. The place of discharging shall be deemed the Berth for the purposes of Sections 22 and 23 and all references therein to the Berth shall be construed accordingly.
- (e) Notwithstanding any of the foregoing, the Seller and the Buyer may mutually agree that delivery is made by discharging to a floating storage facility or other Vessel by means of Vessel-to-Vessel transfer, in which case: (i) the place of discharging shall be deemed the Berth for the purposes of Sections 22 and 23 and all references therein to the Berth shall be construed accordingly; and (ii) all time expended in connection with such discharging shall count as running hours for the purposes of calculating the liability for demurrage under the provisions of Section 23.

22.7 Lightering, Floating Storage and Vessel-to-Vessel Approval

- (a) Any lighter, floating storage facility or Vessel involved in lightering, discharging to floating storage or Vessel-to-Vessel transfer operation, as applicable, must be acceptable to both the Seller and the Buyer and remain acceptable throughout such operation under the Parties' respective Ship Vetting Policies.
- (b) The provider of any lightering, discharging to floating storage or Vessel-to-Vessel transfer services must be acceptable to both the Seller and the Buyer.

22.8 Lightering, Floating Storage and Vessel-to-Vessel Procedures

Any lightering, discharging to floating storage, or Vessel-to-Vessel transfer operations shall be carried out in accordance with the procedures set out in the ICS/OCIMF Ship-to-Ship transfer guides and MARPOL Annex I as amended by Resolution MEPC.186 (59), Chapter 8: Prevention of Pollution during Transfer of Oil Cargo between Oil Tankers at Sea, Regulations 40, 41, 42 for the transfer of Crude Oil and Petroleum Products and any modifications thereto.

22.9 Imposts, fees, charges and dues at the Discharge Terminal

All impost, fees, charges (including pilotage, mooring and towage expenses) and dues (including quay dues) in respect of the Vessel (not the Crude Oil or Product) incurred at the Discharge Terminal shall be for the Seller's account, other than those that arise in respect of customs and excise entry which shall be for the Buyer's account.

23. Time allowed, delays and demurrage

23.1 Time allowed

- (a) The time allowed to the Buyer for the discharge of the quantity of the Crude Oil or Product deliverable by each Vessel hereunder shall be:
 - (i) in the case of discharge of a Full Cargo Lot:
 - (A) in the case of Vessels of 15,000 tons summer deadweight or less, 24 running hours; or
 - (B) in all other cases, 36 running hours; and
 - (ii) in the case of discharge of a Part Cargo Lot, that proportion of 24 or 36 running hours, as the case may be, which the quantity of the Crude Oil or Product in the cargo, plus five (5) per cent, bears to the total quantity of Crude Oil or Product loaded on the Vessel at the Loading Terminal.

all days and holidays included unless discharging on the day or holiday in question is prohibited by law or regulation at the Discharge Terminal.

23.2 Running hours

- (a) Subject as otherwise provided in this Section 23.2 or elsewhere in the Sales Confirmation, running hours shall commence Berth or no Berth 6 hours after NOR is tendered or on commencement of discharge, whichever is the earlier. For the purposes of calculating running hours, which shall include any time spent lightering or discharging to a floating storage facility or Vessel-to-Vessel transfer, discharge shall be deemed to be completed upon disconnection of discharging hoses.
- (b) Time shall cease to run upon final disconnection of discharging hoses after completion of discharge of the cargo. However, time shall recommence 2 hours after disconnection of hoses if the Vessel is delayed in its departure due to the Buyer's or the Buyer's receiver's purposes and shall continue until the termination of such delay.

- (c) If NOR is given for the Vessel before the first day of the Laydays, running hours shall commence at 0001 hours on the first day of the Laydays or on commencement of discharge, whichever is the earlier. If NOR is given for the Vessel after the last day of the Laydays and is accepted for discharge by the Buyer in its sole and absolute discretion, then, without prejudice to any of the Buyer's other rights, running hours shall commence Berth or no Berth 36 hours after NOR is given or on commencement of discharge, whichever is the earlier.
- (d) Any delay arising out of or in connection with any of the following situations shall not be counted or included in calculating the time taken by the Buyer to discharge the Crude Oil or Product or the time in respect of which the Buyer is liable for demurrage (whether or not the Vessel is already on demurrage):
 - (i) awaiting free pratique, tugs, tides, pilot or daylight;
 - (ii) inward passage until the Vessel is securely moored at the Berth and its gangway, if it is to be used, is in place;
 - (iii) preparing for and handling or shifting of ballast, bilges, slops or other substances or bunkering unless concurrent with cargo operations;
 - (iv) restrictions imposed by the Vessel's owner, charterer or Master of the Vessel;
 - (v) any breakdown of the Vessel's equipment or failure to comply with the requirements of the Discharge Terminal with respect to equipment aboard or any other matter causing delay or restriction to discharge operations;
 - (vi) time spent complying with any of the regulations and other requirements referred to in Section 21.6;
 - (vii) any other delay attributable to the Vessel, the Seller or agents of the Seller;
 - (viii) any onboard strike by members of the crew.
- (e) Notwithstanding the provisions of Section 55 below, any delay in discharge of the Crude Oil or Product by reason of a trade or labour dispute, strike, lock out or industrial disturbance of any shoreside workmen essential to discharge, shall count as one half Laytime or, if the Vessel is on demurrage, at one half of the demurrage rate provided always that the cause of the delay was not within the reasonable control of the Buyer.

23.3 Delays

- (a) If the Crude Oil or Product is not discharged within the time allowed in accordance with Section 23.1, the Buyer shall pay to the Seller demurrage, in the same currency as is prescribed for payment of the Crude Oil or Product delivered under the Agreement, in respect of the excess time at the appropriate rate per day (or pro rata for part of a day) as hereinafter specified, always provided that, if by reason of her own deficiencies the Vessel cannot maintain an average pumping rate as specified in Section 21.8 from the time of commencing pumping, any additional time used solely by reason of such deficiencies

shall be deducted in calculating the time (if any) in respect of which the Buyer is liable for demurrage as herein provided. The Buyer's liability as to Laytime and demurrage shall be absolute and not subject to qualification by the provisions of Section 55 but in the event of delay directly attributable to:

- (i) adverse weather or sea state conditions; or
- (ii) the breakdown or failure of equipment, plant or machinery at the Discharge Terminal (not resulting from want of due diligence by the Buyer and always provided that the Vessel is not already on demurrage);

the rate of demurrage shall be reduced by one half for the period of such delay.

(b) The appropriate rate of demurrage shall be either:

- (i) the rate, if any, specified in the Sales Confirmation; or
- (ii) the applicable charterparty rate; or
- (iii) where there is no charterparty rate or, the market rate current on the date running hours commence as aforesaid for a Vessel of the size and type used for a single voyage charter from the Loading Terminal to the Discharge Terminal. If the Parties fail to agree within thirty (30) days upon such rate, then at the instance of either Party the question shall be referred to and determined by The London Tanker Brokers Panel Ltd. (or its successors in title), whose decision thereon shall be final and binding and whose costs shall be paid for by the applicant.

(c) In no event shall the Buyer be liable for demurrage unless the demurrage claim has been received by the Buyer in writing within ninety (90) days of the date of disconnection of discharging hoses, stating in reasonable detail the specific facts upon which the claim is based, provided that any supporting documentation which is not at that time available to the Seller shall be received by the Buyer within one hundred and twenty (120) days of the date of disconnection of discharging hoses. If the Seller fails to give such notice or fails to provide such documentation within the aforesaid limits, then any liability of the Buyer for demurrage shall be extinguished.

23.4 Vessel Owner Charges

Notwithstanding any other provision of this Section 23, where the Seller is required by the Vessel Owner to pay demurrage or detention charges or similar in relation to their charter of the vessel in advance of final discharge then the Buyer shall be obliged to pay the Seller's demurrage, detention or other similar sums due under the Agreement for the same time period covered by the Seller's intended payment within seven (7) days of the Seller providing the Buyer with a copy of the relevant invoice received by the Seller and the Seller's calculation of such amount to be paid by the Buyer.

23.5 Crude Oil washing

Cargo stripping up to a maximum of three (3) hours and any discharging time used for Crude Oil washing in excess of any time used to comply with MARPOL regulations shall count against Laytime, or if the Vessel is on demurrage, for demurrage.

PART 4

DELIVERIES BY BARGE (FOB, CFR, CIF, DAP)

24. Applicability

- 24.1 The provisions of Part One, Part Two and Part Three shall apply, where appropriate, except as specified elsewhere in this Part Four. In particular, but without limitation, the provisions of Sections 6.6, 6.7, 15.4, 15.5, 22.4 and 22.5 of Parts One, Two and Three shall apply to the loading and discharge of Barges, where applicable, and shall be deemed to include any Barge-to-Barge transfers.
- 24.2 The provisions of Part Seven shall likewise apply, where appropriate, to this Part Four, save that where Section 53.13 applies, or where the Price is otherwise to be paid by means of an irrevocable documentary letter of credit or supported by a stand-by letter of credit, then notwithstanding anything to the contrary in Section 53.13(c), such letter of credit shall be advised or confirmed no later than 1600 hours London time five (5) Working Days before:
- (a) ETA at Loading Terminal for FOB/CIF/CFR; or
 - (b) ETA at Discharge Terminal for DAP.

25. Nominations in respect of FOB deliveries

- 25.1 The Buyer's nomination:
- (a) Each Barge which is to load the Crude Oil or Product hereunder shall be nominated in writing by the Buyer to the Seller. The nomination shall be received by the Seller no later than:
 - (i) three (3) Working Days prior to the ETA at the Loading Terminal (in the case of cargoes of MTBE, ETBE, Toluene, Benzene, Styrene, Ethanol or Methanol products); or
 - (ii) two (2) Working Days prior to the ETA at the Loading Terminal (in all other cases); such period to exclude any non-Working Day.
- 25.2 The nomination shall include:
- (a) the name of the Barge, its registration number;
 - (b) the Barge's three previous cargoes;
 - (c) the actual quantity, narrowed to within any applicable minimum/maximum tolerances;
 - (d) the Crude Oil or Product to be loaded;
 - (e) the destination of the Barge, including full details, where applicable, necessary to comply with the requirements of EMCS, and must include (without limitation) full details (name, address and excise licence number) of the relevant excise licence holder (authorised warehousekeeper) and the tax warehouse itself;

- (f) where the Crude Oil or Product has not been released for free circulation in the EU (i.e. has T1 status), the Buyer must provide sufficient information about the Crude Oil or Product's destination as to enable the Seller to comply with all EU Community Transit rules, including the Union Customs Code (as amended from time to time) and the requirements of the New Computerised Transit System ("**NCTS**");
- (g) the ETA of the Barge at the Loading Terminal;
- (h) the Barge owner's or chartering company's name;
- (i) the Buyer's VAT number and country of such VAT registration; and
- (j) full documentary instructions.

25.3 Subject to Section 25.4, nominations received:

- (a) after 1500 hours CET Monday to Thursday;
- (b) after 1400 hours CET on Fridays;
- (c) after 1400 hours CET on a day preceding a day which is not a Working Day; or
- (d) on a non-Working Day;

shall be deemed to have been received at 0900 hours CET on the following Working Day.

25.4 Where applicable:

- (a) nominations will be deemed not to have been received until the time and date when Credit Support required under the Agreement or by the Seller has been received and agreed by the Seller; and
- (b) Any amendment received to any of the nomination information stipulated under Section 25.2 will be treated as a new nomination.

25.5 The Seller's confirmation:

- (a) Where the Buyer's nomination is made in accordance with this Section 25, the Seller will confirm the Loading Terminal in a timely manner and this shall act as confirmation of the nomination if not already provided.
- (b) Where the Buyer's nomination is made in accordance with this Section 25, if no confirmation has been received from the Seller pursuant to this Section 25.5, Laytime will commence from 0001 hours on the ETA specified in Section 25.2(g) or expiry of the nomination notification period as specified in Section 25.1 whichever is later.
- (c) The Seller shall give notice accepting or rejecting any Barge nominated by the Buyer within one (1) Business Day of receipt of the Buyer's nomination.

- (d) Notwithstanding anything to the contrary express or implied elsewhere in these General Terms and Conditions, the Seller shall have the right (which right may only be exercised prior to the passing of property hereunder):
 - (i) to reject any nomination made by the Buyer pursuant to Section 25.1 on any reasonable grounds;
 - (ii) to refuse, on any reasonable grounds, to accept for loading any Barge named pursuant to Section 25.1; and
 - (iii) to reject the Barge in question, notwithstanding any prior acceptance of such Barge (whether named in the Sales Confirmation or nominated or substituted pursuant to Section 25.1), on any reasonable grounds if such Barge is involved in any incident or more recent information regarding such Barge becomes available to the Seller at any time after such prior acceptance.
- (e) Without derogating from any other reasonable grounds that may be available to the Seller, reasonable grounds shall include if the Barge is determined by the Seller to be unacceptable under the Seller's Ship Vetting Policy.
- (f) In the event of a rejection or a delay of the Barge or other restriction suffered in respect of the Barge by virtue of the application of any regulations or other applicable requirements of this Section 25.5 or of Schedule 5 (or both):
 - (i) the Seller shall not be liable for the consequences of rejection, delay or restriction of the Barge, including demurrage;
 - (ii) the Buyer shall be liable for any costs or damages incurred by the Seller arising out of any such rejection of, delay to or restriction of the Barge; and
 - (iii) the Buyer's obligations under the Agreement to nominate a suitable Barge and to ensure that it tenders NOR at the Loading Terminal in accordance with Section 6.1(b) shall be unaffected.

26. Nominations in respect of CFR, CIF and DAP deliveries

26.1 The Seller's nomination:

- (a) In respect of CFR and CIF deliveries, the nomination from the Seller shall be received by the Buyer no later than:
 - (i) three (3) Working Days prior to the ETA at the Loading Terminal (in the case of cargoes of MTBE, ETBE, Toluene, Benzene, Styrene, Ethanol or Methanol products); or
 - (ii) two (2) Working Days prior to the ETA at the Loading Terminal (in all other cases);

such period to exclude any non-Working Day.

- (b) In respect of DAP deliveries, the nomination from the Seller shall be received by the Buyer no later than:
- (i) three (3) Working Days prior to the ETA at the Discharge Terminal (in the case of cargoes of MTBE, ETBE, Toluene, Benzene, Styrene, Ethanol or Methanol products); or
 - (ii) two (2) Working Days prior to the ETA at the Discharge Terminal (in all other cases);
- such period to exclude any non-Working Day.

26.2 The nomination shall include:

- (a) the name of the Barge, its registration number;
- (b) the Barge's three previous cargoes;
- (c) the actual quantity, narrowed to within any applicable minimum/maximum tolerances;
- (d) the Crude Oil or Product to be loaded;
- (e) the Loading Terminal;
- (f) the ETA of the Barge at the Loading Terminal;
- (g) the Barge owner's or chartering company's name and address; and
- (h) the ETA of the Barge at the Discharge Terminal.

26.3 Nominations received:

- (a) after 1500 hours CET Monday to Thursday;
- (b) after 1400 hours CET on Fridays;
- (c) after 1400 hours CET on a day preceding a day which is not a Working Day; or
- (d) on a non-Working Day;

shall be deemed to have been received at 0900 hours CET on the following Working Day.

26.4 Any amendment received to any of the information stipulated under Section 26.2 will be treated as a new nomination.

26.5 The Buyer's confirmation:

- (a) Following receipt of the Seller's nomination made pursuant to this Section 26, the Buyer shall notify the Seller of:

- (i) the Buyer's VAT number and country of such VAT registration;
- (ii) in respect of CFR and CIF deliveries destination of the Barge, including full details necessary to comply with the requirements of EMCS, and must include (without limitation) full details (name, address and excise licence number) of the relevant excise licence holder (authorised warehousekeeper) and the tax warehouse itself;
- (iii) where the Crude Oil or Product has not been released for free circulation in the EU (i.e. has T1 status), the Buyer must provide sufficient information about the Crude Oil or Product's destination as to enable the Seller to comply with the EU Community Transit rules, including by the use of the NCTS;
- (iv) the Discharge Terminal, if not already specified in the Sales Confirmation; and
- (v) full documentary instructions.

26.6 Where the Seller's nomination has been made in accordance with this Section 26 but no confirmation has been received from the Buyer pursuant to Section 26.5(a), Laytime will commence from 0001 hours on the ETA specified in Section 26.2(h) or expiry of the nomination notification period as specified in Section 26.1 whichever is later. The Buyer shall be liable for all costs resulting in any delays in loading the Crude Oil or Product hereunder due to failure by the Buyer to supply its confirmation pursuant to Section 26.5(a) in a timely manner, in addition to any claim for demurrage at the Discharge Terminal by the Seller.

26.7 No change to the Discharge Terminal nominated or specified pursuant to Section 26.5(a)(iv) above shall be effective without the Seller's prior written acceptance which shall not be unreasonably withheld and provided always that:

- (a) such alternative Discharge Terminal is allowable pursuant to the charterparty or Barge fixture;
- (b) the provisions of Sections 14.10 or 21.9 shall apply;
- (c) full written instructions regarding the particulars and destination of any bills of lading (if applicable) and such other customary loading terminal documentation which may be required (and, for the avoidance of doubt, the Buyer shall be liable for all costs resulting from any delays in loading Crude Oil or Product hereunder due to failure by the Buyer to supply such information in a timely manner); and
- (d) the Seller shall have the right to issue its own instructions if such instructions are not so provided by the Buyer before completion of loading.

26.8 The provisions of Sections 14.12 and 21.10 shall not apply to CFR, CIF and DAP deliveries under this Part Four.

26.9 The Buyer shall give notice accepting or rejecting any Barge nominated by the Seller within one (1) Business Day of receipt of the Seller's nomination.

- 26.10 Notwithstanding anything to the contrary express or implied elsewhere in these General Terms and Conditions, the Buyer shall have the right (which right may only be exercised prior to the passing of property) to refuse, on any reasonable grounds, to accept any Barge named pursuant to Section 26.1. The Buyer shall not be liable for any loss or damage, direct or indirect, which the Seller may suffer as a result of the Buyer exercising such right.
- 26.11 Notwithstanding any prior acceptance of a Barge (whether named in the Sales Confirmation or nominated pursuant to Section 26.1), the Buyer shall have the right (which right may only be exercised prior to the passing of property) to reject the Barge in question on any reasonable grounds if such Barge is involved in any incident or more recent information regarding such Barge becomes available to the Buyer at any time after such prior acceptance.
- 26.12 Without derogating from any other reasonable grounds that may be available to the Buyer, reasonable grounds shall include if the Barge is determined by the Buyer to be unacceptable under the Buyer's Ship Vetting Policy.
- 26.13 In the event of a rejection or a delay of the Barge or other restriction suffered in respect of the Barge by virtue of the application of any regulations or other applicable requirements of this Section 26 or of Schedule 5 (or both):
- (a) the Buyer shall not be liable for the consequences of rejection of, delay to or restriction of the Barge, including demurrage;
 - (b) the Seller shall be liable for any costs or damages incurred by the Buyer arising out of any such rejection of, delay to or restriction of the Barge; and
 - (c) the Seller's obligations under the Agreement to nominate a suitable Barge and to ensure that it tenders NOR at the Loading Terminal in accordance with Section 11 or Section 20, as applicable, shall be unaffected.

27. Laytime

- 27.1 The time allowed for loading (where the sale is on FOB terms) or discharging (where the sale is on CFR, CIF or DAP terms) shall be one half of the total free hours for loading and discharging specified in the Barge charterparty for the performing Barge or, where there is no Barge charterparty, according to Tankschiff Transport Bedingungen ("**TTB**") rules (latest edition) for the quantity of the Crude Oil or Product loaded for each delivery to the Buyer under the Agreement.
- 27.2 Laytime shall commence no earlier than expiry of the notice periods required for nominations set out in Section 25.1(a) and Section 26.1(a) above, or on commencement of loading (FOB) or discharge (CFR/CIF/DAP), as the case may be, whichever is earlier.
- 27.3 For the purpose of calculating demurrage due under this Agreement, Laytime allowed to the claiming Party shall be treated as reversible and, in particular:
- (a) where the sale is on FOB terms, any Laytime unused in the discharging operation shall be added to the time allowed for loading in Section 27; and

- (b) where the sale is on CFR, CIF or DAP terms, any Laytime unused in the loading operation shall be added to the time allowed for discharge in Section 27.

27.4 Laytime or demurrage (if on demurrage) shall end:

- (a) where the sale is on FOB terms, as soon as the loading documents have been received on board or if the departure of the Barge is delayed for the Seller's purposes, until the termination of such delay.
 - (i) If the receipt of documents on board is not recorded on the Loading Terminal timesheet, then Laytime or demurrage (if on demurrage) shall end 2 hours after loading is completed. If completion of loading is not recorded on the Loading Terminal timesheet, it shall be deemed to be when hoses are disconnected (unless this is later than the NOR/reported ready time at the Barge's subsequent destination, in which case, Laytime or demurrage (if on demurrage) shall end at that NOR/reported ready time).
 - (ii) Under no circumstances shall Laytime or demurrage continue after the departure of the Barge as indicated on the Loading Terminal timesheet.
- (b) where the sale is on CFR, CIF or DAP terms, as soon as the discharging documents have been received on board or, if the departure of the Barge is delayed for the Buyer's purposes, until the termination of such delay.
 - (i) If the receipt of documents on board is not recorded on the Discharge Terminal timesheet, then Laytime or demurrage (if on demurrage) shall end 2 hours after discharge is completed. If completion of discharge is not recorded on the Discharge Terminal timesheet, it shall be deemed to be when hoses are disconnected (unless this is later than the NOR/reported ready time at the Barge's subsequent destination, in which case, Laytime or demurrage (if on demurrage) shall end at that NOR/reported ready time).
 - (ii) Under no circumstances shall Laytime or demurrage continue after the departure of the Barge as indicated on the Discharge Terminal timesheet.

27.5 For the purposes of calculating demurrage due under this Agreement, Laytime shall not commence earlier, or end later, than stated in the Barge owner's demurrage calculation.

28. Demurrage claims in respect of FOB deliveries

- 28.1 The demurrage rate that shall apply to the performing Barge shall be the Binnenschiffahrtsgesetz (latest edition) rate applicable to a Barge with the size and capacity equal to the quantity of the Crude Oil or Product loaded for each delivery to the Buyer under the Agreement. Partial hours in the result of the sum calculation for the loading or discharging time shall be rounded up to full hours. Section 7.4(a) shall not apply.
- 28.2 If the demurrage value calculated using the Barge owner's demurrage rate and one half of the total free hours allocated by the Barge owner for loading and discharging is lower for the relevant Loading Terminal than the demurrage calculations as stated in Section 27.1 and Section 28.1, the lower demurrage calculation shall apply.

28.3 Demurrage will be payable in accordance with this Section 28 provided always that:

- (a) the Barge has validly tendered NOR or otherwise confirmed that she has arrived and is in all respects ready to load on or before 2359 hours on the ETA set out in the nomination;
- (b) if the Barge tenders NOR or otherwise confirms that she has arrived and is in all respects ready to load after 2359 hours on the ETA or after the agreed delivery date range then, for the purposes of demurrage only, time shall not start until commencement of loading;
- (c) if the Barge tenders NOR or otherwise confirms that she has arrived and is in all respects ready to load prior to commencement of the ETA then, for the purposes of demurrage only, time shall start at 0001 hours on the ETA or on commencement of loading, whichever is the earlier; and
- (d) if the Barge tenders NOR or otherwise confirms that she has arrived and is in all respects ready to load after the ETA, but within the delivery date range specified in the Agreement, the Seller will try to arrange to berth such Barge as soon as possible upon its arrival and Laytime shall not start until commencement of loading.

29. Demurrage claims in respect of CFR, CIF and DAP deliveries

29.1 The demurrage rate that shall apply to the performing Barge shall be the Binnenschiffahrtsgesetz (latest edition) rate applicable to a Barge with the size and capacity equal to the quantity of the Crude Oil or Product loaded for each delivery to the Buyer under the Agreement. Partial hours in the result of the sum calculation for the loading or discharging time shall be rounded up to full hours. Section 16.1(a)(ii) and Section 23.1(a)(ii) shall not apply.

29.2 If the demurrage value calculated using the Barge owner's demurrage rate and one half of the total free hours allocated by the Barge owner for loading and discharging is lower for the relevant Discharge Terminal than the demurrage calculations as stated in Section 27.1 and Section 29.1, the lower demurrage calculation shall apply.

29.3 Demurrage will be payable in accordance with this Section 29 provided always that:

- (a) the Barge has validly tendered NOR or otherwise confirmed that she has arrived and is in all respects ready to discharge on or before 2359 hours on the ETA set out in the nomination (if known);
- (b) if the Barge validly tenders NOR or otherwise confirms that she has arrived and is in all respects ready to discharge after 2359 hours on the ETA or after any agreed discharge date range specified in the Agreement then, for the purposes of demurrage only, time shall not start until the commencement of discharging;
- (c) if the Barge validly tenders NOR or otherwise confirms that she has arrived and is in all respects ready to discharge prior to commencement of the ETA then, for the purposes of demurrage, time shall start at 0001 hours on the ETA or on commencement of discharging, whichever is the earlier;

- (d) if the Barge validly tenders NOR or otherwise confirms that she has arrived and is in all respects ready to discharge after the ETA, but within the discharge date range specified in the Agreement, the Buyer will try to arrange to berth such Barge as soon as possible upon its arrival and Laytime shall not start until commencement of discharging.

30. Notification of demurrage claims

30.1 This Section applies to claims for demurrage under Section 28 and Section 29 above.

30.2 The demurrage claim must have been received by the receiving Party in writing no later than 1400 CET on the thirtieth (30th) day from the Bill of Lading Date (which shall count as day one) except where the thirtieth (30th) day from the Bill of Lading Date is a non-Working Day, in which case the claim must be received by the receiving Party no later than 1400 CET on the previous Working Day.

30.3 The demurrage claim must be accompanied by the following documents in a legible format:

- (a) the claiming Party's demurrage calculation;
- (b) copy of the Barge owner's demurrage invoice, laytime statement and demurrage calculation or, where the Barge is time-chartered, written confirmation from the Barge owner that the Barge was on time-charter and the Barge owner's running time computation;
- (c) copy of the nomination including verifiable evidence of the relevant time and date of its transmission; and
- (d) signed or stamped timesheets from the Loading Terminal and Discharge Terminal (or if not available, a timesheet signed or stamped by a terminal and Barge representative).

30.4 Where AGT is the receiving Party, all claims in respect of demurrage under this Agreement shall be sent by email to AGTDemurrages@adnoc.ae or such other email address as AGT may provide from time to time. Claims sent by any other means shall be deemed not to have been received.

30.5 If the claiming Party fails to give such notice or to provide such documentation as is required by this Section 30 then any and all liability on the part of the receiving Party in respect of the claiming Party's demurrage claim shall be extinguished.

PART 5

EX TANK, INTO TANK, IN SITU (STOCK TRANSFER), FREE INTO PIPELINE (FIP), EX PIPELINE AND DAP IN PIPELINE

31. Nominations and delivery

- 31.1 In the case of delivery Ex Tank, Into Tank or In Situ, nominations shall be made in accordance with the standard operating procedures of the relevant storage companies.
- 31.2 In the case of delivery Free In Pipeline (“FIP”) or Ex Pipeline, nominations shall be made in accordance with the standard operating procedures of the relevant pipeline operating companies.
- 31.3 In the case of Crude Oil delivery DAP at frontier in pipeline, all nominations shall be made in accordance with the standard operating procedures of the relevant pipeline operating companies.
- 31.4 In the case of Crude Oil delivery DAP at frontier in pipeline, delivery shall be given and taken in the named pipeline at such frontier border station and on the date or within the agreed period (the “**Delivery Period**”) as shall be specified in the Sales Confirmation.

32. Measurement and sampling; independent inspection

- 32.1 Measurement of the quantities and the taking of samples and analysis for the purposes of determining the compliance of the Crude Oil or Product with the quality and quantity provisions of the Sales Confirmation shall be carried out in accordance with the following procedures set out in 32.2 and 32.3. Where the measurement of quantity and quality is not possible in accordance with the provisions of 32.2 and 32.3 then the measurement of quantity and quality shall be carried out in accordance with good standard practice.
- 32.2 Quantity
- (a) In the case of Ex Tank deliveries, the quantity shall be determined by using proven meters (if available) at the Seller’s tank manifold exit point. If proven meters are unavailable, measurement shall be taken by manual measurement of the Seller’s tank. Where the Seller’s tank is active or unable to be measured manually, then the quantity shall be determined pursuant to 32.2(b).
- (b) In the case of Into Tank deliveries, the quantity shall be determined by using proven meters (if available) at the Buyer’s tank manifold entry point. If proven meters are unavailable, measurement shall be taken by manual measurement of the Buyer’s tank. Where the Buyer’s tank is active or unable to be measured manually, then the quantity shall be determined pursuant to 32.2(a).
- (c) In the case of In Situ deliveries (by way of stock transfer), the quantity shall be as stated in the Sales Confirmation, and if not stated in the Sales Confirmation as per the inspection document or certificate of transfer (where applicable) when the Crude Oil or Product was delivered into the tank.

- (d) In the case of FIP or Ex Pipeline deliveries, the quantity shall be determined by using the pipeline company's proven meters (if available). If proven meters are unavailable, the quantity shall be determined pursuant to Section 32.2(a).
- (e) In the case of DAP at frontier in pipeline deliveries, the measurement of the quantity of the Crude Oil or Product delivered shall be determined in accordance with good standard practice at the relevant frontier border station specified in the Sales Confirmation. Where the relevant frontier border station has no facilities for the measurement of the Crude Oil or Product, the certificate of quantity issued by the Loading Terminal shall be used to determine the quantity.

32.3 Quality

- (a) In the case of Ex Tank and Into Tank deliveries, the quality shall be determined in accordance with test results run on homogenous samples that accurately represent the full quantity of Crude Oil or Product delivered drawn from the Seller's tank. If the Seller's tank are active, the quality shall be determined with test results run on homogenous samples that accurately represent the full quantity of Crude Oil or Product delivered drawn from the Buyer's tank.
- (b) In the case of In Situ deliveries (by way of stock transfer), the quality shall be determined in accordance with test results run on homogenous samples that accurately represent the full quantity of Crude Oil or Product delivered.
- (c) In the case of FIP or Ex Pipeline deliveries, where automatic samplers are available, the quality shall be determined in accordance with test results run from flow proportional in line with a sample or samples taken at the pipeline facility. Where properly functioning automatic samplers are not available, the quality shall be determined in accordance with test results run on a proportional volumetric composite sample or samples drawn from the Seller's tank, or if Seller's tank are active, the Buyer's tank.
- (d) In the case of DAP at frontier in pipeline deliveries, where automatic samplers are available, the quality shall be determined in accordance with test results run from flow proportional in line with a sample or samples taken at the pipeline facility.

32.4 Save where Section 32.6 applies, the certificates of quantity and quality (or such other equivalent documents as may be issued by the terminal or pipeline company) shall, except in cases of manifest error or fraud, be used for invoicing purposes and the Buyer shall be obliged to make payment in full in accordance with Section 53 but without prejudice to the rights of either Party to make any claim pursuant to Section 50.

32.5 Either Party may appoint an independent inspector at the storage or pipeline facilities, subject to the prior agreement of the storage or pipeline company having been obtained where necessary. Such appointment shall be notified in writing to the other Party. All charges in respect thereof shall be for the account of the Party requiring the independent inspection and the duties of such inspector shall be considered solely as a service to the Party requiring the inspection.

32.6 Where both Parties require an independent inspection, then the Buyer and the Seller shall jointly agree upon and appoint an independent inspector. All charges in respect thereof shall be shared between the Parties and the inspector's report shall be made available to both Parties. An inspector's report issued by a jointly appointed independent inspector shall, except in cases of manifest error or fraud, be used for invoicing purposes and the Buyer shall be obliged to make payment in full in accordance with Section 53, but without prejudice to the rights of either Party to make any claim pursuant to Section 50.

33. Risk and property

33.1 The risk and property in the Crude Oil or Product delivered under the Agreement shall pass to the Buyer:

- (a) in the case of delivery FIP, as the Crude Oil or Product passes the inlet flange of the Buyer's receiving pipeline system;
- (b) in the case of delivery Ex Tank, as the Crude Oil or Product passes the outlet flange of the Seller's storage tank from which the Crude Oil or Product is being delivered;
- (c) in the case of delivery Into Tank, as the Crude Oil or Product passes the inlet flange of the Buyer's receiving storage tank;
- (d) in the case of Ex Pipeline, as the Crude Oil or Product passes the outlet flange of the Seller's pipeline system;
- (e) in the case of DAP at frontier in pipeline deliveries, as the Crude Oil passes the point of delivery at the frontier border station within the Delivery Period specified in Section 31.4 above; or
- (f) where delivery is effected In Situ, at such time and day and in such tank as shall either be specified in the Sales Confirmation or as agreed between the Parties prior to such transfer being effected and, where applicable, confirmed by the owner/operator of such tank.

34. Other Conditions

34.1 In the case of Crude Oil delivery DAP at frontier in pipeline:

- (a) The Buyer shall be solely responsible for all customs formalities, duties, taxes and other charges payable upon import of the Crude Oil and for its subsequent transport (if any).
- (b) The Buyer must pay all costs relating to the Crude Oil from the time it has been placed at the Buyer's disposal pursuant to the delivery provisions of Section 31.4 above.

PART 6

PRODUCT DELIVERIES IN BULK TO/BY ROAD TANKER / RAIL TANK CARS FCA, CPT, CIP, DDP OR DAP

35. Nominations in respect of FCA deliveries

- 35.1 All nominations relating to the delivery of Crude Oil or Product in bulk into or by Road Tanker or Rail Tank Cars shall, unless otherwise specifically agreed between the Parties, be in accordance with the standard operating terms and procedures applied by the operator of the Loading Terminal.
- 35.2 Prior to the Buyer making its notification in Section 35.3, the Seller shall inform the Buyer of the Road Tanker Requirements or Rail Tank Car Requirements at the Loading Terminal.
- 35.3 The Buyer shall notify to the Seller in writing the following by no later than ten (10) Business Days prior to the first day of the delivery date range in the Sales Confirmation:
- (a) the date of arrival;
 - (b) the number of Road Tankers or Rail Tank Cars and their identification numbers;
 - (c) the quantity / net weight of Crude Oil or Product to be loaded in each Road Tanker or Rail Tank Car;
 - (d) the destination of the Road Tanker or Rail Tank Cars, including full details necessary to comply with the requirements of EMCS, and must include (without limitation) full details (name, address, and excise licence number) of the relevant excise licence holder (authorised warehouse keeper) and the tax warehouse itself; and
 - (e) where the Crude Oil or Product has not been released for free circulation in the EU (i.e. has T1 status), the Buyer must provide sufficient information about the Crude Oil or Product's destination as to enable the Seller to comply with the EU Community Transit rules, including use of the NCTS.
- 35.4 Where the Buyer's nomination is made in accordance with this Section 35, the Seller will confirm the nomination and notify to the Buyer in writing the following:
- (a) Loading Terminal (which shall be in accordance with the Sales Confirmation);
 - (b) Loading Terminal Code;
 - (c) load code; and
 - (d) Loading Terminal contact person.

- 35.5 The Seller shall provide for each Road Tanker a fully trained driver certified by the Loading Terminal as being qualified to drive Road Tankers within the Loading Terminal. Such driver shall be made available to the Buyer's Road Tanker upon arrival of such Road Tanker at the Loading Terminal. In the event that the Seller is unable to provide such driver, the Seller shall inform the Buyer and the Buyer shall provide the driver. In the event that the Buyer's driver is not already certified by the Loading Terminal in accordance with the above, the Seller will provide the required training so that the driver becomes certified.
- 35.6 Immediately following the completion of loading, the Seller shall place on board:
- (a) each Road Tanker the respective bills of lading and Safety Data Sheet; or
 - (b) each Locomotive the respective railway bills and Safety Data Sheet.
- 35.7 The Seller shall provide the Buyer with the following documents as soon as reasonably practicable but no later than 48 hours after the date of despatch of the Road Tankers or Rail Tank Cars from the Loading Terminal:
- (a) copy of the certificate of quality issued by the Loading Terminal;
 - (b) copy of the certificate of quantity issued by the Loading Terminal; and
 - (c) in respect of Road Tankers only, copies of all CMR consignment notes or other contracts of carriage issued.

36. Nominations in respect of CPT, CIP, DDP or DAP deliveries

- 36.1 All nominations relating to the delivery of Crude Oil or Product in bulk into or by Road Tanker or Rail Tank Cars shall, unless otherwise specifically agreed between the Parties, be in accordance with the standard operating terms and procedures applied by the operator of the Discharge Terminal.
- 36.2 Prior to the Seller making its notification in Section 36.3, the Buyer shall inform the Seller of the Road Tanker Requirements or Rail Tank Car Requirements at the Discharge Terminal.
- 36.3 The Seller shall notify to the Buyer in writing the following by no later than ten (10) Business Days prior to the first day of the delivery date range in the Sales Confirmation:
- (a) the date of despatch from the Loading Terminal;
 - (b) the number of Road Tankers or Rail Tank Cars and their identification numbers;
 - (c) the quantity / net weight of Crude Oil or Product to be loaded into each Road Tanker or Rail Tank Car; and
 - (d) the Loading Terminal, the Loading Terminal Code and the load code.
- 36.4 Where the Seller's nomination is made in accordance with this Section 36, the Buyer will confirm the nomination and notify to the Seller in writing the following:

- (a) Discharge Terminal (which shall be in accordance with the Sales Confirmation);
- (b) Discharge Terminal Code;
- (c) discharge code;
- (d) Discharge Terminal contact person;
- (e) destination of the Road Tanker or Rail Tank Cars, including full details necessary to comply with the requirements of EMCS, and must include (without limitation) full details (name, address, and excise licence number) of the relevant excise licence holder (authorised warehouse keeper) and the tax warehouse itself; and
- (f) where the Crude Oil or Product has not been released for free circulation in the EU (i.e. has T1 status), the Buyer must provide sufficient information about the Crude Oil or Product's destination as to enable the Seller to comply with the EU Community Transit rules, including use of the NCTS.

36.5 The Buyer shall provide for each Road Tanker a fully trained driver certified by the Discharge Terminal as being qualified to drive Road Tankers within the Discharge Terminal. Such driver shall be made available to the Seller's Road Tanker upon arrival of such Road Tanker at the Discharge Terminal. In the event that the Buyer is unable to provide such driver, the Buyer shall inform the Seller and the Seller shall provide the driver. In the event that the Seller's driver is not already certified by the Discharge Terminal in accordance with the above, the Buyer will provide the required training so that the driver becomes certified.

36.6 The Seller shall provide the Buyer with:

- (a) the respective bills of lading and Safety Data Sheet for a delivery by Road Tanker; or
- (b) the respective railway bills and Safety Data Sheet for a delivery by Rail Tank Cars.

36.7 The Seller shall provide the Buyer with the following documents as soon as reasonably practicable but no later than 48 hours after the date of despatch of the Road Tanker or Rail Tank Car from the Loading Terminal:

- (a) copy of the certificate of quality issued by the Loading Terminal;
- (b) copy of the certificate of quantity issued by the Loading Terminal; and
- (c) in respect of Road Tanker only, copies of all CMR consignment notes or other contracts of carriage issued.

37. Acceptance of Road Tanker / Rail Tank Cars in respect of FCA deliveries

37.1 The Road Tanker and its driver shall comply with Applicable Law and Road Tanker Requirements at the Loading Terminal. The Rail Tank Cars shall comply with Applicable Law and Rail Tank Car Requirements at the Loading Terminal.

- 37.2 Notwithstanding anything to the contrary express or implied elsewhere in this Agreement, the Seller shall have the right (which right may only be exercised prior to the passing of property hereunder) to refuse, on any reasonable grounds, to accept any Road Tanker or Rail Tank Cars nominated by the Buyer. The Seller shall not be liable for any loss or damage which the Buyer may suffer as a result of the Seller exercising such right.
- 37.3 Notwithstanding any prior acceptance of any Road Tanker or Rail Tank Cars, the Seller shall have the right (which right may only be exercised prior to the passing of property hereunder) to reject the Road Tanker or Rail Tank Cars in question on any reasonable ground if such Road Tanker or Rail Tank Cars are involved in any incident, or more information regarding such Road Tanker or Rail Tank Cars becomes available to the Seller at any time after such prior acceptance.
- 37.4 Without derogating from any other reasonable grounds that may be available to the Seller, it shall be a reasonable ground for the Seller to reject or refuse any Road Tanker or Rail Tank Cars pursuant to this Section if the Road Tanker or Rail Tank Cars are not approved by any internal documented vetting system operated by the Seller.
- 37.5 The Road Tanker, the Rail Tank Cars and the Locomotive must at all times have hazardous material documentation on-board and clearly display hazardous material plates in accordance with Applicable Law and, for Road Tankers the Road Tanker Requirements at the Loading Terminal or, for Rail Tank Cars the Rail Tank Car Requirements at the Loading Terminal.

38. Acceptance of Road Tanker / Rail Tank Cars in respect of CPT, CIP, DDP or DAP deliveries

- 38.1 In respect of CPT and CIP deliveries:
- (a) The Road Tanker and its driver shall comply with Applicable Law and Road Tanker Requirements at the Loading Terminal and the Discharge Terminal;
 - (b) The Rail Tank Cars shall comply with Applicable Law and Rail Tank Car Requirements at the Loading Terminal and the Discharge Terminal.
- 38.2 In respect of DDP and DAP deliveries:
- (a) The Road Tanker and its driver shall comply with Applicable Law and Road Tanker Requirements at the Discharge Terminal;
 - (b) The Rail Tank Cars shall comply with Applicable Law and Rail Tank Car Requirements at the Discharge Terminal.
- 38.3 Notwithstanding anything to the contrary express or implied elsewhere in this Agreement, the Buyer shall have the right (which right may only be exercised prior to the passing of property hereunder) to refuse, on any reasonable grounds, to accept any Road Tanker or Rail Tank Cars nominated by the Seller. The Buyer shall not be liable for any loss or damage which the Seller may suffer as a result of the Buyer exercising such right.

- 38.4 Notwithstanding any prior acceptance of any Road Tanker or Rail Tank Cars, the Buyer shall have the right (which right may only be exercised prior to the passing of property hereunder) to reject the Road Tanker or Rail Tank Cars in question on any reasonable ground if such Road Tanker or Rail Tank Cars are involved in any incident or more information regarding such Road Tanker or Rail Tank Cars becomes available to the Buyer at any time after such prior acceptance.
- 38.5 Without derogating from any other reasonable grounds that may be available to the Buyer, it shall be a reasonable ground for the Buyer to reject or refuse any Road Tanker or Rail Tank Cars pursuant to this Section if the Road Tanker or Rail Tank Cars are not approved by any internal documented vetting system operated by the Buyer.
- 38.6 In respect of CPT and CIP deliveries, the Road Tanker, the Rail Tank Cars and the Locomotive must at all times have hazardous material documentation on-board and clearly display hazardous material plates in accordance with Applicable Law and, for Road Tankers the Road Tanker Requirements at the Loading Terminal and Discharge Terminal or, for Rail Tank Cars the Rail Tank Car Requirements at the Loading Terminal and Discharge Terminal.
- 38.7 In respect of DDP and DAP deliveries, the Road Tanker, the Rail Tank Cars and the Locomotive must at all times have hazardous material documentation on-board and clearly display hazardous material plates in accordance with Applicable Law and, for Road Tankers the Road Tanker Requirements at the Discharge Terminal or, for Rail Tank Cars the Rail Tank Car Requirements at the Discharge Terminal.

39. Loading and discharge

- 39.1 In respect of FCA deliveries, loading of the Road Tanker and Rail Tank Cars must be carried out in a safe and compliant manner in accordance with Applicable Law, and as applicable, the Road Tanker Requirements or Rail Tank Car Requirements at the Loading Terminal. In respect of Road Tankers, loading must commence at the point the hoses are connected and continue uninterrupted.
- 39.2 In respect of CPT, CIP, DDP and DAP, discharge of the Road Tanker and Rail Tank Cars must be carried out in a safe and compliant manner in accordance with Applicable Law, and as applicable, the Road Tanker Requirements or Rail Tank Car Requirements at the Discharge Terminal. In respect of Road Tankers, discharge must commence at the point the hoses are connected and continue uninterrupted.

40. Measurement and sampling, independent inspection and certification

- 40.1 Measurement of the quantities and the taking of samples for the purposes of determining the compliance of the Crude Oil or Product with the quantity and quality provisions of the Sales Confirmation shall be carried out at the Loading Terminal in accordance with good standard practice at the time of delivery.
- 40.2 In the event that the Seller and the Buyer mutually agree that measurement of the quantities and the taking of samples for the purposes of determining the compliance of the Crude Oil or Product with the quantity and quality provisions of the Sales Confirmation shall be carried out at the Discharge Terminal, this shall be carried out in accordance with good standard practice at the time of delivery.

- 40.3 The certificates of quantity and quality (or such other equivalent documents as may be issued by the Loading Terminal or Discharge Terminal, as applicable) shall, except in cases of manifest error or fraud, be used for invoicing purposes but without prejudice to the rights of either Party to make a claim pursuant to Section 50.
- 40.4 Except in the event that the Loading Terminal or the Discharge Terminal, as applicable, refuses access, either Party may appoint an independent inspector. Such appointment shall be notified in writing to the other Party. All charges in respect of such appointment shall be for the account of the Party requiring the independent inspection and the duties of such inspector shall be considered solely as a service to the Party requiring the inspection. Where both Parties require an independent inspection and the Loading Terminal or Discharge Terminal, as applicable, does not refuse access, then the Buyer and the Seller shall jointly agree upon and appoint an independent inspector. All charges in respect of such appointment shall be shared between the Parties and the inspector's report shall be made available to the Parties.

41. Road Tanker availability in respect of FCA deliveries

- 41.1 The cost of any delay at the Loading Terminal:
- (a) as a result of the Road Tanker failing to comply with Applicable Law and Road Tanker Requirements at the Loading Terminal shall be for the Buyer's account;
 - (b) where the Road Tanker has complied with Applicable Law and Road Tanker Requirements at the Loading Terminal shall be for the Seller's account;
 - (c) as a result of the Buyer having to provide the driver shall be for the Seller's account; and
 - (d) where loading was interrupted shall be for the Seller's account.
- 41.2 Such delays shall include but not be limited to any delay getting from the entrance gate of the Loading Terminal to the pumping location.
- 41.3 Such costs shall include but not be limited to overnight stay costs and meals which are incurred because the Buyer's driver is unable under Applicable Law to drive the vehicle away from the Loading Terminal on the planned working shift.

42. Rail Tank Cars availability in respect of FCA deliveries

- 42.1 The Rail Tank Cars shall be made available by the Buyer to the Seller for a maximum of 72 hours between:
- (a) the time at which the empty Rail Tank Cars are made available to the Seller at the Loading Terminal for loading; and
 - (b) the time at which all loaded Rail Tank Cars are made available at the Loading Terminal for collection by or on behalf of the Buyer.

Any time in excess thereof shall be charged to the Seller at a rate per day per Rail Tank Car (pro-rata for part of a day) as specified in the Sales Confirmation or at the same rate as charged to the Buyer by the Rail Tank Cars' owner.

42.2 The cost of any delay at the Loading Terminal:

- (a) as a result of the Rail Tank Cars or Locomotive (or both) failing to comply with Applicable Law and Rail Tank Car Requirements at the Loading Terminal shall be for the Buyer's account; and
- (b) where the Rail Tank Cars and Locomotive have complied with Applicable Law and Rail Tank Car Requirements at the Loading Terminal shall be for the Seller's account (as set out in Section 42.1 above).

43. Road Tanker availability in respect of CPT, CIP, DDP or DAP deliveries

43.1 The cost of any delay at the Discharge Terminal:

- (a) as a result of the Road Tanker failing to comply with Applicable Law and Road Tanker Requirements at the Discharge Terminal shall be for the Seller's account;
- (b) where the Road Tanker has complied with Applicable Law and Road Tanker Requirements at the Discharge Terminal shall be for the Buyer's account;
- (c) as a result of the Seller having to provide the driver shall be for the Buyer's account; and
- (d) where discharge was interrupted shall be for the Seller's account.

43.2 Such delays shall include but not be limited to any delay getting from the entrance gate of the Discharge Terminal to the pumping location.

43.3 Such costs shall include but not be limited to overnight stay costs and meals which are incurred because the Seller's driver is unable, under Applicable Law, to drive the vehicle away from the Discharge Terminal on the planned working shift.

44. Rail Tank Cars availability in respect of CPT, CIP, DDP or DAP deliveries

44.1 In respect of CPT, CIP, DDP or DAP (not at frontier) deliveries, the Rail Tank Cars shall be made available by the Seller to the Buyer for a maximum of 72 hours between:

- (a) the time that the Locomotive used to haul the Rail Tank Cars from the Loading Terminal to the Discharge Terminal is uncoupled from such Rail Tank Cars at the Discharge Terminal; and
- (b) the time at which the empty Rail Tank Cars are made available at the relevant delivery point for collection by or on behalf of the Seller.

All Rail Tank Cars despatched by the Seller in one delivery shall be returned together. Any time in excess thereof shall be charged to the Buyer at a rate per day per Rail Tank Car (pro-rata for part of a day) either as specified in the Sales Confirmation or at the same rate as charged to the Seller by the Rail Tank Cars' owner.

44.2 In respect of DAP at frontier deliveries, the Rail Tank Cars shall be made available by the Seller to the Buyer for such reasonable period of time as shall be needed to enable the Buyer to collect such Rail Tank Cars at the frontier, haul them to its receiving terminal, unload them and return them to the relevant frontier point. All Rail Tank Cars despatched by the Seller in one delivery shall be returned together. Any charges incurred by the Seller for the delay in returning such Rail Tank Cars to the frontier shall be for the Buyer's account.

44.3 The cost of any delay at the Discharge Terminal:

- (a) as a result of the Rail Tank Cars or Locomotive (or both) failing to comply with Applicable Law and Rail Tank Car Requirements at the Discharge Terminal shall be for the Seller's account; and
- (b) where the Rail Tank Cars and Locomotive have complied with Applicable Law and Rail Tank Car Requirements at the Discharge Terminal shall be for the Buyer's account (as set out in Section 44.1 or 44.2, as applicable, above).

45. Risk and Property

45.1 For FCA, CPT or CIP deliveries:

- (a) the risk and property in the Crude Oil or Product delivered under the Agreement shall pass to the Buyer as the Crude Oil or Product passes:
 - (i) the inlet manifold of the Road Tanker or Rail Tank Cars in question, in the case of bottom loading; or
 - (ii) the outlet of the Loading Terminal's flexible hose, in the case of gravity fed top loading.

45.2 For DDP or DAP deliveries:

- (a) the risk and property in the Crude Oil or Product delivered under the Agreement shall pass to the Buyer:
 - (i) in respect of a Road Tanker delivery, as the Crude Oil or Product passes the inlet manifold or the receiving installation at the Discharge Terminal; or
 - (ii) in respect of a Rail Tank Car delivery at the moment that the Locomotive used to transfer the Rail Tank Cars from the Loading Terminal to the Discharge Terminal is uncoupled from such Rail Tank Cars at the Discharge Terminal or in respect of DAP at frontier deliveries, the frontier sidings.

46. Insurance

46.1 In respect of FCA, CPT, DDP or DAP deliveries, neither Party shall have the obligation to the other Party to secure insurance on the Crude Oil or Product.

46.2 For CIP deliveries:

- (a) The Seller undertakes to procure and pay for insurance against goods in transit risks to the full value of the Crude Oil or Product hereunder plus ten (10) per cent. Such insurance, which shall operate from the time the Crude Oil or Product passes the inlet manifold of the Road Tanker or Rail Tank Cars in question, until the Crude Oil or Product has been received from the Road Tanker or Rail Tank Cars at the named place of destination, shall be in accordance with the provisions of a Marine Cargo Insurance Policy subject to Bulk Oil Clauses SP 13C, or at the Seller's option, Institute Cargo Clauses (A) or any similar clauses, and the benefit thereof shall accrue to the Buyer upon the passing of risk in the Crude Oil or Product as provided for in the Agreement.
- (b) The Seller does not undertake to procure insurance against strikes, riots and civil commotions risks in respect of the delivery of the Crude Oil or Product hereunder save where the Seller shall, by written notice actually received by it at least two (2) Business Days prior to the commencement of loading, have been requested by the Buyer to procure such insurance. Where, upon request as aforesaid, the Seller procures such insurance, it shall be subject to Institute Strikes Clauses (Cargo) or any similar clauses current on the date the Road Tanker or Rail Tank Cars depart from the place of loading and the actual premium payable at the current London Market rate for the transit to be performed applying on the said date shall be charged to and be recoverable from the Buyer by the Seller as an addition to the price in the Sales Confirmation and such addition shall then form part of such price in the Agreement.
- (c) If requested by the Buyer, the Seller shall provide the Buyer with the original certificate of insurance or insurance company's cover note.

47. Other terms and conditions

47.1 In respect of FCA deliveries, all other conditions relating to the delivery of the Crude Oil or Product in bulk into or by Road Tanker or Rail Tank Cars shall, unless otherwise specifically agreed between the Parties, be in accordance with the standard operating terms and procedures applied by the operator at the Loading Terminal.

47.2 In respect of CPT and CIP deliveries, all other conditions relating to the delivery of the Crude Oil or Product in bulk into or by Road Tanker or Rail Tank Cars shall, unless otherwise specifically agreed between the Parties, be in accordance with the standard operating terms and procedures applied by the operator at the Loading Terminal and the operator at the Discharge Terminal.

47.3 In respect of DDP and DAP deliveries, all other conditions relating to the delivery of the Crude Oil or Product in bulk into or by Road Tanker or Rail Tank Cars shall, unless otherwise specifically agreed between the Parties, be in accordance with the standard operating terms and procedures applied by the operator at the Discharge Terminal.

PART 7

APPLICABLE TO EACH OF PARTS ONE, TWO, THREE, FOUR, FIVE AND SIX

48. Definitions and Interpretation

48.1 Definitions

For all purposes of these General Terms and Conditions, terms shall have the following meanings:

Abu Dhabi means the Emirate of Abu Dhabi, United Arab Emirates;

ADN means the European Agreement concerning the International Carriage of Dangerous Goods by Inland Waterways adopted on 26 May 2000 on the occasion of a Diplomatic Conference held under the joint auspices of the United Nations Economic Commission for Europe (UNECE) and the Central Commission for the Navigation of the Rhine (CCNR);

ADNOC means Abu Dhabi National Oil Company, a company existing under the laws of Abu Dhabi, UAE and whose principal postal address is P.O. Box 898, Abu Dhabi, UAE;

ADNOC Group means ADNOC and each Person directly or indirectly Controlled by ADNOC;

Affiliate means,

- (a) in relation to any Person (other than a member of the ADNOC Group), any other Person that directly Controls, is Controlled by or is under common Control with such Person; and
- (b) in relation to a member of the ADNOC Group, each other member of the ADNOC Group;

Agreement and references in these General Terms and Conditions to this **Agreement** means these General Terms and Conditions together with the Sales Confirmation;

AGT means ADNOC Global Trading Ltd, a company existing under the laws of Abu Dhabi Global Market with registration number 000002786 and whose registered office is at Level 25, Al Sarab Tower (Tower 2), ADGM Square, Al Maryah Island, P.O. Box 764649, Abu Dhabi, UAE;

Applicable Law means all applicable national and international laws, including governmental, local, port authority or terminal operator laws and regulations and any other laws, rules, decrees, official governmental orders and regulations or requirements in force of whatever nature and howsoever communicated;

Barge means:

- (a) a self-propelled vessel or towed/pushed dumb craft employed in port areas and sheltered waterways which is not classified as a sea-going vessel (inland barge); or
- (b) a towed/pushed dumb craft classified for sea-going trade (sea-going barge);

Barrel means forty-two (42) United States standard gallons each of two hundred thirty-one (231) cubic inches at sixty degrees (60°) Fahrenheit;

Berth means a berth, buoy, dock, anchorage, submarine line, single point or single berth mooring facility, offshore location, alongside vessels or lighters, floating storage or any other loading or discharge place as may be indicated by the Party in question;

Bill of Lading Date in Part Four means the date on which the loading of the Crude Oil or Product on the Barge is completed;

Bulk Oil Clause means the set of terms for cargo insurance policies to cover bulk oil risks, identified in the American Marine Underwriters Form as SP-13C;

Business Day unless the Agreement expressly provides to the contrary means a day other than a Saturday or Sunday or public holiday in London;

Buyer means the Party defined in the Sales Confirmation as the Buyer;

CET means Central European Time or Central European Summer Time (whichever is being observed as the local time in Rotterdam);

CFR or **Cost and Freight** have the meaning ascribed thereto in the Incoterms except as modified by this Agreement; further, if there is any inconsistency or conflict between Incoterms and the Agreement, the Agreement shall prevail;

CIF or **Cost Insurance and Freight** have the meaning ascribed thereto in the Incoterms, except as modified by this Agreement; further, if there is any inconsistency or conflict between Incoterms and the Agreement, the Agreement shall prevail;

CLP means Regulation (EC) No 1272/2008 of the European Parliament and of the Council of 16 December 2008 on classification, labelling and packaging of substances and mixtures as amended from time to time;

CMR refers to the Convention on the Contract for the International Carriage of Goods by Road;

Control means, in relation to a Person:

- (a) having, directly or indirectly, the power to vote fifty per cent (50%) or more of the voting stock (other than directors' qualifying shares or other de minimis holdings required by Applicable Law to be held by other Person) of such Person;
- (b) ownership, directly or indirectly, of fifty per cent (50%) or more of the equity interests (other than directors' qualifying shares or other de minimis holdings required by Applicable Law to be held by other Person) in such Person; or
- (c) having, directly or indirectly, the ability to direct or procure the direction of the management and policies of such Person, whether through the ownership of shares, by contract or otherwise,

and the terms **Controlling**, **Controlled by** and **common Control with** shall be construed accordingly;

CPT, CIP, DAP, DDP and FCA each have the meaning ascribed thereto in Incoterms, except as modified by the Agreement; further, if there is any inconsistency or conflict between Incoterms and the Agreement, the Agreement shall prevail;

Credit Support means a letter of credit or advance payment in accordance with the provisions of Sections 53.13 or 53.14, as applicable;

Crude Oil means crude petroleum of the grade specified in the Sales Confirmation which has been stabilised and is suitable for loading into Vessels or for delivery by such other method as is specified in the Agreement. If the Agreement is for the sale of condensate, references in the Agreement to the Crude Oil shall be deemed to be references to condensate;

DAP has the meaning ascribed thereto in the Incoterms, and any reference to DES (delivered Ex Ship) in a Sales Confirmation shall be construed as a reference to DAP; further, if there is any inconsistency or conflict between Incoterms and the Agreement, the Agreement shall prevail;

Default Event has the meaning set out in Section 58.1;

Discharge Terminal means the port, terminal, discharge station in respect of deliveries by rail, discharge installation in respect of deliveries by road or sidings at the agreed frontier location in respect of DAP at frontier rail deliveries at which the Crude Oil or Product to be delivered hereunder is to be discharged or, where the context requires, the operator, authority or governing body of such port or terminal;

Dispute has the meaning ascribed thereto in Section 63.1;

e-AD means Electronic Administrative Document;

EEA means the European Economic Area;

EMCS means the Excise Movement Control System as established pursuant to the European Council Directive 2008/118/EEC, any amendments thereto and any other subsequent successor or subordinate legislation;

ETA means the estimated date / time of arrival, and

(a) in the case of FOB deliveries, means the estimated time and date or range of days of arrival of the Vessel at the Loading Terminal and, in the case of CFR, CIF and DAP deliveries means the estimated time and date or range of days of arrival of the Vessel at the Discharge Terminal. Any ETA at the Discharge Terminal given hereunder shall not place the Seller under any obligation to meet such date (other than to use its reasonable endeavours to ensure that the contract of carriage is consistent with the meeting of such date) and, for the avoidance of doubt, in the case of a CFR or CIF Agreement, shall not be construed as changing the nature of the Agreement; and

(b) except that in the context of Barge deliveries in Part Four, shall constitute one (1) whole calendar day;

EU-qualified means that the Crude Oil or Product is or will be in free circulation within the EU and not subject to any import duties; "non-EU qualified" means Crude Oil or Product that does not fall within the meaning of EU qualified;

Ex-Ship or DES where referred to in a Sales Confirmation have the same meaning as DAP;

Ex Tank, FIP, In Situ and Into Tank each have the meaning given to them in Part Five;

FOB or Free on Board have the meaning ascribed thereto in the Incoterms, except as modified by this Agreement; further, if there is any inconsistency or conflict between Incoterms and the Agreement, the Agreement shall prevail;

Force Majeure Event has the meaning ascribed thereto in Section 55;

FPSO means a floating production storage and offloading installation;

Full Cargo Lot means a quantity of Crude Oil or Product under the Agreement which is loaded and transported on a Vessel without other cargo;

Governmental Authority means any governmental authority of Abu Dhabi, the UAE or any jurisdiction in which the Seller or the Buyer operates or conducts business (including the SPC), and any political subdivision, agency, department, commission, board, bureau, court or other authority, or any quasi-governmental or private body exercising, or purporting to exercise, any executive, legislative, judicial, administrative, police, regulatory or taxing authority or power of any nature, or any company (other than a member of the ADNOC Group) or instrumentality owned or controlled by any governmental authority, in each case of one of the foregoing;

General Terms and Conditions and **GTCs** means these general terms and conditions for the sale of Crude Oil or Product, including (where applicable) the Schedules hereto;

GST means Goods and Services Tax;

ICS means the International Chamber of Shipping;

Incoterms means the international commercial terms for the sale of goods promulgated by the International Chamber of Commerce entitled Incoterms® 2020;

Indicative Discharge Dates has the meaning given to it in Section 11.2;

Institute Cargo Clauses (A) means the most recent publication of the terms and conditions known as Institute Cargo Clauses (A) issued by the Lloyd's Market Association and International Underwriting Association of London;

Institute Strikes Clauses (Cargo) means the most recent publication of the terms and conditions known as Institute Strikes Clauses (Cargo) issued by the Lloyd's Market Association and International Underwriting Association of London;

Institute War Clauses (Cargo) means the most recent publication of the terms and conditions known as Institute War Clauses (Cargo) issued by the Lloyd's Market Association and International Underwriting Association of London;

ISGOTT means the International Safety Guide for Oil Tankers and Terminals (5th edition), as amended or supplemented from time to time;

ISPS means the International Ship and Port Facility Security Code and the relevant amendments to Chapter XI of SOLAS (2003 edition), as amended or supplemented from time to time;

Laydays has the meaning ascribed to it in the case of FOB deliveries in Section 4, in the case of CFR and CIF deliveries in Section 11 or in the case of DAP deliveries in Section 20;

Laytime means the time allowed to the Seller for loading (determined pursuant to Section 7) or the time allowed to the Buyer for discharge (determined pursuant to Section 16, Section 23 or Section 27), as the case may be;

Loading Terminal means the port, terminal, FPSO or load station in respect of deliveries by rail or loading installation in respect of deliveries by road at which the Crude Oil or Product to be delivered hereunder is or will be loaded or, where the context requires, the operator, authority or governing body of such port, terminal, FPSO or load station;

Locomotive means the locomotive used to haul the Rail Tank Cars and all the equipment on the locomotive, including hoses, pipes and pumps;

London Market means the insurance market in London comprising of companies and individual Lloyd's syndicates;

LPG means liquefied petroleum gas, which shall be either:

- (a) Propane, a liquefied propane gas which reaches a liquid state at or near a temperature of minus 44° Celsius when at a pressure of one atmosphere absolute in a saturated state, or the Crude Oil or Product defined as Propane by the operator of the Loading Terminal at the time and place of delivery; or
- (b) Butane, a liquefied butane gas which reaches a liquid state at or near a temperature of minus 4° Celsius when at a pressure of one atmosphere absolute in a saturated state, or the Crude Oil or Product defined as Butane by the operator of the Loading Terminal at the time and place of delivery;

Marine Cargo Insurance Policy means a policy of insurance placed with a first class underwriter;

MARPOL means the International Convention for the Prevention of Pollution from Ships, as amended from time to time;

Master means the master, captain or commander of a Vessel;

Month means a month of the Gregorian calendar;

MT means a metric ton or tonne, being equal to 1,000 kilograms or 2,204.62 pounds;

NOR means the valid written notice of readiness to load or discharge, as the case may be, as given by the Master of the Vessel (or their representative) to the Seller (or its representative) at the Loading Terminal or to the Buyer (or its representative) at the Discharge Terminal respectively;

OCIMF means the Oil Companies International Marine Forum;

Other Information means, where performance of the obligations under the Sales Confirmation is outside the EEA, information relating to health, safety and environmental data in connection with the Crude Oil or Product delivered where performance of the obligations under the Sales Confirmation is outside the European Union;

Part Cargo Lot means a quantity of Crude Oil or Product under the Agreement which is loaded and transported on a Vessel together with other cargo which is not bought or sold under such Agreement;

Party means either the Seller or the Buyer, and together the **Parties**;

Person means an individual, partnership, corporation (including a business trust), company, trust, unincorporated association, joint venture or other entity, whether a body corporate or an unincorporated association of persons, or a government or any political subdivision or agency or instrumentality thereof;

Price means the price of the Crude Oil or Product agreed between the Parties in the Sales Confirmation together with any additional applicable costs which by virtue of these GTCs are deemed to form part of the Price;

Product means wholly or partially refined petroleum product or biofuel of the grade specified in the Sales Confirmation (including, where applicable, LPG);

Rail Tank Cars means the rail tank cars, and all equipment on the rail tank cars including hoses, pipes and pumps;

Rail Tank Car Requirements mean the particular requirements that the Rail Tank Cars and Locomotive must comply with at the Loading Terminal or Discharge Terminal, as applicable. Such requirements shall include but not be limited to those relating to health, safety, security and the environment; personal protective equipment relating to the Rail Tank Cars and Locomotive; technical requirements of the Rail Tank Cars and Locomotive; and the required configurations of the Rail Tank Cars and Locomotive;

REACH means Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals as amended from time to time or, in respect of any entity incorporated in the UK, UK REACH, and the expressions "**Article**", "**Importer**", "**Manufacturer**", "**Only Representative**", "**Preparation**", "**Substance**" and "**Supplier**" shall have the same meanings in this Agreement as in REACH;

Road Tanker means the road tanker vehicle, any trailer attached to the vehicle, and all equipment on the vehicle including hoses, pipes and pumps;

Road Tanker Requirements mean the particular requirements that the Road Tanker and the driver must comply with at the Loading Terminal or Discharge Terminal, as applicable. Such requirements shall include but not be limited to those relating to health, safety, security and the environment; personal protective equipment relating to the Road Tanker and its driver; technical requirements of the Road Tanker; and the required configurations of the Road Tanker;

Safely Afloat means that the Vessel shall at all times be water-borne and have underkeel clearance, and shall be able to remain at the Berth without risk of loss or damage from wind, weather or other craft which are being properly navigated;

Sales Confirmation means the sales confirmation entered into between the Seller and the Buyer with respect to the sale of Crude Oil or Product which forms a part of this Agreement;

SDS or **Safety Data Sheet** means the Safety Data Sheet containing the information set out in REACH and in CLP;

Seller means the Party defined in the Sales Confirmation as the Seller;

Ship Vetting Policy means a written policy, standard, guidance or other framework used to evaluate, manage, and avoid potential risk in the nomination or chartering (or both) of Vessels or Barges for the transportation of Crude Oil or Products by sea or by inland waterways;

SOLAS means the International Convention for the Safety of Life at Sea of 1974 and the related Protocol of 1978, both as amended or supplemented from time to time;

SPC means the Supreme Petroleum Council established pursuant to Law No. 1 of 1988 of Abu Dhabi;

Third Party means any Person other than the Seller and the Buyer;

UAE means the United Arab Emirates;

UAE VAT Law means all applicable laws relevant to the imposition of taxes on the supply or deemed supply of goods and services at each stage of the production and distribution, as may be applicable under the Contract, including but not limited to the Federal Decree-Law No (8) of 2017 on Value Added Tax in the United Arab Emirates;

UK REACH means any UK legislation, regulation or law equivalent to REACH applicable to entities incorporated in the UK, as amended from time to time, including but not limited to the REACH etc. (Amendment etc.) (EU Exit) Regulations 2019 (SI 2019/758);

US Dollars or **US\$** mean the lawful currency of the United States of America;

US Territories means any region in the United States of America under the sovereign jurisdiction of the federal government of the United States of America (including all waters around islands or continental tracts);

VAT mean Value Added Tax;

Vessel means any ship or vessel designed, constructed, equipped and maintained to safely load and carry Crude Oil or Product, and shall where otherwise provided, be deemed to include a Barge;

Working Day as used exclusively in Part Four of these General Terms and Conditions, means a day (a period of twenty-four hours starting at 0000 hours and finishing at 2400 hours on the same day) on which the office of the Party receiving a relevant communication is ordinarily open for business;

Worldscale means the New Worldwide Tanker Nominal Freight Scale, issued jointly by the Worldscale Association (London) Limited and the Worldscale Association (NYC) Inc. as amended or supplemented from time to time, current on the day of commencement of loading of the Vessel in question; and

Year means a year of the Gregorian calendar.

48.2 Interpretation

- (a) For all purposes of this Agreement, where the commodity being purchased and sold pursuant to this Agreement is specified in the Sales Confirmation as:
 - (i) "Crude Oil", all references and terms in this Agreement to "Crude Oil or Product" shall be read as "Crude Oil"; and
 - (ii) "Product", all references and terms in this Agreement to "Crude Oil or Product" shall be read as "Product".
- (b) The Schedules attached are incorporated herein by reference and form a part of this Agreement and unless otherwise expressly stated, all references in this Agreement to Sections and Schedules shall be to the Sections and Schedules of this Agreement.
- (c) Headings in this Agreement are for convenience only and shall not be interpreted in any way to limit or change the subject matter of this Agreement.
- (d) As used in this Agreement and except where the context requires otherwise or it is expressly provided otherwise:
 - (i) the words **include** and **including** shall be read respectively as "include, without limitation" and "including, without limitation";
 - (ii) the singular includes the plural and vice-versa;
 - (iii) references to any statute, law or statutory instrument shall be construed as a reference to such statute, law or statutory instrument as the same may have been, or may from time to time be, amended or re-enacted and all instruments, orders, plans, regulations, by-laws, permissions and directions at any time made thereunder
 - (iv) a reference to a Party or to a Person includes a reference to its successors, permitted transferees, and assigns; and
 - (v) references to any legal term used in this Agreement for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any other legal concept or thing shall, in respect of any jurisdiction, be deemed to include what most nearly approximates such legal term in that jurisdiction.

- (e) Unless where otherwise stated, in the event of a conflict or inconsistency between
 - (i) these GTCs and the Sales Confirmation, the Sales Confirmation shall prevail; and
 - (ii) the body of these GTCs and any of the Schedules, the GTCs shall prevail.

49. Warranty of Title

49.1 It is a condition of the Agreement that at the time property in the Crude Oil or Product passes to the Buyer under this Agreement:

- (a) the Seller is entitled to possession of the Crude Oil or Product, has title to the Crude Oil or Product which shall be free of any liens, charges and encumbrances of whatsoever kind unless disclosed or known to the Buyer before this Agreement was made, and has the right to sell the Crude Oil or Product;
- (b) the goods are free from any lien, charge or encumbrance not disclosed or known to the Buyer before the Agreement is made; and
- (c) the Buyer will have the benefit of the warranty as to enjoyment of quiet possession implied by law.

50. Quality and Claims in respect of Quality and Quantity

50.1 Unless otherwise stated in the Sales Confirmation, the quality of:

- (a) Crude Oil delivered under the Agreement shall be the quality of such Crude Oil as usually made available at the time and delivery point as specified in the Sales Confirmation; and
- (b) Product delivered hereunder shall not be inferior to the specification (if any) set out in the Sales Confirmation.

50.2 Any individual listed quality or characteristic of the Crude Oil or Product delivered expressed numerically must (save if the Sales Confirmation provide otherwise) be correct in accordance with the relevant test methodology.

50.3 Whether set out in these General Terms and Conditions or in the Sales Confirmation neither typicals nor any stipulation as to time of delivery shall form part of the Crude Oil or Product's description, quality or fitness for purpose. This Section constitutes the whole of the Seller's obligations with respect to the description, quality and fitness for purpose of the Crude Oil or Product and (save to the extent that exclusion of such obligations is not permitted or is ineffective by operation of law) all statutory or other conditions or warranties, express or implied, with respect to the description or satisfactory quality of the Crude Oil or Product or its fitness for any particular purpose or otherwise are hereby excluded.

- 50.4 Where applicable, any claim as to the deficiency of quantity or quality of the Crude Oil or Product shall be only admissible upon condition that it is notified in writing to the Seller no later than sixty (60) calendar days from the relevant bill of lading date or forty-five (45) calendar days from the completion of discharge at the Discharge Terminal, whichever is later, and always provided that such a claim is accompanied by evidence fully supporting the complaint. Any term as to quantity in the Agreement, including in the Sales Confirmation, shall be an innominate term.
- 50.5 Notwithstanding the foregoing, no claim shall be admitted in respect of any deficiency of quantity where the difference between the loaded and discharged quantity is 0.5 per cent of the loaded quantity or less. If the difference between the loaded and discharged quantity is in excess of 0.5 per cent, the whole amount of the loss may be claimed.
- 50.6 In the case of deliveries DAP, if the difference between: (i) the quantity of the Crude Oil or Product discharged as ascertained in accordance with Section 18.1(c); and (ii) the quantity discharged as ascertained on board the Vessel with the vessel experience factor, if any, applied, is greater than 0.3 per cent then the Seller shall be entitled to apply the quantity as determined by (ii) above for the purposes of payment pursuant to Section 53 but without prejudice to the rights of either Party to make any claim pursuant to Section 50.4 above.
- 50.7 In the case of FOB, CIF and CFR deliveries of Crude Oil, any claims in respect of deficiency of quantity or variation of grade of Crude Oil shall be recoverable only in accordance with the usual terms applicable for the purchase of Crude Oil at the Loading Terminal and the Buyer shall not be entitled to recover any costs, losses or damages incurred arising out of any deficiency in quantity or defect in the quality of the Crude Oil from the Seller under the Agreement unless the Seller is able to recover and does recover such shortage or compensation for variation of grade from its supplier or other relevant Third Party, and then only to the extent of such recovery. The Seller shall, however, use all reasonable efforts to recover from its supplier or other relevant Third Party any such costs, losses or damages for which the Buyer has submitted a claim in accordance with the provisions of this Section 50.
- 50.8 In the case of CFR Outturn and CIF Outturn deliveries, notwithstanding the provisions of Section 9.4, the Seller shall have the right to submit a claim to the Buyer where there is a difference between the quantity loaded and discharged by the Seller's Vessel and where, in the Seller's reasonable opinion, the most likely cause of such difference is due to events at, or the nature of, or operations at the Discharge Terminal during the discharge of the Crude Oil or Product.

51. Health, safety and environment

51.1 REACH

The provisions of this Section 51.1 shall apply only in respect of deliveries of Product under the Agreement where either the Loading Terminal or the Discharge Terminal is located within the EEA.

- (a) The Seller and the Buyer each agree and undertake to the other that they will comply with those obligations under REACH which (subject to any exemption which may apply) are applicable to the sale of the Product under the Agreement and its physical introduction into the EEA.

- (b) Subject to Section 51.1(d), at the time of each delivery the Seller shall provide to the Buyer for each Substance, on its own, in Preparations or in Sections (or both) which is contained in or comprises the Product, the following information ("**Substance Identifier**"):
- (i) Chemical Abstract Service Index (or "**CAS**") number; or
 - (ii) European Inventory of Existing Commercial Chemical Substances (or "**EINECS**") number; or
 - (iii) European List of Notified Chemical Substances (or "**ELINCS**") number; or
 - (iv) any other appropriate identifier as defined in REACH;
- or any two or more of the above,
- together with confirmation that each Substance has been duly registered in accordance with REACH requirements.
- (c) The Seller shall provide the Substance Identifier and confirmation to the Buyer in respect of the Product no later than the time when risk and property passes from the Seller to the Buyer, but in respect of sales afloat, as soon as practically possible.
- (d) Where the Seller is neither an Importer nor an EEA-Manufacturer, the following shall apply:
- (i) in providing the Buyer with Substance Identifiers (regardless of its/their source) and confirmation pursuant to its obligations under Section 51.1(b), the Seller provides no warranty or representation as to the accuracy or completeness of such Substance Identifiers or confirmation; and
 - (ii) notwithstanding any other provision to the contrary in this Agreement, the Seller accepts no liability for loss, damage, delay or expense incurred by the Buyer for whatever reason arising from its reliance on the accuracy of the Substance Identifiers provided by the Seller or on the confirmation as to the existence of a valid registration of the Substances to be imported into the EEA (or both).
- (e) For Product originating outside and to be imported into the EEA:
- (i) The Importer, whether the Buyer or the Seller as the case may be, of the Product shall comply with those of its obligations under REACH which are applicable to the physical introduction of the Product into the EEA.
 - (ii) If an Only Representative has been appointed by a non-EEA Manufacturer or Manufacturers of any Substance contained in or comprising the Product, the Seller shall inform the Buyer of that fact and provide to the Buyer the relevant written statement and the contact details of the Only Representative.

51.2 Safety Data Sheet ("**SDS**")

The Seller shall provide to the Buyer a copy of the current SDS and any other information relating to health, safety and environmental data in connection with the Crude Oil or Product delivered hereunder in compliance with the requirements of any Applicable Law, rules or regulations, including REACH, CLP and ADN.

51.3 The Buyer's responsibilities

- (a) The Buyer shall provide its employees, agents, contractors, customers and other persons to whom it is a supplier of the Crude Oil or Product delivered hereunder with either:
 - (i) a copy of a current SDS and any other information relating to health, safety and environmental data in connection with the Crude Oil or Product delivered hereunder; or
 - (ii) Other Information.
- (b) The Buyer shall be responsible for any consequences that result from the use of an SDS or Other Information.
- (c) The Buyer shall provide persons responsible for the management of health, safety and environment matters within its own organisation with a copy of the SDS or Other Information.
- (d) The Buyer shall provide its employees with appropriate information and training to enable them to handle and use the Crude Oil or Product delivered hereunder in a manner which does not endanger their health or safety.

51.4 Liability

To the extent permissible by law, the Seller shall not be responsible in any respect whatsoever for any loss, damage or injury resulting from any hazards inherent in the nature of the Crude Oil or Product delivered hereunder.

52. Duties and Tax

52.1 Applicability

The provisions of Sections 52.4(b)(i), 52.4(b)(iii) and 52.5 of this Section shall apply in respect of deliveries of the Crude Oil or Product under this Agreement where the Loading Terminal, Discharge Terminal or both are located within the European Union ("**EU**"). Section 52.4(b)(iv) shall apply in respect of deliveries where the Loading Terminal and Discharge Terminal are both located outside the EU. The provisions of Sections 52.2, 52.3, 52.6, and 52.7 shall apply in respect of all deliveries.

52.2 The Buyer's responsibilities

- (a) Where not already specified in Sections 52.4 and 52.5, and unless expressly otherwise agreed by the Parties, the amount of any taxes, duties, imposts, fees, charges and dues of every description imposed or levied by any governmental, local or port authority on the Crude Oil or Product supplied hereunder, or on its export, delivery, transportation, ownership, sale or use, in respect of any stage after risk in such Crude Oil or Product has passed to the Buyer shall be for the Buyer's account.
- (b) In the case of FOB sales, all taxes and duties in respect of the Vessel (not the Crude Oil or Product) incurred at the Loading Terminal shall be for the Buyer's account.
- (c) In the case of CFR and CIF sales, all taxes and duties in respect of the Vessel (not the Crude Oil or Product) incurred at the Discharge Terminal shall be for the Buyer's account, except for those specified in Worldscale as being for the Vessel owners' account.
- (d) For the avoidance of doubt and in respect of every type of sale (except DDP), the Seller shall not be the importer of record but shall be responsible for ensuring that the Buyer is provided with all necessary documentation required to comply with customs and excise entry procedures at the Discharge Terminal and all duties and taxes that arise in respect of such customs and excise entry shall be for the Buyer's account.

52.3 The Seller's responsibilities

- (a) Where not already specified in Sections 52.4 and 52.5, and unless expressly otherwise agreed by the Parties, the amount of any taxes, duties, imposts, fees, charges and dues of every description imposed or levied by any governmental, local or port authority on the Crude Oil or Product supplied hereunder, or on its export, delivery, transportation, ownership, sale or use, in respect of any stage prior to risk in such Crude Oil or Product passing to the Buyer shall be for the Seller's account.
- (b) In the case of CFR and CIF sales, all taxes and duties in respect of the Vessel (not the Crude Oil or Product) incurred at the Loading Terminal shall be for the Seller's account, except for those specified in Worldscale as being for the Vessel owners' account.
- (c) In the case of DAP sales, all taxes and duties in respect of the Vessel (not the Crude Oil or Product) incurred at the Discharge Terminal shall be for the Seller's account, other than those that arise in respect of customs and excise entry which shall be for the Buyer's account.

52.4 VAT / GST / Similar Tax

- (a) Other than in respect of UAE deliveries where Schedule 4 paragraph 1 shall apply, where VAT or a GST or a similar tax becomes payable under the rules applicable at the Loading Terminal or Discharge Terminal (or both), the Seller shall issue a valid tax invoice setting out such VAT, GST or similar tax and the date for its payment in accordance with the requirements of the VAT, GST or similar tax legislation of the relevant jurisdiction where the supply has taken place. Payment of such VAT, GST or similar tax shall be made to the Seller in addition to the Price as well as any duty payable and in the same manner as provided for payment of the Price. Such invoice may be rendered in either local currency of the country in which the VAT, GST or similar tax is payable or, at the Seller's option, in the invoicing

currency for the Crude Oil or Product, converted at the appropriate exchange rate prevailing at the date of the tax point under the relevant VAT, GST or other similar tax legislation. Where the relevant legislation makes provision for VAT, GST or similar tax exemptions or reliefs, then these shall be applied accordingly where the relevant requirements are fulfilled. The Parties shall provide one another with the necessary documentation/information required to support such treatment within the appropriate time limits.

- (b) A sale of Crude Oil or Product may be zero rated for VAT provided that:
- (i) if the destination of the Crude Oil or Product is within the EU, the Buyer provides to the Seller:
 - (A) within thirty (30) days of the date of completion of loading:
 - (I) evidence satisfactory to the EU Member States in which the Loading Terminal and Discharge Terminal are located that the Crude Oil or Product has been received by the Buyer, or on the Buyer's behalf, or by some other party acting on its own behalf, within another EU Member State in accordance with the relevant EU Member State's legislation; and
 - (II) such other evidence as is satisfactory to the relevant authorities in the above EU Member States to allow zero rating of the supply of the Crude Oil or Product; and
 - (ii) before transfer of property in the Crude Oil or Product to the Buyer, a valid VAT registration number issued by an EU Member State other than the EU Member State in which the Loading Terminal is situated in accordance with the relevant VAT legislation; and
 - (iii) if the destination of the Crude Oil or Product is outside the EU, the Buyer provides to the Seller, within thirty (30) days of completion of loading of the Crude Oil or Product, evidence satisfactory to the EU Member State in which the Loading Terminal is located of receipt of the Crude Oil or Product by the Buyer, or by an authorised party on the Buyer's behalf, or by some other party acting on its own behalf, at a destination outside the EU.
 - (iv) where both the Loading Terminal and Discharge Terminal are located outside the EU, the Buyer must provide to the Seller, within thirty (30) days of completion of loading of the Crude Oil or Product, evidence satisfactory to the Non-EU Member State in which the Loading Terminal is located of receipt of the Crude Oil or Product by the Buyer, or by an authorised party on the Buyer's behalf, or by some other party acting on its own behalf, at a destination outside the EU. Furthermore, where the Buyer is responsible for the transportation of the Crude Oil or Product, the Buyer must provide to the Seller, within the same time limits as stated above, evidence satisfactory to the Non-EU Member State in which the Loading Terminal is located such that the export can be treated as zero-rated for VAT, GST or similar tax purposes.
- (c) In circumstances where either Sections 52.4(b)(i) and 52.4(b)(iii) or 52.4(b)(iv) above may apply, the Seller will issue an invoice in respect of the Crude Oil or Product which is zero rated for VAT or GST. However, if the Buyer fails to comply with the requirements set out in Sections 52.4(b)(i) 52.4(b)(iii) or 52.4(b)(iv) above within the allotted time frame or in the event of any fraud or misappropriation in respect of the Crude Oil or Product or the documents/information referred to in Section 52.4(b)(i)(A) above (or both), or as appropriate for transactions that are effected outside the EU Member States,

the Seller shall be entitled to issue a further invoice for the amount of any VAT or GST payable on the Crude Oil or Product (inclusive of duty if appropriate) together with interest at the rate stipulated under the VAT or GST rules applicable and any associated penalties incurred. Such invoice may be rendered either in local currency of the country in which VAT or GST is payable or, at the Seller's option, in the invoicing currency for the Crude Oil or Product, converted at the appropriate exchange rate prevailing at the date of the tax point under the relevant VAT or GST rules. Any such invoice shall be paid in full within one (1) New York banking day of presentation or, if later, the date of payment for the Crude Oil or Product, in each case without set-off, withholding, deduction or counterclaim, to the Seller's bank account. Any outstanding amount shall bear interest in accordance with the provisions of Section 53.9 hereof.

- (d) If the Seller is subsequently able to obtain a credit or repayment from the authorities of any such VAT or GST which has been paid by the Buyer, the Seller shall within five (5) New York banking days reimburse the Buyer with the net amount so credited or repaid less any costs, penalties and interest and the Seller shall use reasonable endeavours, at the cost of the Buyer, to obtain such credit or repayment.

52.5 EU customs and excise duty or mineral tax

- (a) Excise Duty or Mineral Oil Tax may be payable in respect of the Crude Oil or Product being removed from a duty suspension regime in an EU Member State unless:
 - (i) it is moving to another EU Member State under the provisions of the EMCS as established pursuant to the European Council Directive 2008/118/EEC, any amendments thereto and any other subsequent successor or subordinate legislation and within the timeframe stipulated by EMCS and the e-AD is received by the nominated consignee; or
 - (ii) where allowed under national excise legislation it has moved to another approved bonded location under national excise legislation based on EMCS and within the timeframe stipulated by national excise legislation is received by the nominated consignee; or
 - (iii) the Buyer can provide evidence satisfactory to the EU Member State where the Crude Oil or Product was taken out of bonded premises without an e-AD as a result of the Buyer's nomination, that the Crude Oil or Product was delivered into bonded premises within the EU in circumstances where such deliveries allow for suspension of Mineral Oil Tax or excise duty has been accounted for; or
 - (iv) the Buyer can provide evidence that the Crude Oil or Product was exported from the EU.
- (b) The nomination provided by the Buyer to the Seller must include full details necessary to comply with the requirements of EMCS, and must include (without limitation) full details (name, address and excise licence number) of the relevant excise licence holder (authorised warehousekeeper) and tax warehouse itself.
- (c) Where the Crude Oil or Product has not been released for free circulation in the EU (i.e. has T1 status), the Buyer must provide sufficient information about the Crude Oil or Product's destination as to enable the Seller to comply with the applicable customs and related legislation, including export or EU Community Transit rules (including use of the NCTS).

(d) Where amendments are legitimately required to e-ADs after the Vessel has sailed, the Seller shall ensure such changes are made by the consignor. If the Seller fails to ensure such changes are made, the Seller shall indemnify, and hold indemnified, the Buyer against any and all liability in respect of excise duty or mineral oil tax incurred by the Buyer. The indemnity is subject to the Buyer informing the Seller of any such changes.

(e) If the Buyer fails to take the necessary steps to ensure one of the exceptions in Sections 52.5(a)(i) to 52.5(a)(iv) applies, or does not comply with Sections 52.5(b) or 52.5(c), or in the event of any fraud or misappropriation in respect of the Crude Oil or Product or the documents referred to in such Sections (or both), the Buyer shall indemnify, and hold indemnified, the Seller against any and all liability in respect of customs, or excise duty, or mineral oil tax incurred by the Seller, including any interest, penalties and costs in respect thereof. In addition, notwithstanding compliance with such Sections, the Buyer shall, except in the case of delivery DAP, remain liable under the above indemnity for any customs, or excise duty, or mineral oil tax claimed by any relevant EU Member State in respect of discrepancies between the loaded and discharged quantities.

52.6 For the purposes this Section “evidence satisfactory” to an EU Member State or Non-EU state shall, as a minimum and without prejudice to the provisions of Section 61 hereof, require a certificate of discharge of the Crude Oil or Product. For the avoidance of doubt, the Buyer shall not be obliged to provide any documents pursuant to this Section which are not required by the relevant authorities in the EU Member State or non-EU state in question.

52.7 No time bar for claims relating to taxes and duties

There shall be no time limit on claims solely for taxes and duties pursuant to this Section 52, and the provisions of Section 57 shall not apply.

53. Payment

53.1 Invoice and Payment

(a) Except where Section 53.1(b) applies or as expressly provided elsewhere in the Agreement, payment shall be made by the Buyer to the Seller without any discount, deduction, withholding, offset or counterclaim by wire transfer of same day funds on or before the due date.

(b) Except as provided for by Schedule 4 paragraph 2.4, where any Applicable Law requires a deduction or withholding in respect of tax to be made, the Buyer shall inform the Seller of that requirement and will pay such additional amount to the Seller as will ensure that the net amount received by the Seller is equal to the full amount that the Seller would have received had the deduction or withholding not been required.

53.2 Payment documents

(a) Promptly after completion of each delivery of Crude Oil or Product, the Seller shall prepare and issue a commercial invoice identifying the type (or types) and quantity (or quantities) of Crude Oil or Product delivered and the applicable Price as determined in accordance with the provision of the Sales Confirmation. Except as expressly provided elsewhere in the Agreement, payment shall be made against presentation to the Buyer of:

- (i) in the case of delivery FOB, CFR or CIF by Vessel (not including inland barges):
 - (A) the Seller's faxed or emailed commercial invoice (provisional invoice acceptable where the provisions of Section 53.5(b) apply); and
 - (B) 3/3 original bills of lading issued or endorsed to the order of the Buyer; and
 - (C) original certificate of quantity, quality and origin (or equivalent documents issued at the Loading Terminal).
- (ii) in the case of CFR Outturn or CIF Outturn deliveries (not including inland barges):
 - (A) the documents referred to in Section 53.2(a)(i); and
 - (B) a copy of the certificates of quantity and quality (or such other equivalent documents as may be issued at the Discharge Terminal) issued pursuant to Section 18.2.
- (iii) in the case of delivery DAP by Vessel (not including inland barges):
 - (A) the Seller's emailed commercial invoice (provisional invoice acceptable where the provisions of Section 53.5(b) apply); and
 - (B) a copy of the certificates of quantity and quality. Where Section 50.6 applies such certificate of quantity shall be determined in accordance with that Section.
- (iv) in the case of delivery by Barge (not including sea-going barges), or delivery Ex Tank, Into Tank, Ex Pipeline, In Situ, FIP, FCA, CPT, CIP, DAP deliveries as per Part Six (except where the provisions of Section 53.2(a)(v) below apply) or DDP: against presentation to the Buyer of the Seller's emailed commercial invoice (provisional invoice acceptable where the provisions of Section 53.5(b) apply) and a copy of the certificate of quantity and quality (or equivalent documents) issued at the terminal/pipeline facility.
- (v) in the case of delivery DAP by road or rail where the delivery point is at frontier:
 - (A) the Seller's emailed commercial invoice (provisional invoice acceptable where the provisions of Section 53.5(b) apply); and
 - (B) for delivery by Rail Tank Cars: a copy of the relevant railway bill date stamped at the border crossing railway station being the place of delivery provided in the Sales Confirmation and certified as a true copy by the Seller;
 - (C) for delivery by Road Tanker: a copy of the relevant CMR note or other contract evidencing the carriage of the Crude Oil or Product, date stamped at the border crossing being the place of delivery provided in the Sales Confirmation and certified as a true copy by the Seller.

53.3 The Seller's indemnity in lieu of shipping documents

- (a) If the documents referred to in Section 53.2(a) are not available for presentation to the Buyer on or before the payment due date, the Buyer agrees to pay the Seller upon presentation to the Buyer of:
 - (i) the Seller's emailed commercial invoice (provisional invoice acceptable where the provisions of Section 53.5(b) apply); plus
 - (ii) the Seller's emailed indemnity counter-signed, if so requested by the Buyer by a first-class international bank acceptable to the Buyer, in the format set out in Schedule 1.

53.4 CFR Outturn and CIF Outturn

In the event of a total loss of the cargo or if the discharge quantity determined by the independent inspector in accordance with Section 18.1(c) is less than 99.5 per cent of the loaded quantity determined in accordance with Section 9.1 then the quantity invoiced by the Seller shall be 99.5 per cent of the quantity specified on the certificate of quantity issued at the Loading Terminal.

53.5 The Seller's Invoice

- (a) The Seller's invoice shall be prepared on the basis of:
 - (i) in the case of delivery FOB, CFR, CIF, Ex Tank, Into Tank, Ex Pipeline, In Situ, FIP, FCA, CPT, CIP, DDP or DAP where the delivery point is at frontier, the certificates of quantity and, where applicable, quality (or equivalent documents issued at the Loading Terminal); or
 - (ii) in the case of CFR Outturn or CIF Outturn deliveries, the certificates of quantity issued at the Loading Terminal and subsequently adjusted in accordance with the certificate of quantity issued at the Discharge Terminal;
 - (iii) in the case of delivery DAP, the certificates of quantity and, where applicable, quality (or equivalent documents issued at the Discharge Terminal).
- (b) Except where the provisions of Section 53.14 apply, where the applicable pricing mechanism or the availability of discharge quantities (or both) does not allow for the preparation of a final invoice prior to the payment due date, the Seller may issue and the Buyer shall make payment against a provisional invoice. The provisional invoice shall, unless otherwise agreed between the Parties, be based upon:
 - (i) the pricing information available to the Seller at the time it issues such provisional invoice; or
 - (ii) the mean of any minimum or maximum quantity specified in the Sales Confirmation;or both.
- (c) Payment of any balance due by either Party to the other shall be made within three (3) New York banking days of receipt of the Seller's final invoice which shall be prepared as soon as practicable after all the relevant pricing and quantity information becomes available to the Seller.

53.6 Other costs, expenses and charges

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 invoice and shall be for immediate settlement by the payer on or before the date specified on the invoice.

53.7 Payment due date

- (a) The payment due date shall be as specified in the Sales Confirmation.
- (b) Where no payment due date is specified in the Sales Confirmation, payment shall be due three (3) New York banking days after the date property in the Crude Oil or Product passes to the Buyer.
- (c) In the case of CFR or CIF deliveries, in the event that the payment due date specified in the Sales Confirmation is based on either the NOR date at the Discharge Terminal or the completion of discharge date, and providing property in the Crude Oil or Product has passed to the Buyer, in the event that the Vessel, for whatever reason, does not tender NOR at the Discharge Terminal or does not complete discharge, then for payment purposes the NOR or completion of discharge date shall be deemed to be the last day of the Indicative Discharge Date range or, if there is no Indicative Discharge Date range, then payment shall be due thirty (30) days after the bill of lading date.

53.8 Payments due at weekends or on bank holidays

Whether due from the Buyer or from the Seller, if any payment falls due on a Sunday or bank holiday Monday in New York, such payment shall be made on the first New York banking day following and if any payment falls due on a Saturday or any other bank holiday in New York such payment shall be made on the last preceding banking day in New York.

53.9 Interest

- (a) If either Party (the "**Paying Party**") fails to pay in full any sums on the due date for payment, the other Party (the "**Receiving Party**") shall have the right to require the payment by the Paying Party of interest on any unpaid amount at three (3) percentage points above the London Interbank Offered Rate ("**LIBOR**") for one month US dollar as administered by the ICE Benchmark Administration ("**IBA**") or any other entity which takes over the administration of that rate and published on the due date by Thomson Reuters on behalf of the IBA, such interest to run from the due date until the date payment is received by the Receiving Party's bank. Interest shall continue to accrue under this Section 53.9 until payment notwithstanding the termination of the Agreement for any cause whatsoever. The amount of interest payable to the Receiving Party shall be engrossed for withholding tax, if any, such that the net amount received by the Receiving Party after the deduction of any such withholding tax shall be equal to the full amount of interest due.
- (b) If the cessation of LIBOR has an impact on the operation of this Agreement, then upon written notice from either Party, an alternative reference shall be agreed by the Parties for the calculation of the interest rate under this Section 53.9. Both Parties shall use best endeavours to agree an alternative reference and to do so promptly. No Party shall unreasonably withhold its consent with respect to an alternative reference proposed by the other Party.

- (c) The provisions of this Section 53.9 shall not be construed as an indication of any willingness on the part of the Receiving Party to provide extended credit as a matter of course, and shall be without prejudice to any rights and remedies which the Receiving Party may have under the Agreement or otherwise. Any expenses incurred by the Receiving Party, including reasonable legal fees, court costs and collection agency fees, caused by delayed or non-payment by the Paying Party of the amount due shall be for the account of the Paying Party and payable upon demand with supporting documentation.

53.10 Payment account

Payment shall be made to the Seller's bank, account name and account number as specified in the Sales Confirmation. If at any time either Party sends notice of changed banking information or an invoice containing banking information different from that currently in the other Party's records, the Paying Party may, prior to making any payment then due, require that the other Party provide email or fax confirmation of the new banking information as well as the Paying Party's usual account opening information. The other Party shall provide such information in a timely manner and payment shall not be due until one (1) Business Day after the Paying Party has completed its account opening process (including any "know your customer" verification). The Paying Party shall update its records in a timely manner upon receipt of the confirmation so as to avoid unnecessary further requests for confirmation.

53.11 Netting of Invoices

The Parties may net invoices for amounts that are due to each other on the same date. In that case, prior to the due date the Parties shall confirm either orally (to be confirmed in writing) or in writing, the invoice amounts and the balance due, if any, after netting (being the excess of the larger aggregate amount owed over the smaller aggregate amount owed). When the balance due has been confirmed, each Party's obligation to make payments to the other will be automatically satisfied and discharged and replaced by an obligation upon the Party by whom the larger aggregate amount would have been payable to pay to the other Party on the date due the agreed balance. Notwithstanding the above, payments for any demurrage, quantity, quality or other claims shall not be included in such netting of invoices.

53.12 Credit Support

- (a) If a form of Credit Support is not already provided for in the Sales Confirmation, or where the Credit Support that has been provided for in the Sales Confirmation (including where such Credit Support has already been provided by the Buyer) becomes unacceptable to the Seller, the Seller shall have the right, on giving the Buyer notice of not less than two (2) Business Days to that effect, to require Credit Support or additional Credit Support of a type acceptable to the Seller to be provided in accordance with the provisions of Sections 53.13 or 53.14 as applicable and by the time specified in the Seller's notice aforesaid.
- (b) Where Credit Support is required in accordance with the Sales Confirmation or Section 53.12(a), such Credit Support shall not be construed as excluding the Buyer's basic responsibility for paying the Price within the due date for Crude Oil or Product delivered hereunder.
- (c) Failure by the Buyer to provide Credit Support in accordance with the provisions of Sections 53.13 or 53.14 as applicable shall be a breach by the Buyer of the Agreement entitling the Seller to terminate the Agreement and claim damages. Any delay in exercising such a right to terminate the Agreement shall not constitute a waiver of that right. In any event, whether the Seller has exercised that right to terminate or not, the Seller:

- (i) shall be under no obligation to commence loading or discharge of the Crude Oil or Product in question;
- (ii) shall be entitled to give such instructions to the Vessel as it may reasonably think fit; and
- (iii) shall be entitled to claim damages (including demurrage, if any).

53.13 Letter of Credit

- (a) Where under the Agreement or by virtue of the provisions of Section 53.12 the Price is to be paid by means of an irrevocable documentary letter of credit or supported by a standby letter of credit in favour of the Seller (both herein referred to as an "**L/C**"), the Buyer shall cause such L/C to be opened with or confirmed by a first-class international bank acceptable to the Seller (the "**Bank**") in terms specified in this Section 53.13.
- (b) The L/C shall be sufficient to cover the contractual mean value of the Crude Oil or Product at the Price (or the provisional price in the invoice, if the contractual mean value of the Crude Oil or Product at the price specified in the Sales Confirmation is not known) plus fifteen (15) per cent and a further amount to cover escalation in duties including VAT if appropriate and the Buyer shall cause it to be advised or confirmed in writing by the Bank to the Seller, in a form substantially as set out in Schedule 2 or Schedule 3 (whichever is applicable) and in all respects acceptable to the Seller.
- (c) Save as provided in Section 24.2 the L/C shall be so advised or confirmed by the Bank by not later than 1600 hours (London time) on seven (7) days before:
 - (i) the date provided in the Sales Confirmation; or
 - (ii) if no date is provided in the Sales Confirmation then either:
 - (A) the first day of the Laydays, where applicable; or
 - (B) in all other cases, the beginning of the date or range of dates on which loading or delivery, whichever is earlier, is scheduled or indicated to take place under the Agreement.
- (d) Where the deadline for advising or confirming the L/C by the Bank would fall prior to the date of the Agreement, the L/C shall be advised or confirmed as soon as reasonably practicable following the date of the Agreement, and in any event no later than 1200 hours on the second (2) Business Day prior to the event specified in 53.13(c)(ii)(A) or 53.13(c)(ii)(B) as applicable.
- (e) Pursuant to such L/C the Seller shall present the documents referred to in Section 53.2 or 53.3 at the counter of the Bank, or its correspondent bank in London.
- (f) All charges in respect of the L/C shall be for the Buyer's account.
- (g) The L/C shall take effect in accordance with its terms (including any agreed amendments thereto) but such terms (including any agreed amendments thereto) shall not alter, add to, or in any way affect, the provisions of the Agreement (or any of them) unless the Seller and the Buyer expressly agree in writing that any such term shall so alter, add to, or in any way affect, the provisions of the Agreement.

- (h) If for any reason the loading or discharge, as the case may be, of the Vessel will not take place within the period for such loading or discharge referred to in the L/C, the Buyer shall either obtain an extension of such period for loading or discharge or provide a new L/C in terms acceptable to the Seller.

53.14 Advance Payment

- (a) Where, under the Agreement or by virtue of the provisions of Section 53.12 the Price is to be paid by means of cash in advance, the Seller shall issue and the Buyer shall make payment against a provisional invoice. The provisional invoice shall, unless otherwise agreed between the Parties, be based upon:
 - (i) the pricing information available to the Seller at the time it issues such provisional invoice; and
 - (ii) one hundred and twenty (120) per cent of the maximum contractual quantity specified in the Sales Confirmation.
- (b) The provisional payment shall be made by the date specified in the Sales Confirmation or by the date specified in the Seller's notice pursuant to Section 53.12.
- (c) Payment of any balance due by either Party to the other shall be made on the due date specified in the Sales Confirmation or, where there is no final due date specified in the Sales Confirmation, within three (3) Business Days of receipt of the Seller's final invoice which shall be prepared as soon as practicable after all the relevant pricing and quantity information becomes available to the Seller. No interest shall be due on the difference between the provisional and final invoice.

53.15 Purchase confirmation

If requested by the Seller, the Buyer shall provide the Seller's bank with a letter confirming the existence of the Agreement and that, subject to the terms of the Agreement, the Buyer shall make payment to the account specified in the Seller's invoice against the documents specified in Section 53.2 or 53.3.

53.16 Currency of Payment

Notwithstanding the currency of payment specified in the Sales Confirmation, it is a condition of this Agreement that the Crude Oil or Product nominated by the Seller shall be Crude Oil or Product for which payment of the Price can be freely made and received in US Dollars via standard banking channels.

54. New and changed regulations

- 54.1 It is understood by the Parties that the Seller is entering into the Agreement in reliance on the laws, rules, regulations, decrees, agreements, concessions and arrangements ("**Regulations**") in effect on the date hereof with governments, government instrumentalities or public authorities affecting the Crude Oil or Product sold hereunder including those relating to the production, acquisition, gathering, manufacturing, transportation, storage, trading or delivery thereof, insofar as such Regulations affect the Seller or the Seller's supplier.

54.2 If at any time and from time to time during the currency of the Agreement any Regulations are changed or new Regulations have become or are due to become effective, whether by law, decree or regulation or by response to the insistence or request of any governmental or public authority or any person purporting to act therefor, and the material effect of such changed or new Regulations (a) is not covered by any other provision of the Agreement; and (b) has or will have a material adverse economic effect on the Seller, the Seller shall have the option to request renegotiation of the Price or other pertinent terms of the Agreement. Such option may be exercised by the Seller at any time after such changed or new Regulations are promulgated by written notice to the Buyer, such notice to contain the new price or terms desired by the Seller. If the Parties do not agree upon a new price or terms satisfactory to both Parties within fifteen (15) days after the date of the Seller's notice, either Party shall have the right to terminate the Agreement immediately at the end of such fifteen (15) day period. Any Crude Oil or Product delivered during such fifteen (15) day period shall be sold and purchased at the Price and on the terms applying under the Agreement without any adjustment in respect of the new or changed regulations.

55. Force Majeure

General

55.1 Neither the Seller nor the Buyer shall be liable for a failure to perform any of its obligations under the Agreement insofar as that Party proves that the failure was due to an impediment beyond its control.

Inclusions

55.2 An impediment within Section 55.1 shall:

- (a) provided that the general requirements of Section 55.1 are present, include delay, hindrance, reduction in, interference with, curtailment or prevention of a Party's performance of its obligations hereunder resulting from events including:
 - (i) natural disasters such as floods, destruction by lightning, violent storms, typhoons, tornados, earthquakes;
 - (ii) war (whether declared or undeclared), blockade, acts of piracy, terrorist acts, seizure or acts of sabotage, breaking off of diplomatic relations;
 - (iii) revolution, rebellion, civil war, riot, civil disturbance, civil commotion, insurrection or military uprising;
 - (iv) trade or labour disputes of all kinds, boycotts, strikes, lock-outs, industrial disturbances, go-slows, occupation of factories and premises;
 - (v) failures, explosions, breakages, fires or destruction of: tankage, pipelines, refineries, terminals, and any of kind of installations;
 - (vi) any curtailment, reduction in, interference with, failure or cessation of supplies of Crude Oil or Product from any of the Seller's or the Seller's suppliers' sources of supply or by any refusal to supply Crude Oil or Product whether lawful or otherwise by the Seller's suppliers (provided in fact the sources of supply are for the purposes of the Agreement);

- (vii) any compliance with any law, regulation or ordinance, or with any order, demand or request of an international, national, port, transportation, local or other authority or agency (including the International Energy Agency (“IEA”)) or of any body or person purporting to be or to act for any such authority or agency or any corporation directly or indirectly controlled by any of them;
- (b) any impediment within Section 55.1 shall not include delay, hindrance, interference with, curtailment or prevention of a Party’s accrued obligation to make payment under the Agreement whether in respect of the Price, despatch, demurrage or any other financial obligation whatsoever where the impediment is solely caused by lack of funds.

Notification and Mitigation

55.3 The Party seeking relief (the “**Relying Party**”) shall:

- (a) as soon as reasonably practicable after the impediment becomes known to it give notice in writing to the other Party of such impediment and the effects, or the reasonably anticipated effects, on its ability to perform in as much detail as possible and the appropriate relief sought, and of its intention to rely on this Section 55.
- (b) use all reasonable endeavours to mitigate and overcome the effects of the impediment and shall, during the continuation of the impediment, provide the other Party with reasonable updates, when and if available, of the extent and expected duration of the impediment.

55.4 Delay or failure to comply with Section 55.3 shall not deprive the Relying Party of the right to claim relief but may make the Relying Party liable in damages to the other Party for loss which otherwise could reasonably have been avoided.

Relief

55.5 The appropriate relief under this Section shall be as follows:

- (a) in respect of an impediment that renders impossible the Relying Party’s performance of its obligations, immediate termination of the affected delivery obligations without liability for damages, penalties and other contractual remedies;
- (b) in respect of an impediment that delays, hinders, reduces or interferes with the performance of the delivery obligations, immediate postponement of those obligations without liability for damages, penalties and other contractual remedies for a period until midnight local time on the last date of the Laydays, or until such time as the impediment is removed, whichever is the earlier. The impediment shall not, however, operate to extend the term of the Agreement or to abrogate the provisions of Section 64.14. Further, should the impediment continue beyond midnight local time on the last day of the Laydays then either Party may terminate the Agreement without liability for damages, penalties and other contractual remedies by and upon giving written notice to the other Party;

(c) in respect of an impediment that delays, hinders, reduces or interferes with the performance of an obligation other than the delivery obligations, immediate postponement of those obligations without liability for damages, penalties and other contractual remedies until such time as the impediment is removed.

55.6 The Relying Party, if the Seller, shall not be obliged to purchase afloat or otherwise from other suppliers to make good shortages or deficiency of delivery resulting from an impediment.

55.7 Nothing in this Section shall be taken to limit or prevent the operation of the Common Law doctrine of frustration (including frustration of the adventure, of purpose or of the Agreement).

56. Limitation of liabilities

56.1 Except as specifically provided in this Agreement, in no event, including the negligent act or omission on its part, shall either Party be liable to the other, whether under this Agreement or otherwise in connection with it, in contract, tort, breach of statutory duty or otherwise, in respect of any indirect or consequential losses or expenses including if and to the extent that they might otherwise not constitute indirect or consequential losses or expenses, loss of anticipated profits, plant shut-down or reduced production, loss of power generation, blackouts or electrical shut-down or reduction, goodwill, use, market reputation, business receipts or contracts or commercial opportunities, whether or not foreseeable.

56.2 The provisions of this Section 56 shall continue to apply notwithstanding the termination or expiry of this Agreement for any reason whatsoever.

57. Time bar

Without derogating from the specific time limits set out in Sections 7.3(c), 16.3(c), 23.3(c), 30.2, 50.4 and 52.6, and any other provisions requiring compliance within a given period, all of which shall remain in full force and effect, arbitration proceedings in respect of any claim or Dispute arising under this Agreement shall be commenced in accordance with Section 63 within one (1) year of the date on which the Crude Oil or Product was delivered or, in the case of a total loss, the date upon which the Crude Oil or Product should have been delivered, failing which the claim shall be time barred and any liability or alleged liability of the other Party shall be finally extinguished.

58. Default Events

58.1 The events and circumstances set out below with respect to a Party (the “**Defaulting Party**”) shall constitute “**Default Events**”:

(a) the Defaulting Party or its immediate or ultimate parent or the Party which has issued any credit support (including a letter of credit, performance guarantee or other financial instrument) pursuant to the terms of this Agreement in favour of the Defaulting Party:

(i) is dissolved (other than pursuant to a consolidation, amalgamation or merger);

- (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
 - (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
 - (iv) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation and is not withdrawn, dismissed, discharged, stayed or restrained within fifteen (15) calendar days of the institution or presentation thereof;
 - (v) has a resolution passed for its winding up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
 - (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
 - (vii) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen (15) calendar days thereafter;
 - (viii) causes or is subject to any event which, under the Applicable Law of any jurisdiction, has an analogous effect to any of the events specified in Sections 55.1(a)(i) to 55.1(a)(vii) above; or
 - (ix) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts;
- (b) the Defaulting Party commits a repudiatory or renunciatory breach of this Agreement;
 - (c) the Defaulting Party, fails to deliver to the Non-Defaulting Party, any credit support complying with the requirements of the Agreement within the time set out in this Agreement;
 - (d) without prejudice to the Non-Defaulting Party's rights under Section 58.1(c) above, the Defaulting Party fails to make a payment in full and by the due date of any amount due to the Non-Defaulting Party under this Agreement and does not correct such failure within fourteen (14) calendar days' notice being given by the other Party of such breach;
 - (e) in the case of the Buyer, the Defaulting Party fails to take delivery in accordance with the quantity or delivery provisions of the Agreement; or
 - (f) a change of Control of the Defaulting Party occurs.

58.2 In the event of a Default Event, the Party not subject to the Default Event (the “**Non-Defaulting Party**”) may at its absolute discretion, without prejudice to its other statutory or common law rights, by and upon notifying the Defaulting Party by notice in writing:

- (a) identifying the Default Event and requiring that the Default Event be cured to the Non-Defaulting Party’s satisfaction within seven (7) calendar days failing which the Non-Defaulting Party may terminate this Agreement by notice under Section 58.2(b); or
 - (b) terminate this Agreement with immediate effect; or
 - (c) suspend delivery of the Crude Oil or Product under this Agreement until the Default Event has been remedied in full; or
 - (d) in the case of the delivery of multiple cargoes, terminate an individual cargo; or
 - (e) set-off monies payable by the Non-Defaulting Party against the liabilities of the Defaulting Party pursuant to this Agreement or any other contract between the Non-Defaulting and Defaulting Party;
- (or any two or more of the above, as applicable).

59. Limitation of Assignment

59.1 Neither of the Parties to the Agreement shall without the previous consent in writing of the other Party (which shall not be unreasonably withheld or delayed) assign the Agreement or any rights or obligations hereunder. In the event of an assignment in accordance with the terms of this Section, the assignor shall nevertheless remain responsible for the proper performance of the Agreement. Any assignment not made in accordance with the terms of this Section shall be void.

59.2 Notwithstanding Section 59.1, the Seller may without the Buyer’s consent assign its rights to receive and obtain payment under the Agreement in connection with any finance, securitisation or bank funding arrangements, provided that the assignee is not affected by any law, order or regulation which would prevent the Buyer from dealing with the assignee or expose the Buyer or any of its Affiliates to a prohibition, penalty or punitive measure. Payment made by the Buyer to the payee specified in the Seller’s invoice of the full amount owed in respect of Crude Oil or Product deliverable under the Agreement shall be in full discharge of the Buyer’s payment obligations to the Seller under the Agreement. Any such assignment will not affect the Seller’s obligations under the Agreement.

60. Notices

60.1 Unless otherwise provided elsewhere in this Agreement any communication by either Party to the other shall be in writing and in the English language. Such communication shall, saved as provided for in Section 60.2, be served by receipted hand delivery, fax transmission, email or registered post or courier to the address of the other Party specified for this purpose in the Sales Confirmation and shall, unless otherwise provided herein, be deemed to have been received as follows:

- (a) in case of hand delivery, at the moment it was received at the correct address (for administration purposes only with a copy of the notice to be sent by email transmission);
- (b) in case of fax transmission, if it was transmitted on a Business Day before 1600 hours, on that day; in any other case, on the following Business Day, and always provided that:
 - (i) a transmission record is retained by the sender to show that the transmission was correctly completed and that all pages were transmitted; and
 - (ii) a hard copy of the notice or other communication is forwarded by the sender to the recipient on the same day as the fax transmission by receipted hand delivery or registered post;
- (c) in case of registered post or courier, if delivered on a Business Day before 1600 hours, on that day; in any other case, on the following Business Day (in all cases for administration purposes only with a copy of the notice to be sent by email transmission); and
- (d) in case of email transmission, at the time it was received by the receiving Party, save that if received on a non-Business Day it shall be deemed received on the following Business Day; and the notifying Party bears the risk of a failure in transmission.

60.2 In respect of any notices sent by email in relation to, and under, Sections 58, 59, or 63, such notice shall be in the form of a letter on the letterhead of the notifying Party and sent as an attachment to the email.

60.3 For the purpose of this Section *only*, **Business Day** means a day (a period of twenty-four (24) hours starting at 0000 hours and finishing at 2400 hours on the same day) on which the office of the Party receiving the relevant communication is ordinarily open for business.

60.4 Any alterations to the contacts or addresses specified in the Sales Confirmation shall be notified immediately to the other Party in accordance with Section 60.1.

60.5 Notices may not be given by instant messaging.

61. Destination, Sanctions and Boycotts

61.1 Destination

- (a) It is a condition of the Agreement that the Crude Oil or Product purchased or delivered under this Agreement shall not be imported or discharged (by the Buyer or others) directly or indirectly and irrespective of the means, to any destination which is at the time of such import either prohibited under the laws of the country in which such Crude Oil or Product was produced or contrary to any regulation, directive or guideline applied by the government of that country or any relevant agency thereof. The Buyer acknowledges that at the date hereof it is informed of and that it shall keep itself informed as to such laws, regulations, rules, directives and guidelines relevant to its undertakings under this Section 61 and shall ensure they are complied with.

- (b) Where requested by the Seller, the Buyer shall provide the Seller with all appropriate documentation verifying the final destination of the Crude Oil or Product purchased and delivered under this Agreement within thirty (30) calendar days of the request or within such lesser period as will enable the Seller to comply with any requirement or request of any government or authority and shall identify the port of discharge, the date of discharge, the grade and quantity discharged and whether or not the product delivered has been otherwise sold or disposed of. The obligations of the Buyer to comply with the requirements of this Section shall not be affected by any sale or disposal of the Crude Oil or Product in question by the Buyer.
- (c) Where the Seller has reasonable grounds to believe that the Buyer has not complied with these undertakings, the Seller may at its sole discretion, by written notice to the Buyer or orally (with written confirmation to follow):
 - (i) terminate the Agreement immediately or suspend any further delivery of the Crude Oil or Product under the Agreement until further notice; or
 - (ii) decline to commence or complete loading of any shipment of the Crude Oil or Product; or
 - (iii) call for all of the Buyer's relevant documents;(or any two or more of the above, as applicable) and in each case without any liability whatsoever (including but not limited to any damages for breach of contract, penalties, cost, fees and expenses).

61.2 Sanctions

- (a) Notwithstanding anything to the contrary elsewhere in the Agreement:
 - (i) Nothing in the Agreement is intended, and nothing herein should be interpreted or construed, to induce or require either Party hereto to act in any manner (including failing to take any actions in connection with a transaction) which at the relevant time is inconsistent with, penalised or prohibited under any laws, regulations, decrees, ordinance, order, demand, request, rules or requirements of the United States of America applicable to such Party which relate to international boycotts of any type; and
 - (ii) Neither Party shall be obliged to perform any obligation otherwise required by this Agreement (including without limitation an obligation to (a) perform, deliver, accept, sell, purchase, pay or receive monies to, from, or through a person or entity, or (b) engage in any other acts) if at the time of performance of the relevant obligation this would be in violation of, inconsistent with, or expose such Party to punitive measures under, any laws, regulations, decrees, ordinances, orders, demands, requests, rules or requirements of the European Union, any EU member state, the United Kingdom, the United Nations or the United States of America applicable to the Parties relating to trade sanctions, foreign trade controls, export controls, non-proliferation, anti-terrorism and similar laws (the "**Trade Restrictions**").
- (b) Where any performance by a Party would be in violation of, inconsistent with, or expose such party to punitive measures under, the Trade Restrictions, such Party (the "**Affected Party**") shall, as soon as reasonably practicable give written notice to the other Party of its inability to perform. Once such notice has been given the Affected Party shall be entitled:

- (i) immediately to suspend the affected obligation (whether payment or performance) until such time as the Affected Party may lawfully discharge such obligation; or
 - (ii) where the inability to discharge the obligation continues (or is reasonably expected to continue) until the end of the contractual time for discharge thereof, to a full release from the affected obligation, provided that where the relevant obligation relates to payment for goods which have already been delivered, the affected payment obligation shall remain suspended (without prejudice to the accrual of any interest on an outstanding payment amount) until such time as the Affected Party may lawfully resume payment; or
 - (iii) where the obligation affected is acceptance of the Vessel, to require the other Party to nominate an alternative Vessel;
- (or any two or more of the above, as applicable) in each case without any liability whatsoever (including but not limited to any damages for breach of contract, penalties, costs, fees and expenses).
- (c) Nothing in this Section shall be taken to limit or prevent the operation, where available under the governing law of the Agreement, of any doctrine analogous to the English Common Law doctrine of frustration.
 - (d) The Buyer undertakes that the Crude Oil or Product deliverable hereunder shall not:
 - (i) be exported or resold to any Sanctioned Territory;
 - (ii) be sold or resold or supplied to any Person or loaded on board a Vessel (i) organized under the laws of, resident in or operating from any Sanctioned Territory; or (ii) otherwise targeted by Trade Restrictions;
 - (iii) be sold or resold or supplied to any Person or loaded on board a Vessel for the purposes of any commercial activity carried out in or from any such Sanctioned Territory.
 - (e) The Buyer warrants that it is not a Sanctioned Person, and it is not owned or controlled by or acting for or on behalf of a Sanctioned Person.
 - (f) The Buyer acknowledges that at the date hereof it is informed of and that it shall keep itself informed as to such laws, regulations, rules, directives and guidelines relevant to its undertakings under this Section 61 and shall ensure they are complied with. The Buyer also undertakes that, from the date hereof, should it become aware of any introduction, change, variation or entry into force of any such laws, regulations, rules, directives or guidelines that materially impact on its obligations under this Section 61, it shall promptly give notice to the Seller compliant with Section 60 .
 - (g) For the purposes of this Section:

Sanctioned Territory means any country, state, territory or region against which there are Trade Restrictions that target, prohibit, restrict, penalize, or condition the shipment through or thereto of the Crude Oil or Product or otherwise risk exposing the Seller to any Trade Restrictions by reason of entry into or performance of this Agreement or delivery of the Crude Oil or Product or receipt of the Price hereunder.

Sanctioned Person means any Person (including for this purpose any Vessel) designated by an applicable sanctioning authority including the United Nations, European Union, United Kingdom, United States of America or any other applicable competent authority or government.

- (h) The rights provided to the Seller under this Section shall be without prejudice to the Seller's common law rights and other rights under this Agreement.

61.3 Trade controls and boycotts

- (a) The Buyer agrees to comply with all relevant trade controls, export and re-export controls, embargoes, and Trade Restrictions issued by the United Nations, European Union, United Kingdom, United States of America or any other applicable competent authority or government in a manner in which there is no breach of the aforementioned undertakings of this Section. Notwithstanding anything to the contrary in the Agreement, nothing in the Agreement is intended, or should be interpreted or construed, to induce or otherwise require either Party hereto to act or refrain from acting (or agreeing to act or refrain from acting) in any manner which is penalised, or prohibited under any laws, regulations, decisions, decrees, ordinance, order, demand, request or rules or requirements relating to foreign trade controls, export controls, embargoes, international boycotts or sanctions of any type as applicable to such Party.
- (b) Nothing in this Section 61.3 shall be taken to limit or prevent the operation of the English common law doctrine of frustration (including frustration of the adventure or purpose of the Agreement).

62. Anti-bribery and Corruption

62.1 The Buyer and the Seller agree and undertake to each other that in connection with this Agreement, they will each respectively comply with all applicable laws, rules, regulations, decrees, official governmental orders or other legally binding measures of the United Kingdom; the United States of America; or any other relevant jurisdiction relating to anti-bribery and anti-money laundering and that they shall each respectively take no action which would subject the other to fines, or penalties under such laws, regulations, rules or requirements.

62.2 The Buyer and the Seller each represent, warrant and undertake to the other that they shall not, directly or indirectly:

- (a) pay, offer, give or promise to pay or authorise the payment of any monies or the transfer of any financial or other advantage or other things of value to:
 - (i) a government official or an officer or employee of a government or any department, agency or instrumentality of any government;
 - (ii) an officer or employee of a public international organisation;
 - (iii) any person acting in an official capacity for or on behalf of any government or department, agency or instrumentality of such government or of any public international organisation;
 - (iv) any political party or official thereof, or any candidate for political office;

- (v) any director, officer, employee or agent/representative of an actual or prospective counter-party, supplier or customer of the Buyer or the Seller;
- (vi) any other person, individual or entity at the suggestion, request or direction of or for the benefit of any of the above-described persons and entities; or
- (vii) engage in other acts or transactions;

in each case if this is in violation of or inconsistent with applicable anti-bribery or anti-money laundering law, rule or regulation of any relevant government including without limitation the US Foreign Corrupt Practices Act, the UK Bribery Act 2010, the UK Anti-Terrorism, Crime and Security Act 2001, the Money Laundering Regulation 2007 and the Proceeds of Crime Act 2002 and the applicable country legislation implementing the Organisation for Economic Cooperation and Development ("**OECD**") Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

- 62.3 In particular, each Party represents and warrants to the other that it has not made any payments or given anything of value to officials, officers or employees of the Government of the country in which the Crude Oil or Product originated or any agency, department or instrumentality of such government in connection with the Crude Oil or Product which is the subject of the Agreement which would be inconsistent with or contravene any of the applicable above-referenced legislation.
- 62.4 The Buyer warrants that it has not made or given, and shall not make or give, directly or indirectly, any payment or anything of significant value to any representative of the Seller or any other person or entity, to secure or influence the award of the Agreement or its terms, performance, administration, extension or termination.
- 62.5 The Buyer or the Seller may terminate the Agreement forthwith upon written notice to the other at any time, if in its reasonable judgment (supported by credible evidence) the other is in breach of any of the above representations, warranties or undertakings in this Section 62.

63. Dispute Resolution

- 63.1 The Parties shall attempt in good faith to amicably settle any dispute, controversy or claim arising out of or in connection with the conclusion, validity, effect, interpretation, performance, termination or dissolution of this Agreement and any non-contractual obligations arising out of or in connection with this Agreement, or any of them ("**Dispute**").
- 63.2 If the Dispute is not settled amicably within sixty (60) calendar days from the date the Dispute is first notified in writing to the other Party or Parties, subject to Sections 63.6 and 63.7, such Dispute shall be referred by any Party and finally resolved by arbitration in accordance with the rules of arbitration of the International Chamber of Commerce applicable at the time of conclusion of this Agreement (the "**ICC Rules**") by three (3) arbitrators. Each Party shall nominate an arbitrator for confirmation by the International Court of Arbitration (the "**Court**") under the ICC Rules. The two arbitrators nominated by the Parties shall nominate the third arbitrator who will act as president of the arbitral tribunal (the "**President**") within thirty (30) calendar days from their confirmation by the Court. Failing nomination by the arbitrators of the President within the time limit provided for in this clause or any other time limit agreed by the Parties, the President shall be appointed by the Court. The seat of the arbitration shall be in London, England.

63.3 The arbitration shall be conducted in the English language.

63.4 Either Party may apply to any competent judicial authority for interim or conservatory relief. The application for such measures or the enforcement of such measures ordered by such judicial authority shall not be deemed an infringement or waiver of this agreement to arbitrate and shall not affect the powers of the arbitrator.

63.5 The arbitration proceedings, including all documents, submissions, written and oral evidence, transcripts and correspondence used therein or relating thereto, as well as any order or award issued in connection therewith shall be strictly confidential ("**Confidential Arbitration Information**"). Notwithstanding this provision, but without prejudice to any other confidentiality obligation which may otherwise be applicable, either Party may disclose to a domestic court, for the purposes of setting aside or enforcement proceedings (as applicable) pending before such domestic court, any Confidential Arbitration Information, which it deems necessary for the purposes of those proceedings, after seeking an appropriate confidentiality order from such court, if available under the applicable law.

63.6 Small Claims

Provided there is nothing expressly stated in the Sales Confirmation to the contrary to this choice of forum and notwithstanding Section 63.2 above, the Parties agree, pursuant to Article 30(2)(b) of the ICC Rules, that the Expedited Procedure Rules shall apply, provided the amount in dispute does not exceed US\$ 500,000 at the time of the communication referred to in Article 1(3) of the Expedited Procedure Rules. The seat of the arbitration shall be in London, England.

63.7 Demurrage Claims

Provided there is nothing expressly stated in the Sales Confirmation to the contrary to this choice of forum and notwithstanding Sections 63.2 and 63.6 above, the Parties agree that where the Dispute between them is in relation to demurrage, including the commencement and computation of laytime, then the dispute shall be referred to arbitration to be conducted in accordance with the London Maritime Arbitrators Association ("**LMAA**") Terms current at the time when the claiming Party commences arbitration proceedings. The tribunal shall consist of three (3) arbitrators, each arbitrator shall be a full Member of the LMAA, and the timetable for constitution of the tribunal shall be in accordance with that laid out in the current LMAA Terms.

64. Miscellaneous

64.1 Severability

If any provision of the Agreement is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction or either Party's compliance with any ruling or resolution of the United Nations or the European Union has a like or similar effect, the remainder of the Agreement (and of such provision) shall not be affected except to the extent necessary to delete such illegal, invalid or unenforceable provision (or part thereof).

64.2 Survivability

The termination or expiration of this Agreement shall not discharge or release any rights, duties, obligations or liabilities arising prior to such termination or expiration nor prejudice any right or remedy accruing before, at, or in consequence of such termination or expiration or any proceeding with respect to any such right or remedy including any proceeding by way of arbitration under this Agreement.

64.3 Consents

Each Party shall be responsible for obtaining all consents, authorisations, approvals and assurances of whatsoever nature necessary to enable it to comply with its obligations under the Agreement.

64.4 No Partnership

Nothing in this Agreement is intended to, or shall be deemed to: establish any partnership or joint venture between any of the Parties; constitute either Party to be the agent of the other Party; or authorise either Party to make or enter into any commitments for or on behalf of the other Party.

64.5 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements between the Parties, whether oral or written, with respect to such subject matter.

64.6 Modification

No amendment, modification or alteration of this Agreement or any term or provision herein shall be valid unless reduced to writing and unless mutually agreed by the Parties in writing.

64.7 No Waiver

No waiver by either the Seller or the Buyer of any term or provision including any condition or warranty or innominate term or waiver of any breach of such shall be effective unless made in writing and no such waiver shall be construed as waiver of or apply to another term or provision.

64.8 Recording, Retention and Monitoring of Communications

Each Party hereby acknowledges to the other Party and consents that such other Party may from time to time and without further notice and to the extent permitted by law:

- (a) record and retain electronic transmissions (including telephone conversations, e- mail and instant messaging between the Parties' respective representatives in connection with the Agreement or other commercial matters between the Parties) on central and local databases for their respective legitimate purposes; and
- (b) monitor electronic transmissions through their internal and external networks for purposes of security and compliance with Applicable Law, regulations and internal policies for their other legitimate business purposes.

64.9 Warranties

The Buyer and the Seller each warrant that it has not in connection with the Agreement relied upon any representations, whether written or oral, made by or on behalf of the other Party, but has relied exclusively on its own knowledge, judgement and expertise.

64.10 No Third Party rights

- (a) This Agreement shall be binding upon and inure solely to the benefit of the Parties and their respective successors and permitted assignees and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever.
- (b) Except where expressly stated to the contrary, the Parties do not intend that any term of this Agreement may be relied upon or enforced solely by virtue of the Contracts (Rights of Third Parties) Act 1999 by any Person who is not party to it.

64.11 Trade marks

Nothing in the Agreement whether express or implied shall be deemed to confer any right upon the Buyer to apply any trade mark owned by the Seller or any of its Associated Companies to any Crude Oil or Product supplied under the Agreement nor to use such trade marks in relation to such Crude Oil or Product nor vice versa in respect of any trade mark owned by the Buyer.

64.12 Confidentiality

- (a) For the purposes of this Agreement, "**Confidential Information**" means: the existence and content of this Agreement (including details of any negotiations prior to its execution and all commercial, financial, fiscal, technical and operational information relating to this Agreement); and in respect of the Disclosing Party (as defined) any information shared by the other Party relating to that other Party or its Affiliates and their respective business affairs, all whenever obtained, for whatever purpose, and in any form. Unless specified otherwise in the Sales Confirmation, Confidential Information shall not be disclosed by either Party to any Third Party without the prior written consent of the other Party.
- (b) "Confidential Information" shall not include any information that is in the public domain (other than through the fault or action of the Disclosing Party) or that the Parties agree in writing is not confidential.
- (c) Each Party shall only use the Confidential Information it receives from the other Party for the purpose of the performance of its obligations under this Agreement and shall use the same degree of care (but never less than reasonable endeavours) to safeguard the confidentiality of any Confidential Information received that it would use to safeguard the confidentiality of its own Confidential Information.
- (d) Notwithstanding Sections 64.12(a), 64.12(b), and 64.12(c), a Party (the "**Disclosing Party**") may disclose Confidential Information without the other Party's prior written consent:
 - (i) to a Third Party only to the extent such disclosure is limited to operational information and is required to discharge the Disclosing Party's contractual obligations under this Agreement, any related charterparty, or any sales agreement related to the relevant Crude Oil or Product;

- (ii) to its personnel (including its agents and contractors) where required to discharge the Disclosing Party's contractual obligations under this Agreement, provided that such personnel agree to abide by the obligations of the Disclosing Party with respect to the Confidential Information;
 - (iii) to any Affiliate and any professional advisers (including accountants, auditors, financial advisers, financing banks, legal counsel, insurance brokers, and insurers of such Party) and the Disclosing Party shall cause all parties in receipt of such information to be bound by the same obligations of confidentiality as contained in this Agreement;
 - (iv) in connection with any dispute, legal or arbitration proceedings, in which case the Disclosing Party shall give prompt notice of the disclosure to the other Party, limit the disclosure to only that which is required to be disclosed and cause all parties in receipt of such information to be bound by the same obligations of confidentiality as contained in this Agreement;
 - (v) where such disclosure is required by Applicable Law, or by any securities exchange or regulatory or governmental body or fiscal authority having jurisdiction over it, wherever situated; or
 - (vi) where such disclosure is limited to price, quantity, specification and delivery term of the Crude Oil or Product delivered under this Agreement: to any benchmark index, benchmark administrator, or any price reporting agency; or otherwise to a Third Party to whom the Disclosing Party is obliged to make such limited disclosure.
- (e) Each Party shall be responsible for any breach of the terms of this Section 64.12 by any of its personnel (including its agents and contractors) and Affiliates to whom it discloses Confidential Information pursuant to Section 64.12(d).

64.13 Data Protection

- (a) For the purposes of this clause, "**Data Protection Laws**" means, as amended and superseded from time to time: (i) the General Data Protection Regulation (EU) 2016/679 ("**GDPR**") as implemented in the relevant member states of the European Union; and (ii) all other Applicable Law relating to data privacy, in each jurisdiction where the Personal Data (as this term is defined in the Data Protection Laws) may be processed pursuant to this Agreement.
- (b) Terms defined in this clause shall have the meanings given to them in the Data Protection Laws and, in the case of Personal Data, shall (without limitation) include Special Categories of Personal Data (as defined in the GDPR). Each Party agrees:
 - (i) to comply at all times with the Data Protection Laws; and
 - (ii) to the extent that it provides any Personal Data to the other Party, it shall ensure that, in accordance with applicable Data Protection Laws, it has provided all necessary fair processing information to the relevant Data Subjects and has taken appropriate steps to legitimise the disclosure of such Personal Data to the other Party.

- (c) Each Party further undertakes to:
- (i) put in place and maintain appropriate technical and organisational measures to protect Personal Data against unauthorised or unlawful processing or accidental destruction, loss or damage;
 - (ii) provide to the other Party any reasonable information or assurance in respect of the security of any Personal Data it processes pursuant to this Agreement as may be reasonably required by the other Party to comply with its obligations under the Data Protection Laws;
 - (iii) only process Personal Data for:
 - (A) the performance of its obligations under this Agreement;
 - (B) the exercise of its rights under this Agreement; or
 - (C) for its compliance with legal or regulatory requirements;(together, the "**Purposes**");
 - (iv) not process Personal Data for longer than is necessary to carry out the Purposes (other than to comply with a requirement of applicable law to which it is subject);
 - (v) notify the other Party without undue delay following any Personal Data Breach (as this term is defined in in the Data Protection Laws) in respect of Personal Data; and
 - (vi) not transfer Personal Data to any country or territory outside the EEA unless it has ensured that such transfer complies with applicable Data Protection Laws, either by having in place EU-approved standard contractual clauses to govern the transfer, or using another basis to ensure the transfer complies with the applicable Data Protection Laws.

64.14 Time of the essence

Time is of the essence for the Agreement and every provision hereof in which time of performance is expressed to be a factor, save for the obligations under Sections 5.6(a), 14.6(a) and 21.5(a) to accept or reject nominated Vessels, and to give or update ETAs.

65. Applicable law

65.1 Governing law

The construction, validity and performance of the Agreement and any Dispute in relation thereto shall be governed by and construed in accordance with English law.

65.2 The UN Convention

The United Nations Convention on Contracts for the International Sale of Goods of Vienna, 11th April 1980, shall not apply to the Agreement.

PART 8 SCHEDULES

SCHEDULE 1

SELLER'S INDEMNITY FORMAT

The indemnity referred to in Section 53.3 shall be in the following format:

QUOTE

We refer to our Agreement dated [DATE] (the "Agreement") in respect of your purchase from us of [QUANTITY] tons of [GRADE] Crude Oil or Product (the "Cargo") FOB/CFR/CIF on Vessel [VESSEL NAME], bill of lading date [B/L DATE].

In consideration of your making payment of US Dollars [US DOLLAR AMOUNT] for the Crude Oil or Product in accordance with the Agreement and having agreed to accept delivery of the cargo without having been provided with [HERE INSERT THE RELEVANT DOCUMENTS AS SET OUT IN THE AGREEMENT] (the "**Documents**"), we hereby represent and warrant all of the following:

1. the existence and validity of the Documents;
2. that we are entitled to possession of the Documents;
3. that we were entitled to possession of the Cargo;
4. that we had good title to the Cargo;
5. that title in the Cargo has been passed as provided in the Agreement to you free of all liens, charges or encumbrances of whatever kind;
6. that you will have the benefit of the warranty as to enjoyment of quiet possession implied by law in the Agreement but without prejudice to any other warranty so implied.

Without prejudice to your rights under the Agreement but subject to the following paragraph, we hereby agree to protect, indemnify and hold you harmless from and against any and all damages, losses, liabilities, costs, claims and reasonable expenses which you may suffer by reason of:

1. our failure to present the Documents to you in accordance with the Agreement; and
2. any action or proceeding brought or threatened against you by reason of our said failure and any breach of our above express representations and warranties in connection with questions of title to or the right to possession of the Documents or the Cargo or the proceeds of either; or any liens, charges or encumbrances asserted on the documents or the Cargo or any other claims arising out of or in connection with the Documents.

Our obligation to indemnify you is subject to the conditions that you: (i) give us prompt notice of any action or proceedings brought or threatened against you; (ii) give us the full opportunity to conduct any defense of such action or proceedings; and (iii) do not settle any such action or proceedings without our prior approval.

Our liability hereunder shall remain in full force and effect unless and until we provide you with the Documents, which we irrevocably agree to provide to you promptly after the same have come into our possession.

No term of this indemnity is intended to, or does, confer a benefit or remedy on any Party other than the named Buyer under the Agreement whether by virtue of the Contracts (Rights of Third Parties) Act 1999 or howsoever.

This indemnity shall be governed by and construed in accordance with English law and any dispute, controversy or claim arising out of or in connection with this indemnity shall be subject to, and finally resolved by, arbitration in accordance with the rules of arbitration of the International Chamber of Commerce applicable at the time of conclusion of the Agreement and shall cease to have effect upon the Documents being provided to you.

Signed by: Title: of: [COMPANY NAME]

UNQUOTE

[THE BELOW SECTION TO BE COMPLETED AND SIGNED WHERE THE BUYER EXERCISES ITS RIGHT TO REQUIRE A BANK TO COUNTER-SIGN THE LETTER OF INDEMNITY]

QUOTE

In consideration of your agreeing as aforesaid we the undersigned [BANK NAME] whose customer is [FULL NAME OF THE SELLER] hereby jointly and severally agree to be bound by the terms of the above letter of indemnity.

By:

Bank Authorised Signatory Unquote

SCHEDULE 2

LETTER OF CREDIT FORMAT

Format of irrevocable documentary letter of credit as required pursuant to Section 53.13:

Please urgently advise [FULL NAME OF THE SELLER], [ADDRESS], that we [BANK] hereby issue our irrevocable documentary letter of credit number [L/C NUMBER], in their favour for account of [FULL NAME OF THE BUYER], [ADDRESS] for an amount of US Dollars [US DOLLAR AMOUNT] (say [US DOLLAR AMOUNT IN WORDS]) +/-15% available at our counters or the counters of the Advising Bank (as determined by the Seller) [DAYS] days [FROM/ AFTER] [PAYMENT TERMS] against presentation of the following documents in one original and [NUMBER OF] copies unless otherwise stated:-

1. One or more signed commercial invoices.
2. (a) [in the case of FOB/CFR/CIF delivery] one or more full sets of 3/3 original clean on board ocean bills of lading issued or endorsed to the order of.....

(b) [in the case of ITT/FIP delivery] copy of the transfer certificate
3. One or more certificates of quality.
4. One or more certificates of quantity.
5. *[One or more certificates of origin].
6. [in the case of CIF delivery] insurance certificate covering 110% of the cargo value
7. [in the case of DAP delivery] a written warranty from the Seller confirming that it has full title to the Crude Oil or Product.

*Amend as appropriate

Evidencing [SHIPMENT/DELIVERY] of [QUANTITY] [UNIT OF MEASURE] +/-15% of [PRODUCT]

[INCOTERM] [LOAD/DISCHARGE TERMINAL] between [DATE] and [DATE] (both dates inclusive). PRICE CLAUSE
[Here insert text of Price Clause as per the agreement]

This credit expires on [DATE]

[In the case of delivery FOB/CFR/CIF only] In the event that the above documents are unavailable at the time of presentation, payment will be made against document number one above (the Invoice) and a letter of indemnity issued by beneficiary in the following format:-

QUOTE

To:

[here insert text of Indemnity as per Schedule 1]

UNQUOTE

SPECIAL CONDITIONS

1. 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 provisions of the agreement between [THE BUYER] and [THE SELLER] to which this letter of credit relates.
2. [In the case of delivery FOB/CFR/CIF only] charterparty bills of lading/vessel bills of lading/bills of lading signed by the Master or agent and not indicating that they have been issued by a named carrier are acceptable.
3. Documents presented later than twenty-one (21) days after the [BILL OF LADING/NOTICE OF READINESS] date but within the validity of this credit are acceptable.
4. Transshipment [ALLOWED/PROHIBITED].
5. Partial shipment [ALLOWED/PROHIBITED].
6. Photocopies in lieu of copy documents acceptable.
7. Swift invoice and letter of indemnity acceptable.
8. All banking charges are for the account of the applicant.
9. The construction, validity and performance of this letter of credit shall be governed by and construed in accordance with English law. Any dispute or claim arising out of or in connection with this letter of credit shall be subject to the exclusive jurisdiction of the English courts.
10. Typographical errors that do not affect the meaning of a word or the sentence in which it occurs will not be considered as a discrepancy save that typographical errors relating to the quantity, the amount, the Price, the bill of lading date, the NOR date, or the date of the completion of discharge ("**COD Date**") shall not be acceptable.
11. The value of this letter of credit may escalate/de-escalate above or below the tolerances allowed without any amendment on our behalf.
12. Except as otherwise expressly stated herein, this letter of credit is subject to the Uniform Customs and Practice for Documentary Credits 2007 Revision, (ICC publication no. 600).
13. Multiple/partial drawings allowed.
14. [Original documents stating grade name different to L/C acceptable.]
15. Any discrepancy resulting from the invoiced quantity exceeding or falling below the quantity range allowed in this letter of credit is acceptable. Payment will be effected on the invoiced quantity in case the maximum quantity allowed in this letter of credit is not exceeded. In case the invoiced quantity exceeds the maximum quantity allowed in this letter of credit the bank will pay on the maximum quantity allowed in this letter of credit.

16. Beneficiary may discount this L/C at own cost and request.
17. Documents named as different but servicing the same purpose are acceptable.
18. Price clause and calculation not stated on the commercial invoice is acceptable.
19. [In event that payment due date falls on a Saturday or a New York bank holiday, except Monday, payment will be effected on the last banking day prior. If the payment due date falls on a Sunday or Monday bank holiday in New York payment will be made on the next business day].
20. [Beneficiary may draw under this letter of credit against provisional invoice based on price quotation on [NOR/BL] date. If no quotation is published on the date of [NOR/BL] date. If no quotation is published on the date of [NOR/BL], the provisional invoice to be based on the quotation published immediately preceding the date of [NOR/BL]. Balance payment to be effected under this L/C within three (3) New York banking days against presentation of final invoice if the amount owed is in beneficiary's favour. If the balance of the payment is in the applicant's favour payment to be effected outside of the letter of credit].
21. [NOR date to count as delivery date and to appear on invoice only].
22. [Ports of discharge other than mentioned are acceptable].
23. [Presentation of a Tax invoice acceptable].
24. [In the case of CFR or CIF deliveries only] In the event that the payment due date specified in the Sales Confirmation is based on either the NOR date at the Discharge Terminal or the completion of discharge date, and providing property in the Crude Oil or Product has passed to the Buyer, in the event that the Vessel, for whatever reason, does not tender NOR at the Discharge Terminal or does not complete discharge, then for payment purposes the NOR or completion of discharge date shall be deemed to be the last day of the Indicative Discharge Date range or, if there is no Indicative Discharge Date range, then payment shall be due thirty (30) days after the bill of lading date.
25. [In the case of delivery DAP only] In the event that the outturn quantity is not known at the time of presentation, beneficiary may draw under the letter of credit against a provisional invoice based on the mean volume of the L/C quantity. In the event the actual outturn quantity is greater than mean volume of the L/C quantity beneficiary may present a final claim under this L/C . If the actual outturn quantity is less than mean volume of the L/C quantity then the difference is to be settled outside of the L/C .
26. PDF copies acceptable.
27. Documents showing different density to invoice is acceptable.
28. Any discrepancy resulting from the invoice value exceeding or falling below the US dollar range allowed in this letter of credit is acceptable. In the event that the invoice amount does not exceed the L/C value, payment will be effected on the invoice amount. In the event that the invoice value exceeds the maximum value of the L/C , the bank will pay on the maximum value allowed under this letter of credit.

SCHEDULE 3

STANDBY LETTER OF CREDIT FORMAT

Format of standby letter of credit as required pursuant to Section 53.13:

Irrevocable standby letter of credit No. [NUMBER].

BENEFICIARY

APPLICANT

[name and address]

[name and address]

At the request of the above applicant, and for its account, we [FULL NAME AND ADDRESS OF BANK] hereby open in your favour our irrevocable standby letter of credit No. [L/C NUMBER].

This standby letter of credit is for an amount of [AMOUNT IN FIGURES/WORDS] and is available for payment at our counters or the counters of the Advising Bank (as determined by the Seller) at sight against the following documents.

1. Copy of unpaid invoice.
2. 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 [FULL NAME OF BENEFICIARY] by [FULL NAME OF APPLICANT] within the terms of the contract in respect of invoice number [NUMBER] which is legally and properly past due".
3. [in the case of DAP delivery] a written warranty from the Seller confirming that it has full title to the Crude Oil or Product.

Covering: [SHIPMENT/DELIVERY] of [QUANTITY] [UNIT OF MEASURE] +/-15% of [PRODUCT]

[INCOTERM] [LOAD/DISCHARGE TERMINAL] between [DATE] and [DATE] (both dates inclusive). Multiple drawings are permitted.

The expiration of this letter of credit is [DATE].

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 standby letter of credit.

Special Conditions:

1. All bank charges are for the account of the Applicant.
2. Above documents presented by SWIFT acceptable.
3. This standby 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 [THE SELLER] and [THE BUYER] to which this standby letter of credit relates.

4. The construction, validity and performance of this standby letter of credit shall be governed by and construed in accordance with English law. Any dispute or claim arising out of or in connection with this standby letter of credit shall be subject to the exclusive jurisdiction of the English courts.
5. Except as otherwise expressly provided herein, this standby letter of credit is subject to the [Uniform Customs and Practices for Documentary Credits 2007 Revision (ICC Publication No. 600)] [International Standby Practices 1998 (ISP98)].
6. The value of this standby letter of credit may escalate/de-escalate above or below the tolerances allowed without any amendment on our behalf.
7. Partial and multiple drawings are permitted.
8. Beneficiary may draw under this standby letter of credit against provisional invoice based on price quotation on [NOR/BL] date. If no quotation is published on the date of [NOR/BL], the provisional invoice to be based on the quotation published immediately preceding the date of [NOR/BL]. Balance payment to be effected under this L/C within three (3) New York banking days against presentation of final invoice if the amount owed is in beneficiary's favour. If the balance of the payment is in the applicant's favour payment to be effected outside of the standby letter of credit.
9. Any discrepancy resulting from the invoiced quantity exceeding or falling below the quantity range allowed in this standby letter of credit is acceptable. Payment will be effected on the invoiced quantity in case the maximum quantity allowed in this letter of credit is not exceeded. In case the invoiced quantity exceeds the maximum quantity allowed in this standby letter of credit the bank will pay on the maximum quantity allowed in this standby letter of credit.
10. Price clause and calculation not stated on the commercial invoice is acceptable.
11. [In event that payment due date falls on a Saturday or a New York bank holiday, except Monday, payment will be effected on the last banking day prior. If the payment due date falls on a Sunday or Monday bank holiday in New York payment will be made on the next business day].
12. [NOR date to count as delivery date and to appear on invoice only].
13. [Ports of discharge other than mentioned are acceptable].
14. [Presentation of a Tax invoice acceptable].
15. [In the case of delivery DAP only] In the event that the outturn quantity is not known at the time of presentation, beneficiary may draw under the letter of credit against a provisional invoice based on the mean volume of the L/C quantity. In the event the actual outturn quantity is greater than mean volume of the L/C quantity beneficiary may present a final claim under this L/C. If the actual outturn quantity is less than mean volume of the L/C quantity then the difference is to be settled outside of the L/C.
16. Price clause and calculation not stated on the commercial invoice is acceptable.

SCHEDULE 4

SUPPLEMENT IN RESPECT OF CERTAIN TAX REGIMES

1. VAT for UAE deliveries

- 1.1 This paragraph 1 shall only apply in respect of Agreements for: (i) a FOB delivery of Crude Oil or Product in the UAE; or (ii) a CIF/CFR delivery of Crude Oil or Product in the UAE; or (iii) a DAP delivery of Crude Oil or Product with discharge in the UAE (each being a **"UAE Delivery"**).
- 1.2 The Price for a UAE Delivery shall be exclusive of VAT.
- 1.3 Where VAT is or becomes applicable to any UAE Delivery under UAE VAT Law, the Seller shall be entitled to charge VAT in addition to the Price. The VAT chargeable shall be the amount equal to the Price multiplied by the then applicable rate of VAT under the UAE VAT Law.
- 1.4 If the Seller charges VAT pursuant to paragraph 1.3 above, the Seller shall:
- (a) include the VAT amount as an additional line item in the applicable invoice for the payment of the supply (or, if such invoice was issued without VAT, in a separate tax invoice in accordance with the UAE VAT Law);
 - (b) provide to the Buyer information that may be reasonably required to establish the Seller's liability for VAT under the relevant UAE VAT Law; and
 - (c) do such things and provide such information and documents as may reasonably be required by the Buyer to enable the Buyer to claim an input tax credit under the UAE VAT Law.

2. Imports into the EU under "Preference" from non-EU Member States

- 2.1 If the Loading Terminal is located in a State with which the EU has a Preferential Trade Agreement affording the Crude Oil or Product preferential (reduced or nil) rate of customs (import) duty on importation into the EU, the Seller shall provide the Buyer with the relevant original qualifying documents (e.g. EUR1, GSP Form A or Invoice Declaration).
- 2.2 The Buyer shall submit such original qualifying documents to the relevant and local customs authorities, and only if such customs authorities accept such qualifying documents (thereby agreeing that a Tariff Preference is valid and import duty is therefore reduced or not due on the Crude Oil or Product) shall such Crude Oil or Product be deemed as qualifying for preferential customs duty treatment to be EU-qualified.
- 2.3 If the relevant qualifying documents is/are not available for presentation to the Buyer or its representative by 1200 hours (London time) on the banking day in New York prior to the payment due date, or if the customs authorities refuse to accept or verify such qualifying documents (or both), the Buyer shall have the right, notwithstanding the payment terms specified in the Sales Confirmation, to deduct from its payment to the Seller for the Crude Oil or Product an amount equal to the amount of any duty which may become payable.

- 2.4 If, pursuant to paragraph 2.3 of this Schedule, the Buyer makes payment with a deduction in respect of duty payable, but the relevant qualifying documents is/are subsequently made available and presented to and accepted by the relevant customs authorities, the Buyer shall promptly pay to the Seller the amount so deducted (or, if lesser, an amount equal to the sum refunded by such customs authorities at their sole discretion provided always that the Buyer shall provide the Seller with documentary evidence of such refund).

3. Movements within the United Kingdom and other EU Member States

3.1 Domestic movements within the UK

- (a) If the Crude Oil or Product is to be moved within the UK, subject to the Buyer having made satisfactory arrangements with H. M. Revenue and Customs for the deferred payment of Duty, where applicable, Excise Duty will be deferred to the Buyer's deferment number which shall be advised by the Buyer in writing to the Seller as soon as possible but always before the Crude Oil or Product leaves the loading premises.
- (b) If an internal UK movement is made on a "Duty Paid" basis, any and all taxes levied on the Crude Oil or Product shall be for the Buyer's account payable in full in Pounds Sterling at the same time as payment of the Price.
- (c) Without prejudice to the provisions of Section 52, in order for any delivery of Crude Oil or Product hereunder for transfer/transportation within the UK to be treated as being outside the scope of VAT, the Seller shall, in addition to any other requirements in the Agreement, require confirmation in writing from the Buyer stating that the "Crude Oil" or Product deliverable under the Agreement will be used as feedstock only and accompanied by HM Revenue and Customs Form W8.

3.2 Domestic movements within other EU States

Wherever possible and permitted under national legislation Crude Oil or Product shall move under suspension of excise duty between excise bonded warehouses.

3.3 Domestic movements within the Netherlands

- (a) Without prejudice to the provisions of Section 52 in order for any delivery of Crude Oil or Product hereunder for transfer/transportation within the Netherlands to be zero rated for VAT, the Buyer is required to provide the Seller, prior to commencement of loading/ discharge/transfer, with a declaration (in accordance with the requirements of Article 12 of the "Uitvoeringsbesluit Omzetbelasting 1968") stating that "(a) the Crude Oil or Product delivered under the Agreement will be delivered under a suspension regime for excise duties by delivery of the Crude Oil or Product into an AGP (Accijnsgoederenplaats), the licence number of which is [licence number], and (b) the Crude Oil or Product will not be drawn from this regime for purposes other than a fully VAT recoverable supply".
- (b) In addition, if the Discharge Terminal is not operated by the Buyer then the Buyer and the licence keeper of the Discharge Terminal are required to provide separate declarations declaring that the Crude Oil or Product will be placed in a VAT suspension regime for excise duties (i.e. the AGP) on behalf of the customer (i.e. the Buyer). The declarations must include the name, address and licence number of the licence keeper.

4. Movements between EU Member States

4.1 Notwithstanding the provisions of Section 52:

- (a) the Seller shall confirm to the Buyer the ARC (Administrative Reference Code) number of the e-AD, or provide an original and valid INF3 (for product consigned to an unknown destination) or T2L document (for products not covered by an e-AD);
- (b) only upon the acceptance of the e-AD, INF3 or T2L by the relevant local customs authorities shall the Crude Oil or Product be deemed as not subject to EU customs duty;
- (c) if the relevant e-AD or documents is/are not available for presentation to the Buyer or its representative by 1200 hours (London time) on the banking day in New York prior to the payment due date, or if the customs authorities refuse to accept or verify such documents (or both), the provisions of paragraphs 2.3 and 2.4 of this Schedule shall apply mutatis mutandis.

4.2 Without prejudice to the provisions of Section 52 in order for any delivery of Crude Oil or Product hereunder for transfer/transportation within the EU to qualify as zero rated Intra Community Dispatch for VAT purposes, the Buyer is required to provide the Seller, prior to commencement of loading/transfer, with a written declaration stating a valid VAT registration number of the Buyer in an EU Member State other than the EU Member State in which the Loading Terminal is located in accordance with the relevant VAT legislation.

5. New Zealand GST

Where the Loading Terminal or Discharge Terminal is located within New Zealand, regardless of whether the entity is incorporated in New Zealand, Section 8(4) of the Goods and Services Tax Act 1985 will not apply to the goods and services supplied by the Seller. As a result, the goods and services supplied by the Seller will be subject to GST in New Zealand, if applicable under Section 8(3) of the Goods and Services Tax Act 1985, and the price for the goods and services supplied will be determined on a plus GST basis.

6. Australian GST

Where the Loading Terminal or Discharge Terminal is located within Australia, all price/charges contemplated in this Agreement are exclusive of any Value Added Tax/Goods and Services Tax ("VAT/GST") or other similar taxes (including applicable federal, state or local sales taxes). To the extent that payments to be made under this Agreement are subject to VAT/GST, the Seller may, in addition to the amount payable under the Agreement, recover from the Buyer an additional amount to account for VAT/GST and issue valid VAT/GST invoices in respect of such payments. The invoices shall conform to all relevant fiscal requirements and shall separately show the amount and rate of VAT/GST. Where the relevant legislation makes provision for VAT, GST or similar tax exemptions or reliefs, then these shall be applied accordingly where the relevant requirements are fulfilled. The Parties shall provide one another with the necessary documentation/information required to support such treatment within the appropriate time.

7. Other fiscal and excise documentary requirements

The Parties will each comply with any applicable documentary requirement for fiscal or excise purposes as now exists or comes into effect in the future. A Party that fails to comply with this obligation (a "**Defaulting Party**") shall indemnify the other in respect of any costs or expenses incurred by that Party which would not have been incurred but for the failure of the Defaulting Party.

SCHEDULE 5

VESSEL REQUIREMENTS

1. Requirements in respect of Vessels at the Loading Terminal or Discharge Terminal

1.1 If any Vessel does not meet any of the requirements of this Part 1 of this Schedule 5:

- (a) at the Loading Terminal, the Seller may refuse to berth, load or continue loading such Vessel; or
- (b) at the Discharge Terminal, the Buyer may refuse to berth, discharge or continue discharging such Vessel,

(as applicable).

1.2 ITOPF

Except in the case of LPG, each Vessel shall be owned by or demise chartered to a member or associate member e.g. for non-tankers of the International Tanker Owners Pollution Federation Ltd. ("**ITOPF**").

1.3 ISPS CODE

A. FOB Provisions

- (i) The Buyer shall procure that the Vessel shall 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 where the Loading Terminal is within the USA and US territories or waters, with the US Maritime Transportation Security Act 2002 ("**MTSA**").
- (ii) The Vessel shall when required submit a Declaration of Security ("**DoS**") to the appropriate authorities prior to arrival at the Loading Terminal.
- (iii) Notwithstanding any prior acceptance of the Vessel by the Seller, if at any time prior to the passing of risk and property the Vessel ceases to comply with the requirements of the ISPS code or MTSA:
 - (A) The Seller shall have the right not to berth such nominated Vessel and any demurrage resulting shall not be for the account of the Seller.
 - (B) The Buyer shall be obliged to substitute such nominated Vessel with a Vessel complying with the requirements of the ISPS Code and MTSA and with Sections 5.4 and 5.6 of Part One hereof.
- (iv)
 - (A) The Seller shall procure that the Loading Terminal/installation shall comply with the requirements of the ISPS Code and if located within the USA and US territories, with the MTSA.

- (B) Subject always to sub-paragraph (vi) below any costs or expenses in respect of the Vessel including demurrage or any additional charge, fee or duty levied on the Vessel at the Loading Terminal and actually incurred by the Buyer resulting directly from the failure of the Loading Terminal/installation to comply with the ISPS Code and if located within the USA and US territories, with the MTSA, shall be for the account of the Seller, including the time required or costs incurred by the Vessel in taking any action or any special or additional security measures required by the ISPS code or MTSA.
- (v) Save where the Vessel has failed to comply with the requirements of the ISPS Code and within the USA and US territories or waters, with the MTSA, the Seller shall be responsible for any demurrage actually incurred by the Buyer arising from delay to the Vessel at the Loading Terminal resulting directly from the Vessel being required by the port facility or any relevant authority to take any action or any special or additional security measures or undergo additional inspections.
- (vi) If the Loading Terminal is not operated by the Seller or an Affiliate of the Seller, the Seller's liability to the Buyer hereunder for any demurrage, costs, losses or expenses incurred by the Vessel, the charterers or the Vessel owners resulting from the failure of the Loading Terminal/installation to comply with the ISPS Code or MTSA shall be limited to the payment of demurrage, costs, losses or expenses that the Seller is able to recover and does recover from its supplier or other relevant Third Party, and then only to the extent of such recovery. The Seller shall, however, use reasonable endeavours so to recover from its supplier or other relevant Third Party.

B. CIF/CFR/DAP Provisions

- (i) The Seller shall procure that the Vessel shall comply with the requirements of the ISPS Code and if located within the USA and US territories or waters, with the MTSA.
- (ii) The Vessel shall when required submit a DoS to the appropriate authorities prior to arrival at the Discharge Terminal.
- (iii) Notwithstanding any prior acceptance of the Vessel by the Buyer, if at any time prior to the arrival of the Vessel at the Discharge Terminal the Vessel ceases to comply with the requirements of the ISPS code or MTSA:
 - (A) The Buyer shall have the right not to Berth such nominated Vessel at the Discharge Terminal and any demurrage resulting shall not be for the account of the Buyer.
 - (B) The Seller shall be obliged to substitute such nominated Vessel with a Vessel complying with the requirements of the ISPS Code and MTSA and also with Sections 14.5 and 14.6 of Part Two hereof in respect of CIF/CFR and Sections 21.4 and 21.5 of Part Three hereof in respect of DAP. If title and risk to the cargo on board the Vessel subsequently substituted pursuant to iii) b) has already passed to the Buyer, such property and risk shall be deemed to have reverted to the Seller.

(iv)

- (A) The Buyer shall procure that the Discharge Terminal / installation shall comply with the requirements of the ISPS Code and if located within the USA and US territories, with the MTSA.
 - (B) Subject always to sub-paragraph (vi) below, any costs or expenses in respect of the Vessel including demurrage or any additional charge, fee or duty levied on the Vessel at the Discharge Terminal and actually incurred by the Seller resulting directly from the failure of the Discharge Terminal/installation to comply with the ISPS Code and if located within the USA and US territories, with the MTSA shall be for the account of the Buyer, including the time required or costs incurred by the Vessel in taking any action or any special or additional security measures required by the ISPS code or MTSA.
- (v) Save where the Vessel has failed to comply with the requirements of the ISPS Code and within the USA and US territories or waters, with the MTSA, the Buyer shall be responsible for any demurrage actually incurred by the Seller arising from delay to the Vessel at the Discharge Terminal resulting directly from the Vessel being required by the port facility or any relevant authority to take any action or any special or additional security measures or undergo additional inspections.
- (vi) If the Discharging Terminal is not operated by the Buyer or an Affiliate of the Buyer, the Buyer's liability to the Seller under this agreement for any costs, losses or expenses incurred by the Vessel, the charterers or the Vessel owners resulting from the failure of the Discharge Terminal/installation to comply with the ISPS Code or MTSA shall be limited to the payment of demurrage, costs, losses or expenses that the Buyer is able to recover and does recover from its receiver or other relevant Third Party, and then only to the extent of such recovery. The Buyer shall, however, use reasonable endeavours so to recover from its receiver or other relevant Third Party.

1.4 CLC

If the Crude Oil or Product (or the bunkers used as fuel for the Vessel) constitutes Persistent Oil (as defined in CLC), the Vessel shall:

- (a) carry on board certificates as required pursuant to the 1992 Civil Liability Convention for Oil Pollution Damage or any Protocols thereto ("**CLC**"); and
- (b) have in place insurance cover for oil pollution no less in scope and amounts than available at that time under the rules of P&I Clubs entered into the International Group of P&I Clubs (currently standard oil pollution cover of US\$ 1,000 million),

provided always the Vessel constitutes a Ship for the purpose of CLC.

1.5 ISM Certificates

The Vessel shall have on board at all times a valid ISM certificate and the owners, before and during the voyage, comply with the requirements of the ISM Code. (For the purposes of the Agreement, "**ISM**" means the International Management Code for the Safe Operations of Ships and for Pollution Prevention.)

1.6 ISGOTT

The Vessel shall be manned, operated and maintained so as to fully comply with (i) the standards set out in ISGOTT or ISGINTT as applicable, (ii) appropriate IMO recommendations, and (iii) the OCIMF Guidelines for the Control of Drugs and Alcohol On-board Ship (1990), each as amended from time to time.

1.7 Closed loading / discharge

Vessels which are loading/discharging a volatile, toxic or noxious cargo must operate at all times in the Closed Operations mode. Closed Operations refers to the procedures whereby Vessels conduct cargo transfer and ballasting operations into cargo tanks, with tank apertures closed and with vapours being emitted only by means of the dedicated venting system which is designed to disperse vapour clear of working areas and possible ignition sources. For the purposes of this sub-paragraph:

“Volatile” means a liquid from which gas evaporates rapidly and shall be taken to include any naturally volatile Crude Oil or Product or any Crude Oil or Product being carried at a temperature which is higher than the flash point of the Crude Oil or Product minus 10 degrees Celsius;

“Toxic” means a poison which can affect personnel following inhalation, absorption or ingestion and shall be taken to include all Products which give off vapours containing substances for which exposure limits are recommended as they may be hazardous to the health of personnel exposed to them; and noxious means harmful to personnel or the environment.

1.8 IGS

Where, pursuant to documented marine assurance requirements applicable at the time of the relevant shipment, the Crude Oil or Product under the Agreement is required to be carried in a Vessel which is both fitted with and actually uses an inert gas system (“IGS”), the following shall apply.

Any Vessel fitted with an IGS will not be permitted to berth or to load or discharge Crude Oil or Product unless the IGS is in good order, operative and the cargo tanks inerted.

If an IGS-equipped Vessel arrives with the IGS inoperative, the Vessel will not be berthed until the IGS is operative and the cargo tanks inerted and until that time NOR shall not be given, or if given shall not be valid, and Laytime shall not commence until commencement of loading or discharge, as the case may be.

1.9 Ballast

Discharge of dirty ballast, bilges, slops or other substances into water shall be in accordance with MARPOL 73/78, as amended from time to time, and is in any event totally prohibited within the confines of the Loading Terminal or the Discharge Terminal.

1.10 Port Regulations

The Vessel shall comply with the Seller’s regulations at the Loading Terminal and the Buyer’s regulations at the Discharge Terminal.

2. Maritime Traffic Schemes

The Vessel shall comply with all regulations and recommendations contained in any Maritime Traffic Schemes applicable to the voyage the subject matter of the Agreement and in particular and as appropriate the Vessel shall comply with the "Turkish Straits Maritime Traffic Scheme Regulations" dated 6th November 1998, as amended or re-issued from time to time.

3. Incorporation of Schedule 6

Where applicable, the requirements set out in Schedule 6 shall apply.

SCHEDULE 6

AGT CASUALTY PROCEDURE

In the event of any incident relating to a Vessel carrying Product or Crude Oil, the risk in which has passed from the Seller to AGT, the Seller shall use its best efforts to ensure that the Master of the Vessel implements the AGT casualty emergency instructions as stated on the document instructions issued by the AGT operator.

SCHEDULE 7

SUPPLEMENT IN RESPECT OF LPG

1. Applicability

The provisions of Part One, Part Two and Part Three shall apply to deliveries of LPG except as modified by this Schedule 7.

2. FOB deliveries

2.1 Nomination

(a) The provisions of Section 5 shall apply, but the following shall be added to sub Section 5.2.1:

“(i) the loading temperature of the Vessel’s cargo tanks; and

(j) the Vessels’ three previous cargoes.”

2.2 Time allowed, running hours and damages for delay

For the purposes of Section 6, unless otherwise agreed between the Parties and specified in the Sales Confirmation, the provisions relating to time allowed, running hours and damages for delay shall be in accordance with the Loading Terminal regulations as current on the day on which the Buyer’s Vessel tenders NOR. If such provisions are not so specified either in the Sales Confirmation or in the relevant Loading Terminal regulations, then the provisions of Sections 7.1, 7.2 and 7.3 shall apply except that for the purposes of this Schedule 7, “36 running hours” in Section 7.1(a)(ii) shall be deleted and replaced by “24 running hours”.

3. CFR and CIF deliveries

3.1 Nomination

(a) The provisions of Section 14 shall apply, except that the following shall be added to Section 14.2(a):

“(i) the loading temperature of the Vessel’s cargo tanks.”

4. DAP deliveries

4.1 Nomination

(a) The provisions of Section 21 shall apply, except that the following shall be added to Section 21.2(a):

“(i) the loading temperature of the Vessel’s cargo tanks.”

SCHEDULE 8

SUPPLEMENT FOR ELECTRONIC DOCUMENTATION

In the event that the Parties agree in the Sales Confirmation for electronic documents to be used in the Agreement, the following shall apply.

1. Notwithstanding anything herein contained, any bill of lading, waybill, delivery order, certificate, receipt or other document issued pursuant to, or in connection with, the Agreement may be issued, stored and signed in electronic form and transmitted electronically using a secure system agreed by the Parties (the "**Electronic Documents System**") in accordance with the terms and conditions of the Electronic Documents System as amended from time to time in accordance with its terms (the "**Terms of Use**") and the rights, obligations and interests contained in, represented by or evidenced by any such document (each, an "**Electronic Document**") may be transferred, novated or otherwise dealt with (or the transfer, novation or other dealings with them may be evidenced) electronically in accordance with the terms of the Terms of Use.
2. Any requirement of this Agreement for presentation of one or more originals or copies of a document is satisfied by the presentation of one Electronic Document.
3. Any applicable requirement of law, contract, custom or practice that any bill of lading, waybill, delivery order, certificate, receipt or other document or communication issued pursuant to, or in connection with, this Agreement (including any negotiation or endorsement thereof) shall be made or evidenced in writing, signed or sealed may be satisfied in electronic form, by an Electronic Document or by its electronic transfer as appropriate. The Parties hereto agree not to contend in any dispute arising out of or in connection with the Agreement that any legal formality requiring any such bill of lading, waybill, delivery order, certificate, receipt or other document or communication issued pursuant to, or in connection with, the Agreement (including any negotiation or endorsement thereof) to be made or evidenced in writing, signed or sealed, has not been met by reason only that the same has been made or performed in electronic form by an Electronic Document.
4. The Parties hereto agree that Electronic Documents which are converted to paper in accordance with the terms and conditions of the Terms of Use ("**Converted Electronic Documents**") and which are presented, issued or otherwise utilised pursuant to, or in connection with, this Agreement shall be given full force and effect according to their tenor and in accordance with the terms and conditions of the Terms of Use, and shall not be rejected on the grounds that they are electronic records which have been converted to paper originals, or that the documents have been produced in accordance with the Terms of Use.
5. Where under the Agreement or by virtue of the provisions of Section 53.12 the Price is to be paid by means of an irrevocable documentary letter of credit, such documentary letter of credit shall, if so required by the Seller, be opened and confirmed (if applicable) with a bank which participates in the Electronic Documents System and is bound by the Terms of Use. The documentary letter of credit shall include the following provisions in addition to the requirements set out in Section 53.13:

*"This documentary credit is subject to The Supplement to the Uniform Customs and Practice for Documentary Credits for Electronic Presentation (the "**eUCP**") and is also subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision ICC Publication No. 600) to the extent applicable.*

The following shall constitute electronic records (as defined by the eUCP) for the purposes of this documentary credit:

- (a) data created, generated, sent, communicated, received, stored or uploaded to the [insert name of Electronic Documents System], signed electronically by the issuer and digitally signed by the [insert name of Electronic Documents System] to authenticate the apparent identity of the sender, the apparent source of the data contained in it and that it has remained complete and unaltered; and*
- (b) original paper documents which have been scanned and uploaded to the [insert name of Electronic Documents System] and which have been certified by the party uploading them as a true copy of the original and digitally signed by the [insert name of Electronic Documents System] for authentication purposes.*

Any document which the beneficiary is required to present under this documentary credit may be presented either as a paper document or an electronic record.

Where any of the documents presented under this documentary credit is presented as an electronic record, in addition to the documents required to be presented by the beneficiary in accordance with the terms of this documentary credit, the beneficiary shall also provide a notice to the Bank to which presentation is made signifying when presentation is complete. Presentation is deemed not to have been made if the beneficiary's notice is not received.

Electronic records which are converted to paper in accordance with the provisions of the [insert name of Terms of Use of the Electronic Documents System] and which are presented, issued or otherwise utilised pursuant to, or in connection with, this documentary credit shall be given full force and effect according to their tenor and in accordance with the said provisions, and shall not be rejected on the grounds that they are electronic records which have been converted to paper originals, or that the documents have been produced in accordance with the said provisions."

SCHEDULE 9

NORTH SEA / ATLANTIC CRUDE OIL

1. Applicability

This Schedule 9 shall apply only in the case of deliveries of Crude Oil originating from oil fields in the United Kingdom or the Norwegian Continental Shelf and being shipped by a Vessel dedicated to or chartered for the transportation of Crude Oil from the facilities thereat.

2. Changes to nominations

- 2.1 The Seller will promptly advise the Buyer of any changes in the nomination arising from production changes, weather, operational reasons or any matter beyond the Seller's reasonable influence. Any modifications in the quantity of Crude Oil, date ranges or final loading date due to changed nominations shall be deemed to be accepted by the Buyer and any modified quantity, date ranges or final loading date shall replace the quantity, or date ranges, or final loading date respectively as nominated.

3. Priority of Vessels

- 3.1 The Seller may, by written notice to the Buyer, require that the Vessel shall have priority to discharge at the Discharge Terminal ahead of other vessels whether or not they have commenced discharging, except for vessels carrying Crude Oil which have been loaded at a facility at or adjacent to a Crude Oil production platform service at an oil field on or partly on the United Kingdom or the Norwegian Continental Shelf. If such requirement arises, the Buyer shall procure that the Vessel may proceed without waiting directly to a Berth provided by the Buyer in accordance with Section 15 of Part Two or Section 22 of Part Three of the GTCs (as applicable) and commence discharging immediately on arrival thereat.
- 3.2 The Seller shall indemnify the Buyer against its liability for substantiated unavoidable extra port dues and demurrage incurred as a direct result of such priority being given to the Seller's Vessel by vessels which have given a valid NOR, provided that the indemnity against liability for demurrage shall in respect of each displaced vessel be limited to the equivalent of the amount of time actually used by the Seller's Vessel to discharge the Crude Oil.
- 3.3 If the time allowed to the Buyer in accordance with Section 16.1 of Part Two or Section 23.1 of Part Three of the GTCs (as applicable) has expired, whether the Crude Oil has been fully discharged or not, the Seller may, at its sole discretion, forthwith order the Vessel to cease discharging and leave the Discharge Terminal. If the Seller exercises such option, the Seller's invoice shall be based on the net outturn quantity discharged ascertained either in accordance with good standard practice at such Discharge Terminal or, if such discharge was attended by an independent inspector, as determined by such independent inspector, whose determinations shall, except in cases of manifest error or fraud, be used for invoicing purposes but without prejudice to the rights of either Party to make any claim. In such event, notwithstanding the provisions of Section 9 of Part Two of the GTCs, all charges in respect of such

independent inspection shall be shared equally between the Parties and the inspectors report shall be made available to both Parties. The risk and property in the Crude Oil remaining on board the Vessel shall pass back to the Seller immediately upon completion of such partial discharge.

4. Deadfreight

Any deadfreight incurred by the Seller as a direct result of meeting the requirements of the Discharge Terminal nominated by the Buyer shall be for the Buyer's account. Any deadfreight incurred solely for the Seller's purpose shall be for the Seller's account.

5. Demurrage rate

Notwithstanding the provisions of Section 16.3 of Part Two or Section 23.3 of Part Three of the GTCs (as applicable), the applicable rate of demurrage shall be the daily hire rate specified in the contract of affreightment current from time to time in respect of transportation of the grade of Crude Oil in question.

SCHEDULE 10

BIOFUEL SUSTAINABILITY

1. The Seller to provide Biofuels Sustainability Information and Documentation

“**Biofuels**” shall have the meaning set out in Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 as amended from time to time (“**RED**”). For the entire volume of Biofuels supplied under this Agreement, the Seller shall provide to the Buyer “**Sustainability Information and Documentation**” needed to meet sustainability criteria imposed by RED (the “**Sustainability Requirements**”).

2. Details of Sustainability Information and Documentation to be Provided

2.1 The Sustainability Information and Documentation to be provided by the Seller to the Buyer shall be accurate to the best of the Seller’s knowledge and belief and shall include, but not be limited to:

- (a) certificates issued by such “**Recognised Voluntary Scheme**” (which means a scheme recognised by the European Commission in accordance with a Decision which has entered into force following its publication in the Official Journal of the EU) as the Buyer and the Seller shall agree at the time of concluding this Agreement (or failing agreement, by any such Recognised Voluntary Scheme), showing, in the specified format, for each Biofuel raw material from which the Biofuels are made (“**Feedstock**”):
 - (i) the percentage or volume in MT;
 - (ii) the country of origin;
 - (iii) status on 1 January 2008 of the land from which the Feedstock was obtained; and
 - (iv) typical greenhouse gas emissions and savings, calculated in accordance with RED Annex V and Annex IV of Directive 2009/30/EC or subsequent amendments thereof (“**GHG savings**”), together with details of the region for which the GHG savings are applicable; and
- (b) certificates of registration of the Seller in the relevant Recognised Voluntary Scheme, such certificates to be valid throughout the entire duration of the Agreement.

3. Timing and Cost of provision of Sustainability Information

All Sustainability Information shall be provided by the Seller to the Buyer, entirely at the Seller’s cost, no later than fifteen (15) working days from the date of the bill of lading.

4. The Buyer's Right to Appoint independent auditor

The Buyer shall be entitled to appoint, entirely at its own cost, an independent auditor for the purpose of verifying compliance of the Biofuels with the Sustainability Requirements. The Seller agrees, subject to reasonable confidentiality safeguards, to comply promptly with all reasonable requests by such auditor for Sustainability Information.

5. The Seller's Warranties

5.1 The Seller warrants that:

- (a) all Biofuels supplied under this Agreement comply with the Sustainability Requirements; and
- (b) the Biofuels supplied have not already been counted under any other support scheme or renewable energy obligation as defined in RED Article 2.1(a)(iv).

5.2 If the Seller suspects or becomes aware at any time that either or both of the above warranties is no longer applicable, then the Seller shall immediately inform the Buyer of such suspicion or knowledge.

6. Retention of Records by the Seller

The Seller shall retain all records relating to the supply and verification of Biofuels under this Agreement (including but not limited to Sustainability Information, correspondence and shipping documents) in accordance with the applicable Recognised Voluntary Scheme, but in any case for not less than ten (10) years.

SCHEDULE 11

CFR AND CIF DELIVERIES WHERE THE LOADING TERMINAL IS LOCATED IN THE USA OR US TERRITORIES

1. Applicability

This Schedule 11 shall apply only in respect of CFR or CIF deliveries of Crude Oil or Product where the Loading Terminal is located in the USA or US Territories.

2. Risk and property

The provisions of Section 10 of the GTCs shall apply except that if the Vessel is loaded within the USA or US Territories, property in the Crude Oil or Product delivered under the Agreement shall pass to the Buyer immediately after the Vessel carrying the Crude Oil or Product leaves the waters comprising the exclusive economic zone of the USA or US Territories.

the 1990s, the number of people with a mental health problem has increased in the UK (Mental Health Act 1983, 1990).

There is a growing awareness of the need to improve the lives of people with mental health problems. The Department of Health (1999) has set out a vision of a new mental health system, which will be based on the following principles:

- (i) People with mental health problems should be treated as individuals, with their own needs and wishes.
- (ii) People with mental health problems should be given the opportunity to participate in decisions about their care and treatment.
- (iii) People with mental health problems should be given the opportunity to live in their own homes and communities.

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There is a growing awareness of the need to improve the lives of people with mental health problems. The Government has set out a strategy for mental health care in the UK (Department of Health 1999). The strategy is based on the following principles:

- People with mental health problems should be treated as individuals.
- People with mental health problems should be given the opportunity to participate in decisions about their care.
- People with mental health problems should be given the opportunity to live in their own homes.

The strategy also sets out a number of objectives for the mental health services:

- To reduce the number of people with mental health problems who are admitted to hospital.
- To improve the quality of care for people with mental health problems.
- To improve the support available to people with mental health problems.

The strategy also sets out a number of actions that need to be taken to achieve these objectives:

- To improve the training and skills of mental health professionals.
- To improve the support available to mental health professionals.
- To improve the support available to people with mental health problems.

The strategy also sets out a number of actions that need to be taken to improve the support available to people with mental health problems:

- To improve the support available to people with mental health problems who are living in their own homes.
- To improve the support available to people with mental health problems who are living in care homes.
- To improve the support available to people with mental health problems who are living in residential care.

The strategy also sets out a number of actions that need to be taken to improve the support available to people with mental health problems who are living in care homes:

- To improve the support available to people with mental health problems who are living in care homes.
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