KALUNDBORG REFINERY A/S
General Terms and Conditions for Sales

Crude Oil, Condensate and Petroleum Products including Liquefied Petroleum Gas

2023 version

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Introduction

ARTICLE 1. APPLICABILITY, DEFINITIONS AND INTERPRETATION

1.1 Applicability

All of the Articles in Section I (Introduction) and Section III (General Terms) shall apply to every transaction governed by these GT&Cs. In respect of the Articles listed under Section II ("Delivery Terms"), the applicable Article is that which corresponds to the agreed delivery term for the Delivery as is set out in the Special Conditions. The Schedules under Section IV are applicable to the extent this is specified in the Agreement.

1.2 Definitions

Affiliate(s):	In relation to a Party, a company or other legal entity that (i) is directly or indirectly controlled by such Party or (ii) directly or indirectly controls such Party, or (iii) is directly or indirectly controlled by a company or other legal entity that also directly or indirectly controls such Party. For the purposes of this definition, "control" means the right to exercise or cause the exercise of more than 50% of the voting rights.
Agreement:	These GT&Cs (including the Schedules, where applicable) together with the Special Conditions or, in case there are no special conditions, these GT&Cs.
Banking Day:	A Day other than a Saturday, Sunday or public holiday when banks are open for business in all regions necessary to make payments pursuant to the Agreement.
Barrel/BBL:	42 U.S. standard gallons corrected to 60° Fahrenheit.
Berth:	The mooring, dock, anchorage, wharf, submarine line, single point or single buoy or single berth mooring facility, offshore location, offshore facility, alongside barges, lighters or any other mooring facility nominated by the relevant Party.
Buyer:	The purchasing Party named in the Special Conditions.
Cargo:	The agreed quantity of the Product as described in the Special Conditions Delivered to or to be Delivered to the Buyer.
Certificate of Insurance:	A document issued by or on behalf of an insurer, evidencing the insurance of the Cargo and the beneficiary of such insurance.
CIF Outturn/CFR Outturn:	A CIF or CFR delivery where the quality and quantity of the Product is determined in accordance with Article 3.2.6.
Commencement of Discharge:	The time and date for commencement of discharge as recorded on the time sheet/ statement(s) of facts issued by the Terminal or, in the absence of such document/ statement, the time when the Product first passes the permanent manifold flange of the Means of Transport upon discharge of the Cargo.
Commencement of Loading:	The time and date for commencement of loading as recorded on the time sheet/ statement(s) of facts issued by the Terminal or, in the absence of such a document/statement, the time when the Product first passes the permanent manifold flange of the Means of Transport upon loading of the Cargo.
Completion of Discharge:	The time and date for completion of discharge as recorded on the time sheet/statement(s) of facts issued by the Terminal or, in the absence of such

	document/statement, the time of Disconnection of Hoses from the Means of Transport once the discharging operation has ended.
Completion of Loading:	The time and date for completion of loading as recorded on the time sheet/ statement(s) of facts issued by the Terminal or, in the absence of such a document/ statement, the time of the Disconnection of Hoses from the Means of Transport once the loading operation has ended.
Consignment Note:	The document that is issued by the Seller or the Terminal or transporter or storage provider to the Buyer or endorsed to the order of the Buyer, evidencing the carriage and/or the change of ownership and/or the receipt of the Cargo, as the case may be. Such document may include, but is not limited to, a bill of lading, a railway bill, a way bill, a tank warrant, an original, relevant receipt or similar document or other contract document evidencing the carriage and/or the change of ownership of the Cargo.
Day:	A 24 hour period from 00.00 up to and including 23.59.
Deal Execution Date:	The date on which the Parties enter into the Agreement.
Deliver/Delivery/Delivered:	The transfer of title and risk in accordance with the relevant Article in Section II.
Delivery Date Range:	The period of time, agreed either in the Special Conditions or pursuant to the procedure stated in the Special Conditions, during which the Seller shall Deliver the Cargo to the Buyer and during which the Means of Transport shall arrive at the agreed place of Delivery ready to Deliver or to take Delivery of the Cargo, as the case may be, depending on the agreed Delivery term.
Disconnection of Hoses:	The final disconnection of the loading/discharging hose(s) or arm(s) from the Means of Transport once the loading/discharging operation has ended.
Dollar or USD, or US$, or US Dollars:	The currency of the United States of America.
KR:	Kalundborg Refinery A/S
ETA:	The estimated time of arrival of the Means of Transport, which shall be given in good faith and on reasonable grounds but without guarantee.
Ex Pipe/EXP:	The terms for Delivery described in Article 11.
Ex Tank:	The terms for Delivery described in Article 8.
Excess Time Rate	The hourly rate to be paid by a Party for time used over and above the time allowed for loading or discharging the Cargo, as the case may be.
FIP:	The terms for Delivery described in Article 11.
Gallon:	A U.S. gallon of 231 cubic inches at 60° Fahrenheit and an absolute pressure of 29.92 inches of mercury.
Governmental Authority:	Any national, federal, state, provincial, regional, local or municipal governmental body, agency, instrumentality, authority or entity established or controlled by a government or subdivision thereof, including any legislative, administrative or judicial body, or any person or entity purporting to act therefore, including any port authority.
GT&Cs:	These General Terms and Conditions for Sales of Crude Oil, Condensate and Petroleum Products including Liquefied Petroleum Gas 2023 Edition, including the Schedules attached hereto.

Incoterms:	The terms, either individually described for a type of Delivery or taken as a whole, as published by the International Chamber of Commerce ("ICC") in the "ICC Official Rules for the Interpretation of Trade Terms 2010" or as subsequently amended by the ICC.
Independent Inspector:	An entity that provides independent third party assessment of quantity and/or quality.
Into Tank:	The terms for Delivery described in Article 9.
In Tank Transfer/ITT:	The terms for Delivery described in Article 10.
Klesch Vetting:	The department responsible for any and all matters and issues relating to vessel vetting activities and/or HSEQ (Health, Safety, Environment & Quality) acceptance for the use of such vessels by KR and its Affiliate(s).
Laytime:	The time allowed for the Seller to load the Cargo on the Vessel or the time allowed for the Buyer to discharge the Cargo from the Vessel.
LPG:	Liquefied petroleum gases, including propane and butane.
MARPOL:	The International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978, as amended from time to time.
Means of transport:	Any conveyance used for the transport of the Cargo such as, but not limited to, the Vessel, the Road Tanker, the Railcar or the Pipeline.
Metric Ton/ MT:	A unit of weight equal to 1,000 kilograms.
NOR:	Notice of Readiness.
Notice:	A written statement, request or other communication to be given by one Party to the other Party in the manner specified in the Agreement.
OCIMF:	The Oil Companies International Maritime Forum.
Offshore Loaded Crude:	Crude oil loaded at one or more offshore oilfields.
Parent Company:	An entity which owns (directly or indirectly) more than 50% of the voting rights or otherwise controls (directly or indirectly) a Party.
Party/Parties:	The Buyer and/or the Seller individually, or collectively, as the case may be, as named in the Special Conditions.
Pipeline:	The coherent system of pipelines for transportation of the Product.
Point of Destination:	The place at which the Cargo is intended to be discharged from the Road Tanker/ Railcar or is actually discharged from the Road Tanker/Railcar or, where the context requires, the operator, authority or governing body of such place of destination.
Point of Loading:	The place at which the Cargo is intended to be loaded on the Road Tanker/ Railcar or is actually loaded on the Road Tanker/Railcar or, where the context requires, the operator, authority or governing body of such place of loading.
Port of Destination:	The port or the Terminal at which the Cargo is intended to be discharged from the Vessel or is actually discharged from the Vessel or, where the context requires, the operator, authority or governing body of such port or the Terminal.

Port of Loading:	The port or the Terminal at which the Cargo is intended to be loaded on the Vessel or is actually loaded on the Vessel or, where the context requires, the operator, authority or governing body of such port or the Terminal.
Product:	The crude oil, condensate or petroleum product, including LPG stated in the Special Conditions.
REACH:	Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Regulation, Evaluation, Authorisation and Restriction of Chemical substances (REACH).
Road Tanker/Railcar	A lorry/truck or rail tank car, as applicable, used for the land transportation of the Cargo.
Seller:	The selling Party named in the Special Conditions.
Ship-owner:	The registered owner or the disponent owner of the Vessel, as applicable.
SOFR 30-Day Average	SOFR 30-Day Average the 30-day average of the Secured Overnight Financing Rate (SOFR) as published by the Federal Reserve Bank of New York on the first day of the late payment period. If the SOFR 30-Day Average is negative, it will be deemed to be zero for the late payment period. If the SOFR 30-Day Average is not published on the first day of the late payment period, the period average published on the preceding Working Day will be used. If the Federal Reserve Bank of New York ceases to publish a SOFR 30-Day Average, the annual SOFR rate will be calculated by compounding in arrears the SOFR rate during the late payment period, with a five Working Day lookback. When compounding overnight SOFR, if the SOFR is negative for any day during the late payment period, the SOFR will be deemed to be zero for that day.
Special Conditions:	The agreed terms and conditions comprising of a written agreement between the Parties with respect to the specific transaction or, in the absence of any such written agreement, any oral and/or written communication evidencing such agreed terms and/or which these GT&Cs are incorporated by reference to form the Agreement.
Standby Letter of Credit:	The document described in Article 12.1 and Schedule 2.
Tank:	The structure used for storage and throughput of the Product.
Terminal:	The loading or discharging facility, whether onshore or offshore or, where the context requires, the operator, authority or governing body of such terminal.
Typical:	A quality or characteristic often attributable to the Product from a particular source without guarantee and not amounting to a representation or warranty that such typical quality, characteristic or attribute will be present in the Product supplied.
Vessel:	A ship, tank-ship or barge (self-propelled or otherwise) used for the waterborne transport of the Cargo.
Worldscale:	The “New Worldwide Tanker Nominal Freight Scale” as current on the date of the Commencement of Loading of the Vessel.
Working Day:	A Day other than a Saturday, Sunday or public holiday in New York and/or Denmark and/or the place of performance of the obligation in question and/or, where the obligation is to communicate something, the place of receipt of the communication.

WWWW: Whether in Berth or not; whether in port or not; whether in free pratique or not; whether customs cleared or not.

1.3 Incorporation and Interpretation

1.3.1 Incorporation

Incorporation of these GT&Cs (including Article 19 “Governing law and litigation/arbitration”) takes place by reference. Such reference can be made either orally, in writing or otherwise. Each Party acknowledges that it has received a copy of and/or viewed these GT&Cs.

1.3.2 Entire Agreement

The Agreement shall constitute the entire agreement between the Parties and supersede all previous representations and prior agreements, whether oral, written or otherwise.

1.3.3 Modification

The Agreement may not be modified unless mutually agreed by the Parties and such agreement is evidenced in writing.

1.3.4 Warranties

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

1.3.5 Conflict

In the event of any conflict or inconsistency between the GT&Cs and the Special Conditions, the Special Conditions shall prevail.

General terms and conditions of the Buyer are not part of the Agreement unless expressly incorporated by reference in the Special Conditions. If incorporated by reference in the Special Conditions, in the event of any conflict or inconsistency between the GT&Cs and general terms and conditions of the Buyer, these GT&Cs shall prevail.

1.3.6 Incoterms

FOB, CIF, CFR, DAP, FCA, CPT, CIP and DDP shall have the meaning described in Incoterms except as modified by the Agreement. Incorporation of any Incoterm(s) takes place by reference in the Special Conditions and shall only be applicable to the extent the Incoterm is not modified by the Agreement. Where there is any inconsistency or conflict between Incoterms and the Agreement, the Agreement shall prevail.

1.3.7 Headings

For the avoidance of doubt, the Section and Article headings and numbering are for convenience only and shall not affect the interpretation of the Agreement.

1.3.8 Interpretation

1.3.8.1 Any reference to any Act of Parliament or to legislation of any sovereign state or Governmental Authority shall be deemed to include any amendment, replacement or re-enactment thereof for the time being in force and to include any bylaws, licenses, statutory instruments, rules, regulations, orders, notices, directions, consents or permissions made there under and any condition attaching thereto.

1.3.8.2 Except where the context requires otherwise, words denoting the singular include the plural and vice versa; words denoting any gender include all genders; and words denoting persons include firms and corporations and vice versa.

1.3.9 Severability

Where any term, provision or condition of the Agreement is declared to be illegal, invalid or otherwise unenforceable (in whole or in part) by a court or tribunal 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 remaining terms, provisions and conditions of the Agreement shall continue in full force and effect as if the Agreement had

been executed with the illegal, invalid or unenforceable portion eliminated.

1.3.10 Survivability

Where for any reason the Agreement is terminated, such termination shall be without prejudice to any rights, obligations or liabilities of either Party that have accrued at the date of termination but that have not been performed or discharged, and any parts of the Agreement having any relevance thereto or any bearing thereon shall, notwithstanding the termination of the Agreement for any reason, continue in force and effect.

1.3.11 Third party rights

No term of the Agreement is intended to, or does, confer a benefit or remedy on any third party. A person, company or other legal entity who is not a party to the Agreement shall not have nor acquire whether by virtue of the Contracts (Rights of Third Parties) Act 1999 under English law or any other law or otherwise any rights in relation to the Agreement. Furthermore, the Parties hereto may rescind or vary the Agreement, whether in whole or in part, without the consent of any third party.

1.3.12 Waiver

The failure of the Seller or the Buyer at any time to require performance by the other Party of any provisions of the Agreement shall in no way affect the right of a Party to request any performance which may be due thereafter pursuant to such provision. Nor shall the waiver by the Seller or the Buyer of any breach of any provision of the Agreement be taken or held to be a waiver of any subsequent breach of such provision or any other term or condition.

Delivery terms

ARTICLE 2. FREE ONBOARD (FOB)

2.1 Risk and title

Notwithstanding any right of the Seller to retain the documents referred to in Article 12.2.1 until payment, risk and title to the Cargo shall pass from the Seller to the Buyer as the Cargo passes the first permanent manifold flange of the Buyer's Vessel at the Port of Loading.

2.2 Quantity and quality

2.2.1 Determination of the quantity and the quality of the Cargo shall be carried out by measurement, sampling and testing in accordance with the standard practice in use at the Port of Loading at the time of loading.

2.2.2 Provided that Article 2.2.1 is complied with, the quantity and quality of the Cargo as determined and recorded in the certificates of quantity and quality (or such other equivalent documents as may be issued at the Port of Loading in accordance with such standard practice) for the Cargo shall, save for fraud or manifest error, be final and binding on both Parties for invoicing purposes, but without prejudice to the rights of either Party to make any claim pursuant to Article 14.

2.2.3 Where the Special Conditions provide for the appointment of an Independent Inspector, the Seller shall appoint an Independent Inspector acceptable to both Parties subject to any necessary prior agreement of the Terminal having been obtained. The cost of the Independent Inspector's services shall be shared equally between the Parties.

2.2.4 Where the Parties are not able to agree on an Independent Inspector, either Party may nominate an Independent Inspector at its own expense at the Port of Loading, subject to any necessary prior agreement of the Terminal having been obtained.

2.3 Vessel requirements

2.3.1 Local requirements

The Vessel shall comply with all applicable governmental, local, port authority, laws, and/or regulations and any other requirements of whatsoever nature in force at the Port of Loading, including but not limited to the Terminal regulations and requirements. In addition, the Vessel shall comply with this Article 2.3 and Schedule 3.

2.3.2 General requirements

2.3.2.1 The Vessel shall comply with all international laws, regulations and/or requirements including, but not limited to, International Convention for the Safety of Life at Sea 1974, as amended, MARPOL, all other International Maritime Organisation ("IMO") rules and regulations, and any United States Coast Guard regulations, as applicable.

2.3.2.2 Without prejudice to Article 2.3.2.1, the Vessel shall:

(a) be owned by or demise chartered to a member of the International Tanker Owners Pollution Federation Ltd. (ITOPF), unless the Vessel is an LPG tanker;

(b) when necessary, carry onboard certificate(s) required in accordance with the International Convention on Civil Liability for Oil Pollution Damage (CLC) 1969, as amended, the International Convention on Civil Liability for Bunker Oil Pollution Damage 2001 and a Certificate Of Financial Responsibility;

(c) have the maximum protection and indemnity insurance coverage for pollution not less in scope than available at any time under the rules of the International Group of P&I Clubs;

(d) have onboard a valid Safety Management Certificate, issued pursuant to the International Safety Management (ISM) Code 2002;

(e) be manned, operated and maintained to comply with the standards stated in the most recent

edition of the International Safety Guide for Oil Tankers and Terminals (ISGOTT) as may be amended from time to time, the appropriate IMO recommendations, the OCIMF Guidelines for the Control of Drugs and Alcohol Onboard Ship (1995), each as amended from time to time; and

(f) only discharge dirty ballast, bilges, slops or other substances into water in accordance with MARPOL.

2.3.3 Loading capacity requirements

The receiving capacity of the Vessel shall allow the Seller to load the Cargo within the Laytime allowed in accordance with Article 2.5.2.

2.3.4 Consequences of breach

Where the Vessel does not meet the requirements stated in this Article 2.3 or where any other reasonable grounds exist, the Terminal and/or the Seller and/or the Seller's supplier may refuse to berth, load or continue to load, the Vessel. Any failure to meet the requirements of Klesch Vetting shall always be considered as a reasonable ground for such refusal.

2.4 Nomination of the Vessel

2.4.1 Notice of nomination

The Buyer shall give a Notice to the Seller of the Vessel which is to load the Cargo ("the nomination"). The nomination shall specify:

(a) the Product and approximate quantity to be loaded;

(b) the details of any other cargo already loaded or to be loaded on the Vessel before loading the Cargo from the Seller;

(c) the name and capacity of the Vessel and such other information as may be required by the Port of Loading and/or Klesch Vetting; and

(d) if required by the Seller, the ETA of the Vessel at the Port of Loading and details of the Vessel's current position and itinerary.

2.4.2 Documentary instructions

No later than five Working Days prior to the first day of the Delivery Date Range, the Buyer shall give a Notice to the Seller with full written instructions regarding the particulars and the destination of the bills of ladings and such other customary Terminal documentation which may be required. The Buyer shall be liable for all costs resulting from any delays in loading the Cargo due to failure by the Buyer to supply such full written instructions in a timely manner and any such delays shall not count as used Laytime or, where the Vessel is on demurrage, as time on demurrage.

2.4.3 Timing

2.4.3.1 The nomination specified in Article 2.4.1. shall not be effective unless it is received by the Seller no later than seven Working Days prior to the first day of the Delivery Date Range.

2.4.3.2 Where the nomination specified in Article 2.4.1 is received by the Seller less than seven Working Days prior to the first Day of the Delivery Date Range and is accepted by the Seller, the Laytime allowed to the Seller shall not commence before the Vessel has actually commenced loading.

2.4.3.3 Where the Agreement is entered into seven Working Days or less prior to the first day of the Delivery Date Range then the nomination specified in Article 2.4.1 must be received by the Seller no less than three Days prior to the first day of the Delivery Date Range.

2.4.3.4 Where the Deal Execution Date does not allow the dates for notification specified in Article 2.4.2 and Article 2.4.3 to be complied with, then both Parties shall make best efforts to complete within two Days of the date of the Agreement any outstanding time limited requirements, notifications, nominations and procedures.

2.4.4 Substitution

The Buyer may request a substitution of the Vessel, subject to the Seller's acceptance and such acceptance shall not be unreasonably withheld. The applicable Delivery Date Range agreed for the Delivery of the Cargo shall not be subject to change or alteration as a consequence of any substitution of the Vessel.

2.4.5 Rejection

The Seller has the right to reject any nomination made by the Buyer or to refuse to accept the Vessel nominated for loading where the Vessel does not comply with Article 2.3 and/or where it has been involved in any incident after the Seller's acceptance and prior to the Delivery that could, in the reasonable opinion of the Seller, be construed to have a negative impact on its performance and/or where more recent information regarding the Vessel becomes available to the Seller that would make it reasonable for the Seller to retract its previous acceptance.

2.4.6 Changes in procedures

The procedures described in Article 2.4 shall be subject to modification by written Notice from the Seller to the Buyer, to take account of changes in the nomination and/or other procedures applicable from time to time at the Port of Loading.

2.4.7 Liability

The Seller shall not be liable for the consequences of rejection or delay (including but not limited to demurrage) of the Vessel or other restriction suffered in respect of the Vessel by virtue of the application of any regulations or other requirements of Article 2.3 and Article 2.4, and 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.

2.5 Loading

2.5.1 Requirements of the Port of Loading and arrival of the Vessel

2.5.1.1 The Seller shall exercise due diligence to provide a safe Berth for the Vessel which the Vessel can proceed to, lie at, load the Cargo and depart from, always safely afloat.

2.5.1.2 The Berth provided for the Vessel shall always be free of wharfage fees for normal cargo transfer. All duties, fees, taxes, quay dues and other charges, whether similar to the foregoing or not and without limitation, due in respect of the Vessel as well as pilotage, mooring and towage expenses incurred at the Port of Loading shall be borne by the Buyer.

2.5.1.3 Where the dimensions and/or any other characteristics of the Vessel do not comply with the information provided when the Vessel was nominated and accepted, the Seller shall not be liable for any resulting loss or damage and the Seller shall not be obliged to commence or continue loading.

2.5.1.4 Any loss of or damage to the Cargo during loading, where caused by the Vessel or its officers or crew, shall be for the account of the Buyer.

2.5.1.5 The Buyer shall indemnify the Seller for any claim made against the Seller in respect of damage to any facilities at the Terminal caused by the Vessel.

2.5.1.6 The Buyer shall arrange for its Vessel to report to the Terminal and the Seller each of 72, 48 and 24 hours prior to its arrival and as otherwise in accordance with the standard reporting procedure applicable from time to time at the Terminal in question. Where the Vessel fails, for any reason, to give at least 24 hours prior Notice of arrival at the Terminal, the time allowed to the Seller for loading pursuant to Article 2.5.2 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.

2.5.1.7 The Buyer shall ensure that by no later than 23.59 (local time) on the last day of the Delivery Date Range:

(a) the Vessel nominated by the Buyer shall arrive at the Terminal (or the usual waiting place);

(b) the Vessel shall have completed all formalities and in all respects be ready to commence loading the Cargo; and

(c) a valid NOR has been tendered.

2.5.1.8 Provided that the Vessel arrives at the Terminal (or the usual waiting place), and tenders a valid NOR before or within the Delivery Date Range pursuant to Article 2.5.1.7, the Seller, having regard to the requirements and procedures of the Terminal and the time when the Vessel has complied with the provisions of Article 2.5.2, shall commence loading and the Buyer shall be obliged to take delivery of the Cargo as soon as reasonably practicable, even where this means that loading is effected or completed outside the Delivery Date Range or outside any other period specified in the Special Conditions.

2.5.2 Laytime

2.5.2.1 The Laytime allowed to the Seller, for loading the Cargo shall be as agreed between the Parties in the Special Conditions.

2.5.2.2 Where no Laytime is agreed in the Special Conditions, the Laytime allowed to the Seller shall be either:

(a) one half of the total laytime allowed to the Buyer under the relevant charterparty; or

(b) where the charterparty makes no stipulations as to the laytime allowed, the Seller shall be entitled to such Laytime as would be customary for the Vessel, given its size, at the Port of Loading.

Notwithstanding Article 2.5.2.2 (a) and Article 2.5.2.2 (b), for deliveries of crude oil and condensate, the Laytime allowed for loading the Cargo shall be a minimum of 36 hours.

2.5.2.3 Until the Vessel is all fast at the Berth, it is a condition precedent for the Laytime to commence that the NOR is tendered by the Vessel's master or its agent to the Terminal, with a copy to the Seller, upon arrival of the Vessel at the customary anchorage or the place where the Vessel is ordered to wait for loading, whichever is applicable.

2.5.2.4 The Laytime shall be SHINC (Sundays and holidays included) unless loading on the Day in question is prohibited and/or restricted by the laws or regulations in force at the Port of Loading.

2.5.2.5 Where the Vessel tenders the NOR in accordance with Article 2.5.2.3 within the Delivery Date Range, the Laytime shall commence either six hours after the NOR is tendered or the time when the Vessel is securely moored at the Berth, whichever is the earlier.

2.5.2.6 Where the Vessel tenders the NOR prior to the Delivery Date Range, the Laytime shall commence at 06.00 on the first Day of the said date range, or on the Commencement of Loading whichever is the earlier. However, unless otherwise agreed by the Parties in writing, the Seller is not obliged to commence loading before 06.00.

2.5.2.7 Where the Vessel tenders the NOR after the Delivery Date Range and provided that the Seller has elected to Deliver the Cargo to the Buyer, the Laytime shall commence when the Vessel is securely moored at the Berth. The Seller shall in such event make reasonable endeavours to berth the Vessel as soon as possible after arrival, subject to the Seller's and/or the Terminal's pre-existing commitments.

2.5.2.8 Time spent or lost by the Vessel shall not count as Laytime or as demurrage (where the Vessel is already on demurrage), if arising out of or in connection with any of the following situations:

(a) on inward passage (as well as moving from anchorage) including awaiting pilot, tugs, daylight or tide, free pratique, until the Vessel is securely moored at the Berth;
(b) adverse weather/or sea conditions including fog and/or ice;
(c) handling or shifting ballast, bilges, slops or bunkering, cleaning and inspection of the Vessel's cargo tanks unless carried out concurrently with loading the Cargo sold under the Agreement and without any impact on the loading;
(d) due to fault or failure or refusal for any cause whatsoever attributable to the Vessel or the Buyer or the Ship-owner or the Vessel operator or its master, officers, crew or agent(s);
(e) any onboard strike, lockout, stoppage or restraint of labour;
(f) due to breakdown, inefficiency (including temperature in the tanks) of the Vessel;
(g) due to the inability of the Vessel to comply with the minimum loading or deballasting rate as laid down by the Terminal regulations and the inability of the Vessel to load the Cargo within the

Laytime allowed; or

(h) due to the Terminal or the port authority prohibiting or restricting loading due to weather conditions.

2.5.2.9 The provisions of Article 15 shall not apply to Articles 2.5.2 and Article 2.5.3.

2.5.2.10 The Laytime shall cease upon the Disconnection of Hoses.

2.5.3 Demurrage

2.5.3.1 Where the Laytime allowed is exceeded, the Seller shall, subject to the provisions of Article 2.5.2 and Article 2.5.3, have an independent obligation to pay demurrage to the Buyer in respect of the excess time.

2.5.3.2 The demurrage to be paid shall be calculated by multiplying the excess time by the demurrage rate agreed by the Parties in the Special Conditions per Day (and pro rata for part of a Day). Where the Special Conditions state that the demurrage rate is "as per charterparty", or words to that effect, and where, in the Seller's sole opinion, such charterparty rate is higher than the market demurrage rate, then the applicable demurrage rate shall be determined in accordance with Article 2.5.3.3.

2.5.3.3 Where no demurrage rate is agreed in the Special Conditions, the demurrage rate shall be as follows:

(a) where the Product is crude oil or condensate, the demurrage rate shall be based on the Average Freight Assessment Rate (AFRA) of Worldscale appropriate to the size of the Vessel as published by the London Tanker Brokers Panel and current on the date of the Completion of Loading; or

(b) where the Product is LPG, the demurrage rate shall be as per the "Braefoot Bay Assessment" rate for size of the Vessel on the date of the Completion of Loading.

2.5.3.4 Where no demurrage rate can be established under Article 2.5.3.2 or Article 2.5.3.3, the demurrage rate shall be as per the market rate for the relevant/applicable size of vessel on the date of the Completion of Loading as shall be assessed by a mutually agreed independent and reputable broker. Where the Parties do not agree on the broker to be appointed, then each Party shall appoint a reputable independent broker and the two so appointed will appoint a third. The assessment that is furthest away from the median will be discounted and the demurrage rate will be the average of the two remaining assessments.

2.5.3.5 The Seller's obligation to pay demurrage shall be absolute and shall not be excused by operation of Article 15. However, where demurrage is incurred directly as a result of fire, explosion, strike, lockout, stoppage or restraint of labour or by the breakdown of machinery, plant or equipment at or around the Port of Loading ("an incident") the rate of demurrage shall be reduced by one-half per running hour or pro rata for part of an hour for the demurrage thus incurred. This reduction shall be applicable even if the Vessel was already on demurrage when the incident occurred.

2.5.3.6 In no event shall the Seller be liable for a demurrage claim where such claim, together with all supporting documents is not received in writing by the Seller and within 60 Days from the bill of lading date. For the purpose of this Article 2.5.3.6, the bill of lading date shall count as Day one. Where the Buyer fails to present a claim, together with such documentation, within the aforesaid limit, then any liability of the Seller for demurrage shall be extinguished.

2.5.3.7 Where there is any delay in connection with the scheduling, berthing or loading of the Vessel or otherwise for any reason whatsoever (including negligence on the Seller's part), the rights of the Buyer against the Seller in respect of such delay shall be limited to a claim for demurrage, in accordance with the provisions of this Article 2.5.3.

2.5.3.8 Where the Vessel is loaded at the Port of Loading by the Seller and by one or more other supplier(s), the Seller's liability for demurrage shall be limited to that attributable to the Seller's proportion of the total cargo loaded on the Vessel at the Port of Loading. However, where the other supplier(s) is/are the cause of the demurrage, the Seller shall not be liable for any demurrage incurred.

2.5.3.9 Furthermore, the Buyer shall only be entitled to such amount of demurrage as follows:

(a) where the Seller's supplier operates the Terminal, such demurrage as the Seller is able to recover and does recover under the Terminal's usual terms for the supply of the Product;

(b) where the Seller has contracted with a supplier that is not the operator of the Terminal, the lesser of such demurrage as the Seller is able to recover and does recover from that supplier and the amount of demurrage that would have been recovered under the Terminal's usual terms for the supply of the Product; or

(c) where the Terminal has no laytime and demurrage terms that apply to the supply of the Product then the amount of demurrage the Seller shall pay to the Buyer shall be calculated pursuant to Article 2.5.2 and Article 2.5.3, irrespective of any recovery the Seller may make from its supplier. Where Article 2.5.3.9 (a) or Article 2.5.3.9 (b) is applicable, the Seller shall make reasonable efforts to recover from its supplier any demurrage for which the Buyer has submitted a claim in accordance with the provisions of this Article.

In all cases the Buyer must comply with the time limit as stated in Article 2.5.3.6.

2.5.4 Vacating the Berth

2.5.4.1 The Vessel shall vacate the Berth without delay upon the Completion of Loading and following the Disconnection of Hoses and, where applicable, the Terminal's handover of the documents to the Vessel (unless such documents can be delivered to the Vessel at a suitable anchorage or "Early Departure Procedure" is applied).

2.5.4.2 Where the Vessel fails to promptly vacate the Berth in accordance with Article 2.5.4.1 and any loss or damage is incurred by the Seller or the Terminal as a consequence thereof, such loss shall be for the Buyer's account, unless such failure is due to a reason attributable to the Seller, its supplier or the Terminal.

2.5.5 Excess Berth utilization

The Buyer shall always hold the Seller harmless in respect of any excess Berth utilisation charge in accordance with the Terminal regulations or contractually agreed or otherwise established scale for excess Berth utilisation imposed on the Seller in respect of the Buyer's Vessel.

2.6 Lightering and Shifting

2.6.1 The Seller may require the Buyer to shift the Vessel at the Port of Loading from one Berth or anchorage to another Berth or anchorage. In such case, the Seller shall pay any additional expenses directly incurred in connection with shifting the Vessel, and time consumed on account of such shifting shall count as Laytime where such shifting is required by the Seller.

2.6.2 The Seller shall have the option to Deliver the Cargo to the Vessel from lighters, floating storage facility or other vessel, subject always to the Buyer's rights under Article 2.5.1. Where the Seller exercises such option, then the cost of such lightering, together with any other additional expenses directly incurred by the Vessel in respect thereof, shall be for the Seller's account. The Seller shall be obliged to notify the Buyer of the place of lightering upon the Vessel's arrival and this place shall be deemed to be the "Berth" for the purposes of Article 2.5 and Article 2.6. Should any lightering be carried out, the operation shall be conducted in accordance with the most recent edition of the Ship to Ship Transfer Guide as published by OCIMF and as may be amended from time to time.

2.6.3 Where the Vessel is required to vacate or shift berth for any reason attributable to the Vessel, then any and all loss, damage, charge or penalty incurred by the Seller shall be for the account of the Buyer and all time consumed as a result of such vacating or shifting Berth shall not count as used Laytime or time on demurrage.

ARTICLE 3. COST, INSURANCE AND FREIGHT (CIF), COST AND FREIGHT (CFR), CIF OUTTURN AND CFR OUTTURN

3.1 Risk and title

Notwithstanding any right of the Seller to retain the documents referred to in Article 12.2.1 until payment, risk and title to the Cargo shall pass from the Seller to the Buyer as the Cargo passes the first permanent manifold flange of the Seller's Vessel at the Port of Loading.

3.2 Quantity and quality

3.2.1 Determination of the quantity and the quality of the Cargo shall be carried out by measurement, sampling and testing in accordance with the standard practice in use at the Port of Loading at the time of loading. This principle shall be applicable both where the Cargo has already been loaded onto the Vessel at the time of the Agreement/nomination and/or where the Cargo is still to be loaded.

3.2.2 Provided that Article 3.2.1 is complied with, the quantity and quality of the Cargo as determined and recorded in the certificates of quantity and quality (or such other equivalent documents as may be issued at the Port of Loading in accordance with such standard practice) for the Cargo shall, save for fraud or manifest error, be final and binding on both Parties for invoicing purposes, but without prejudice to the rights of either Party to make any claim pursuant to Article 14.

3.2.3 Where the Special Conditions provide for the appointment of an Independent Inspector, the Seller shall appoint an Independent Inspector acceptable to both Parties subject to any necessary prior agreement of the Terminal at the Port of Loading having been obtained. The cost of the Independent Inspector's services shall be shared equally between the Parties.

3.2.4 Where the Parties are not able to agree on an Independent Inspector, either Party may nominate an Independent Inspector at its own expense at the Port of Loading, subject to any necessary prior agreement of the Terminal at the Port of Loading having been obtained.

3.2.5 Where the Delivery is made as a part cargo lot that is part of an unsegregated bulk cargo for delivery to the Buyer and a third party, the quantity determined in accordance with the foregoing shall be adjusted so that, following the Completion of Discharge of the relevant part cargo lots, including the Cargo, the Buyer and such third party shall each be allocated a percentage of the total loaded quantity equal to that percentage of the total outturn quantity (determined at each discharge port in accordance with the provisions of Article 4.2) that was discharged at its discharge port. The costs of the Independent Inspector shall be shared equally between the parties for their respective discharge ports and the Independent Inspector's report shall be made available to all parties.

3.2.6 For CIF Outturn and CFR Outturn deliveries, the following terms shall apply:

(a) For the purpose of determining the compliance of the Product with the quantity and quality provisions of the Special Conditions, the quality shall be determined at the Port of Loading, in accordance with Articles 3.2.1 to Article 3.2.5, and the quantity measurement shall be carried out at the Port of Destination, in accordance with Article 4.2.;

(b) In the event of a total loss of the Cargo or where the discharge quantity determined by the Independent Inspector in accordance with Article 4.2.4 is less than 99.5% of the loaded quantity determined in accordance with Article 3.2.2, then the quantity invoiced by the Seller shall be 99.5% of the quantity specified on the certificate(s) of quantity (or the equivalent document) issued at the Port of Loading.

3.3 Vessel requirements

3.3.1 Local requirements

The Vessel shall comply with all applicable governmental, local, port authority laws, KR's requirements and/or regulations in force at the Port of Destination, including but not limited to, Terminal regulations and requirements. In addition, the Vessel shall comply with this Article 3.3 and Schedule 4.

3.3.2 General requirements for all Vessels

3.3.2.1 The Vessel shall comply with all international laws, regulations and/or requirements including, but not limited to, the International Convention for the Safety of Life at Sea, 1974, as amended, MARPOL, all other International Maritime Organisation ("IMO") rules and regulations, and any United States Coast Guard regulations as applicable.

3.3.2.2 Without prejudice to Article 3.3.2.1, the Vessel shall:

(a) be owned by or demise chartered to a member of the International Tanker Owners Pollution Federation Ltd. (ITOPF), unless the Vessel is a LPG tanker;

(b) when necessary, carry onboard certificate(s) required in accordance with the International Convention on Civil Liability for Oil Pollution Damage (CLC) 1969, as amended, the International Convention on Civil Liability for Bunker Oil Pollution Damage 2001 and a Certificate Of Financial Responsibility;

(c) have the maximum protection and indemnity insurance coverage for pollution not less in scope and amount than available at any time under the rules of the International Group of P&I Clubs;

(d) have onboard a valid Safety Management Certificate, issued pursuant to the International Safety Management (ISM) Code 2002 ;

(e) be manned, operated and maintained to comply with the standards stated in the most recent edition of the International Safety Guide for Oil Tankers and Terminals (ISGOTT), the appropriate IMO recommendations and the OCIMF Guidelines for the Control of Drugs and Alcohol Onboard Ship (1995), each as amended from time to time; and

(f) only discharge dirty ballast, bilges, slops or other substances into water in accordance with MARPOL.

3.3.3 Consequences of breach

Where the Vessel does not meet the requirements stated in Article 3.3, the Terminal and/or the Buyer may refuse to berth, discharge or continue to discharge the Vessel.

3.4 Nomination of the Vessel and the Port of Destination

3.4.1 Notice of nomination of the Vessel

The Seller shall give a Notice to the Buyer of the Vessel which is to load (or has loaded) the Cargo ("the nomination"). The nomination shall specify:

(a) the grade and/or quality and the approximate quantity of the Cargo to be loaded for the account of the Buyer (or the bill of lading quantity where known);

(b) the Delivery Date Range at the Port of Loading (or bill of lading date where known);

(c) the name of the Vessel and such other information as may reasonably be required by the Port of Destination; and

(d) the description of any other cargo onboard.

3.4.2 Acceptance/rejection of nomination

3.4.2.1 The nominated Vessel shall be subject to the Buyer's acceptance, which shall not be unreasonably withheld. The Buyer shall provide the Seller with a Notice of acceptance or rejection of the nominated Vessel within one Working Day of the Buyer's receipt of the nomination, unless otherwise stated in the Special Conditions.

3.4.2.2 Any Notice of rejection shall state the specific reason(s) for the Buyer's rejection so that the Seller may take reasonable corrective action(s), including making a further nomination without prejudice as to whether the Buyer's rejection is reasonable or not.

3.4.3 Nomination of the Port of Destination

3.4.3.1 Unless otherwise stated in the Special Conditions, the Buyer shall notify the Seller within one Working Day of the Buyer's receipt of the Seller's nomination stated in Article 3.4.1, of:

(a) the Port(s) of Destination, unless already specified in the Special Conditions;

(b) all instructions regarding customary documentation which may be required at the Port of Destination; and

(c) the identity of the Terminal(s) at the Port of Destination, with instructions to enable the Vessel to prepare and submit necessary information to the customs or border authorities.

3.4.3.2 Any delays in discharging the Cargo caused by the Buyer's failure to provide any necessary information at the Port of Destination will be for the Buyer's account. The Buyer shall indemnify the Seller for all costs, losses and damages, including, but not limited to, demurrage and/or detention incurred by the Seller as a result thereof.

3.4.3.3 The Buyer has the option to have the Cargo discharged at a place other than that agreed in the Special Conditions, subject to:

(a) the terms, conditions and exceptions of the relevant charterparty; and

(b) the Seller's prior approval

always provided that the Buyer agrees to pay such compensation as the Seller requires for the alternative Port of Destination and indemnifies the Seller and holds it harmless in respect of any liability, loss, damage or expense of whatsoever nature which the Seller may incur (directly or indirectly) in relation to the Ship-owner in respect of the Delivery of the Cargo at a port other than that stated in the bills of lading.

3.4.4 Substitution of the Vessel

The Seller may substitute the Vessel with another of similar size and characteristics, provided that the Seller fulfils its obligations under Article 3.4.1.

3.5 Discharge

3.5.1 Requirements of the Port of Destination

The Buyer shall provide a safe port and Berth for the Vessel which the Vessel can, when fully laden, proceed to, lie at, discharge the Cargo at and depart from, always safely afloat and always free from possible air draft(s) or other physical or legal restrictions.

3.5.2 Port costs

All dues and other charges on the Seller's Vessel at the Port of Destination, other than those defined by Worldscale as being for the Ship-owner's account, shall be borne by the Buyer.

3.5.3 Arrival at the Port of Destination

3.5.3.1 Where the Parties have agreed a certain date range for the discharge of the Cargo, the Seller's obligations with regard to the arrival of the Vessel at the Port of Destination will be fulfilled provided it could have been reasonably anticipated upon the Completion of Loading that the Vessel would be able to reach the Port of Destination and tender the NOR no later than 23.59 (local time) on the last day of the agreed date range. The Seller shall not assume any responsibility or guarantee for the delivery of the Product at the Port of Destination within the agreed date range.

3.5.3.2 Where the Delivery of the Cargo is being made as a part cargo lot, the Seller may tender the NOR after expiry of the agreed date range as long as the Vessel arrives at the Port of Destination within the agreed date range.

3.5.4 Laytime

3.5.4.1 The Laytime allowed to the Buyer for discharging the Cargo, SHINC (Sundays and holidays included), shall be as agreed between the Parties in the Special Conditions.

3.5.4.2 Where no Laytime is agreed in the Special Conditions, the Laytime allowed to the Buyer shall be either:

(a) one half of the laytime allowed to the Seller under the charterparty; or

(b) where the charterparty makes no stipulations as to the amount of laytime allowed, the Buyer shall be entitled to one half of such laytime as would be customary in a voyage charterparty for such a vessel on this trade.

Notwithstanding Article 3.5.4.2 (a) and Article 3.5.4.2 (b), for deliveries of crude oil or condensate, the Laytime allowed for discharging the Cargo shall be a minimum of 36 hours.

3.5.4.3 Where the Delivery of the Cargo is being made as a part cargo lot, then the Laytime for discharging the Cargo shall be prorated to the quantity of the Cargo compared with the full cargo capacity of the Vessel.

3.5.4.4 The Laytime shall commence, Berth or no Berth, six hours after the Vessel's master or its agent has tendered the NOR to the Terminal at the Port of Destination upon arrival of the Vessel at the customary anchorage or the place where the Vessel is ordered to await for discharging (WWWW), whichever is applicable, or at the time when the Vessel is securely moored at the Berth, whichever is earlier.

3.5.4.5 Where the Parties have agreed a certain date range for the discharge of the Cargo, and where the Vessel tenders its NOR prior to the first day of the agreed date range, the Laytime shall commence six hours after the NOR but not prior to 00.00 on the first day of the agreed date range, unless the Buyer allows the Vessel to berth earlier, in which case the Laytime commences when the Vessel is securely moored.

3.5.4.6 Time spent by the Vessel on inward passage shall not count as Laytime or time on demurrage.

3.5.4.7 Where the Cargo is a refined petroleum product (excluding LPG), the Vessel, shall be able to maintain an average of 100 PSI at the Vessel's manifold during discharge (save when stripping) provided that there are no interruption(s) and always provided shore facilities permit.

3.5.4.8 Where the Cargo is crude oil, the Vessel shall be able to either maintain an average of 100 PSI at the Vessel's manifold or discharge the Cargo within 32 hours (eight hours less where crude oil washing is not conducted) and always provided that shore facilities permit.

3.5.4.9 Where the Cargo is condensate, the Vessel shall be able to either maintain an average of 100 PSI at the Vessel's manifold or discharge the Cargo within 24 hours and always provided that shore facilities permit.

3.5.4.10 Where the Cargo is LPG, the Vessel shall be able to discharge the Cargo as agreed in the Special Conditions, but in the absence of such agreement at the rate consistent with the Vessel's actual capability and always provided that shore facilities and sea water temperature permit.

3.5.4.11 Time lost during discharge as a result of the Vessel being unable to perform as stated in Articles 3.5.4.7 to Article 3.5.4.10 shall not count as Laytime or time on demurrage.

3.5.4.12 The Laytime shall cease at the time of the Disconnection of Hoses. However, where the Vessel's departure from the Port of Destination is delayed solely for the Buyer's purposes for more than two hours after the Disconnection of Hoses, the Laytime or time on demurrage shall recommence until the Vessel is allowed to leave the Port of Destination.

3.5.4.13 Where the Vessel is ordered to shift Berth or to go to anchorage other than due to a reason attributable to the Seller or the Vessel, then the time taken to move shall count as Laytime or time on demurrage, as the case may be, and any additional costs shall be for the Buyer's account.

3.5.4.14 The provisions of Article 15 shall not apply to Article 3.5.4 and Article 3.5.5.

3.5.5 Demurrage

3.5.5.1 Where the Laytime allowed is exceeded, the Buyer shall, subject to the provisions of Article 3.5.4, have an independent obligation to pay demurrage to the Seller in respect of the excess time.

3.5.5.2 The demurrage to be paid shall be calculated by multiplying the excess time by the demurrage rate agreed between the Parties in the Special Conditions per Day (and pro rata for part of a Day).

3.5.5.3 Where no demurrage rate is agreed in the Special Conditions, the demurrage rate shall be determined as follows:

(a) where the Product is crude oil or condensate, the demurrage rate shall be based on the Average Freight Assessment Rate (AFRA) of Worldscale applicable to the size of the Vessel as published by the London Tanker Brokers Panel and current on the date of the Completion of Loading; or

(b) where the Product is LPG, the demurrage rate shall be as per the "Braefoot Bay Assessment" rate for the size of the performing Vessel on the date of the Completion of Loading.

3.5.5.4 Where no demurrage rate can be established under Article 3.5.5.2 or Article 3.5.5.3, the demurrage rate shall be as per the market rate for the relevant/applicable size of the Vessel on the date of the Completion of Loading as shall be assessed by a mutually agreed independent and reputable broker. In the event that the Parties do not agree on a mutually acceptable broker, then each Party will appoint a reputable independent broker and the two so appointed will appoint a third. The assessment that is furthest away from the median will be discounted and the applicable demurrage rate will be the average of the two remaining assessments.

3.5.5.5 Where the Vessel is discharging the Cargo and cargo(es) for other receiver(s) at the Port of Destination and the Seller is not able to identify which receiver is responsible for demurrage incurred, then any demurrage shall, in the Seller's sole discretion, be prorated between the Buyer and the other receiver(s) in proportion to the discharged quantity of the Buyer's and each receiver's cargo.

3.5.5.6 The Buyer's obligation to pay demurrage shall be absolute and shall not be excused by operation of Article 15. However where demurrage is incurred directly as result of adverse weather or sea state conditions or as a result of fire, explosion, strike, lockout, stoppage or restraint of labour or (where not resulting from want of due diligence by the Buyer or its Affiliates, servants, agents or counterparties) by breakdown of machinery, plant or equipment at the Terminal, and always provided the Vessel is not already on demurrage, then the rate of demurrage shall be reduced by one-half per running hour or pro rata for part of an hour for the demurrage thus incurred.

3.5.5.7 Demurrage shall be paid by the Buyer to the Seller not later than 30 Days from the date of the Seller's invoice. Where payment is not made within the due date, interest on overdue payment shall be payable in accordance with Article 12.2.4. However, where the Vessel is delayed at the Port of Destination for more than 14 Days, then the Seller may send provisional invoices for immediate payment, but without prejudice to the Buyer's right to dispute liability after the Completion of Discharge.

3.5.6 Discharge of the Vessel without production of bills of lading/change of destination/change of quantity

3.5.6.1 Where, pursuant to a letter of indemnity ("LOI") issued by the Seller (or third party) to the Ship-owner:

(a) the Cargo is discharged without bills of lading being available for presentation to the Vessel's master at the Port of Destination; and/or

(b) the Cargo is discharged at a Port of Destination other than that named in the bill of lading; and/or

(c) the Vessel discharges a quantity of the Cargo that is different from the bill of lading quantity

then the Buyer shall indemnify and hold the Seller harmless in respect of any liability, loss, damage or expense of whatsoever nature which the Seller may incur, directly or indirectly, in relation to

the Ship-owner in respect of such LOI and/or by reason of delivering the Cargo as stated in this Article 3.5.6.1.

3.5.6.2 The provisions of Article 3.5.6 shall not be included within the scope of Article 18.1.

3.6 Deadfreight

Any deadfreight incurred by the Seller as a direct result of meeting the requirements of the Port of Destination 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.

3.7 Lightering and shifting at the Port of Destination

3.7.1 Lightering and ship-to-ship transfer

3.7.1.1 The Buyer may request the Vessel to be lightered and/or to carry out ship-to-ship transfer ("STS") and the Seller shall not unreasonably deny such request. Any and all expenses incurred for lightering and/or STS operations shall be for the Buyer's account and all time expended in connection with such operations shall count as Laytime for the purposes of calculating the liability for demurrage under the provisions of Article 3.5.4 and Article 3.5.5.

3.7.1.2 Except in relation to any lightering and/or STS operations carried out at the request of and for the purpose of the Seller, any such operations shall be at the Buyer's risk and expense, and:

(a) the Buyer shall be liable to the Seller in respect of any losses, costs, damages and proceedings arising there from and shall indemnify the Seller in respect thereof; and

(b) all time used for any lightering and/or STS operations, even where the Vessel is outside port limits shall be counted or included in calculating the time taken by the Buyer to discharge the Vessel or the time in respect of which the Buyer is liable for demurrage (excluding only any time consumed for the purposes stated in Article 3.5.4.5). Any additional steaming and/or waiting time used solely for the purpose of any lightering and/or STS operations shall count as Laytime or, where the Vessel is on demurrage, as demurrage. Where discharge takes place solely using lighters and/or by STS, then the Laytime shall cease upon separation of the last receiving vessel.

3.7.1.3 Any lightering and/or STS operations shall be conducted in accordance with the procedures stated in the latest edition of the Ship to Ship Transfer Guide as published by ICS/OCIMF. The lightering and/or receiving vessel shall be subject to the Seller's prior acceptance, which shall not be unreasonably withheld. Any failure to meet the requirements of Klesch Vetting shall always be considered as a reasonable ground for withholding acceptance.

3.7.1.4 The provisions of Article 3.7.1 shall not be included within the scope of Article 18.1 and Article 18.2.

3.7.2 Shifting

The Buyer may require the Seller to shift the Vessel at the Port of Destination from one safe Berth or anchorage to another safe Berth or anchorage. The cost and time of shifting for the Buyer's purposes shall be for the Buyer's account.

3.8 Ice

3.8.1 In case of ice at or en route to the Port of Destination the Vessel shall not force ice, but shall follow channels cut by icebreakers unless the master considers on reasonable grounds that such navigation will not be safe. The Buyer shall be obliged, at its own cost and risk, to place both icebreakers and an ice advisor at the Vessel's disposal where the master deems this necessary. Where the Seller agrees to continue on such a voyage, then the Buyer undertakes to reimburse the Seller for:

(a) any extra insurance applicable including any deductible; and

(b) the costs of any ice damage incurred; and

(c) any charter hire or damages paid by the Seller to the Ship-owner for the period of the repair

due to such ice damage, including deviation to the repair yard.

3.8.2 Where the master deems the Vessel to be in danger of being frozen in at the Port of Destination, the Seller may, at its sole discretion, order the Vessel to cease discharging forthwith and leave the Port of Destination. In such circumstances the Buyer shall, on its own account, place icebreakers and/ or an ice advisor at the Vessel's disposal where the master deems this necessary.

3.8.3 Where the Port of Destination is inaccessible due to ice, or in the event the master deems the Vessel in danger of being frozen in, the Vessel will proceed to the nearest safe ice-free position and at the same time the Seller will request revised orders. Immediately upon receipt of such request, the Buyer shall nominate an alternative ice-free and accessible port, where there is no danger of being frozen in and where there are facilities for receiving the Cargo in bulk. In this event, any extra freight, expenses, costs, demurrage and dues incurred as result of such change and damages payable to the Ship- owner shall be paid for by the Buyer. Where the Buyer fails to nominate an alternative port which is reasonably acceptable to the Seller, the Buyer shall cover all additional costs incurred by the Seller as a result of the Vessel not being able to complete its voyage as intended.

3.9 Insurance Clauses

3.9.1.1 **CFR deliveries** Neither party shall have any obligation to the other party to secure cargo insurance, whether against marine or other risks.

3.9.1.2 **CIF deliveries** The Seller undertakes to procure and pay for insurance against marine risks to the full value of the Crude Oil or Product hereunder plus 10%. 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.

3.9.1.3 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 hereunder save where the Seller shall, by written notice actually received by it at least 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 as an addition to the price in the Agreement under the Special Provisions and such addition shall then form part of such price in the Agreement.

3.9.1.4 If requested by the Buyer, the Seller shall provide the Buyer with the original certificate of insurance or broker's cover note.

3.9.1.5 **Additional Vessel insurance etc.** In all cases and notwithstanding section 3.9.1.1, 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 Agreement 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 and/or additional premia shall be paid by the Buyer to the Seller in addition to the price payable pursuant to the Agreement.

3.9.1.6 The Seller reserves the right to refuse at any time:

(a) 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:

(i) 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

(ii) to transit or to proceed to or to remain in waters where there is war (de facto or de jure) or thereof;

(b) 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

(c) 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.

3.9.1.7 If the Seller agrees to direct a Vessel to undertake or to complete the voyage as referred to in Section 3.9.1.6, the Buyer undertakes to reimburse the Seller, in addition to the price payable under the Agreement, for costs incurred by the Seller in respect of any additional insurance premia (including those referred to in Sections 3.9.1.1 to 3.9.1.4) 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 and/or expenses incurred by the Seller.

3.10 Seller's refusal to complete the voyage

3.10.1 Notwithstanding Article 3.9.3, the Seller reserves the right to refuse at any time:

(a) to direct the Vessel to undertake or to complete the voyage to the Port of Destination or to transit to/proceed to/remain in areas where this would mean the Vessel breaching any International Navigating Limits, similar insurance restrictions or contractual warranties or, in the Seller's opinion, to risk the safety of the Vessel, its cargo or crew or to risk ice damage;

(b) to transit or proceed to or remain in areas where there is a war (de facto or de jure) or threat thereof;

(c) prior to the Commencement of Loading, to direct any Vessel to undertake the voyage to the intended Port of Destination which, in the Seller's reasonably held opinion, would involve abnormal delay; or

(d) 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.

3.10.2 Following the Seller's Notice to the Buyer of its refusal to direct a Vessel to undertake or to complete the voyage as stated in Article 3.10.1, the Buyer shall nominate an alternative port reasonably acceptable to the Seller. In this event, any extra freight, expenses, demurrage and dues incurred as result of such change and damages payable to the Ship-owner as a result, shall be paid for by the Buyer. Where the Buyer fails to nominate an alternative port reasonably acceptable to the Seller, the Buyer shall cover all additional costs incurred by the Seller as a result of the Vessel not being able to complete its voyage as intended.

3.10.3 Where the Seller directs a Vessel to undertake or to complete the voyage as referred in Article 3.10.1, the Buyer undertakes to reimburse the Seller, in addition to the price of the Cargo, for all additional costs incurred by the Seller in order to complete the voyage and facilitate the return voyage of the Vessel to the closest safe area after discharge of the Cargo, including any additional insurance premiums and any other sums that the Seller may be required to pay to the Ship-owner.

3.11 Charterparty conditions

3.11.1 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 shipment shall be pumped out of the Vessel at the Vessel's expense; and

(b) the provision that where, at any time after loading but before the Commencement of Discharge:

(i) importation of the Product comprising the shipment at the Port of Destination is prohibited under the laws of the country in which such Product was produced, or by regulations, rules, directives or guidelines applied by the government of that country or any relevant agency thereof; and/or

(ii) the country, state, territory or region at which the Port of Destination becomes an Embargoed Country (as defined in Article 20.1),

the shipment shall be discharged at an alternative safe port nominated by the Buyer that is not subject to any such prohibition and that is acceptable to the Seller (which acceptance shall not be unreasonably withheld).

3.11.2 Where any prohibition referred to in Article 20 becomes applicable, such alternative port shall be deemed to be the Port of Destination stipulated under the Agreement for the shipment in question and all extra expenses (if any) involved in the Vessel's reaching such alternative Port of Destination and/or in the discharge of the shipment thereat shall be for the Buyer's account.

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

(a) co-mingle different grades of cargo belonging to the Buyer; and/or

(b) otherwise breach the Vessel's natural segregation; and/or

(c) dope the Cargo by introducing additives after loading; and/or

(d) add dye to the Cargo after loading; and/or

(e) perform onboard blending of the Cargo; and/or

(f) carry additives/dye in drums on deck; and/or

(g) carry out such other cargo operation as the Buyer may reasonably require and always providing that the Vessel is capable of performing such operations and that such operations are within the scope of the charterparty conditions or otherwise agreed by the Ship-owner

then the Buyer shall indemnify and hold the Seller harmless against any liability, loss, damage, delay or expense that 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 Ship-owner to comply with the Buyer's request. This provision shall not be included within the scope of Article 18.1.

3.12 Offshore Loaded Crude

3.12.1 The Seller will promptly notify the Buyer of any changes in any given nominations under the Agreement arising from production changes, weather, operational reasons or any matter beyond the Seller's reasonable influence. Any such modifications notified by the Seller in the quantity of the Cargo, date ranges or final loading or discharge range as the case may be shall be deemed to be accepted by the Buyer and any modified quantity, date ranges or final loading or discharge range shall replace the quantity and/or date ranges and/or final loading or discharge dates respectively as nominated.

3.12.2 The Seller may, by written Notice to the Buyer, require that the Vessel shall have priority to discharge at the Port of Destination ahead of other vessels whether or not they have commenced discharging. Where such requirement arises, the Buyer shall ensure that the Vessel can proceed without waiting directly to a Berth provided by the Buyer and commence discharging immediately on arrival at the Berth

3.12.3 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

that have tendered valid NOR to discharge, provided that the indemnity against liability for demurrage shall in each case be limited to the equivalent of the amount of time actually used by the Seller's Vessel to discharge the Cargo.

3.12.4 Where the time allowed to the Buyer for discharge has expired, whether the Cargo has been fully discharged or not, the Seller may, at its sole discretion, forthwith order the Vessel to cease discharging forthwith and leave the discharge Terminal. Where 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 Port of Destination or, where such discharge was attended by an Independent Inspector, as determined by such Independent Inspector, whose determinations shall, except in cases of fraud or manifest error, be conclusive and binding on both Parties for invoicing purposes but without prejudice to the rights of either Party to make any claim. In such event, notwithstanding the any provisions of the Agreement regarding cost of determination of quantity and quality, all charges in respect of such independent inspection shall be shared equally between the Parties and the Independent Inspector's report shall be made available to both Parties. The risk and title to the crude oil remaining onboard shall pass to the Seller immediately upon the Completion of Discharge.

3.12.5 Notwithstanding any provisions contained elsewhere in the Agreement as to how the Laytime and/or demurrage is treated and/or calculated under various situations, any delay or interruption of any operation at the Port of Destination by reason of bad weather and/or sea conditions or as a result of fire, explosion, strike, lockout, stoppage or restraint of labour or (where not resulting from want of due diligence by the Buyer or its Affiliates, servants, agents or counterparties) by breakdown of machinery or equipment at the Terminal shall count in full as Laytime and/or as time on demurrage where the Vessel is on demurrage.

ARTICLE 4. DELIVERED AT PLACE (DAP)

4.1 Risk and title

Risk and title to the Cargo shall pass from the Seller to the Buyer as the Cargo passes the last permanent manifold flange of the Seller's Vessel upon discharge of the Cargo at the Port of Destination.

4.2 Quantity and quality

4.2.1 Determination of the quantity and quality of the Cargo shall, unless otherwise agreed in the Special Conditions, be carried out in accordance with this Article 4.2.

4.2.2 The outturn quantity and quality shall be determined at the Point of Destination by measurement, sampling and testing carried out by an Independent Inspector appointed by the Seller and reasonably acceptable to the Buyer. The findings of the Independent Inspector shall, save for fraud or manifest error, be final and binding on both Parties for all purposes.

4.2.3 For the purposes of determining the quality of the Cargo the Independent Inspector shall carry out or witness tests on a composite sample of the Cargo which shall be taken from the Vessel's tanks by or taken in the presence of the Independent Inspector at the Port of Destination immediately prior to the Commencement of Discharge and in accordance with the test method(s) referred to in the specification of the Product stated in the Special Conditions or, where no test method is stated, in accordance with the most current American Petroleum Institute ("API") and American Society for Testing and Materials ("ASTM") measurement standards at the time of delivery.

4.2.4 Determination of the quantity of the Cargo by the Independent Inspector shall proceed as follows:

(a) Where the Cargo is Delivered from the Seller's Vessel directly into static shore tanks (that is shore tanks to or from which no product is being pumped other than the Cargo), the quantity of the Cargo so Delivered shall be determined by the Independent Inspector by reference to Port of Destination meter measurements taken or witnessed by the Independent Inspector in accordance with the API Manual of Petroleum Measurement Standards ("MPMS") Chapter 5. Meters shall be proved prior to discharge by or in the presence of the Independent Inspector

in accordance with 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 MPMS Chapter 5, or where the meters were not proven prior to discharge in accordance with MPMS Chapter 4, the gross quantity of the Cargo shall be determined by reference to shore tank gaugings taken or witnessed by the Independent Inspector in accordance with MPMS Chapter 3; or

(b) Where the Cargo is Delivered from the Seller's Vessel directly into active shore tanks (that is shore tanks where product is being pumped out of the tank during the discharge of the Cargo) and where no correctly functioning or proven Port of Destination meters are available in accordance with Article 4.2.4 (a), the gross quantity of the Cargo 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 MPMS Chapter 17.1.

4.2.5 The Buyer shall ensure that the Independent Inspector shall have full access to the facilities at the Port of Destination and shall be entitled to have tests carried out that are necessary to enable the Independent Inspector to perform its duties.

4.2.6 Where (i) the Independent Inspector did not undertake or did not witness the measurement of quantity and/or (ii) the Buyer was in breach of Article 4.2.5 and/or (iii) the Independent Inspector failed to follow the procedures stated in this Article 4.2, then the findings of the Independent Inspector in respect of quantity will not be final and binding and the quality shall instead be determined from the Vessel's discharged figures as adjusted by the VEF in accordance with VEF Addendum to MPMS Chapter 17.1.

4.2.7 The cost of the Independent Inspector's services shall be shared equally between the Parties.

4.3 Vessel requirements

4.3.1 Local requirements

The Vessel shall comply with all applicable governmental, local and port authority, laws, KR's requirements and/or regulations in force at the Port of Destination, including but not limited to, the Terminal regulations and requirements. In addition, the Vessel shall comply with this Article 4.3 and Schedule 4.

4.3.2 General requirements for all Vessels

4.3.2.1 The Vessel shall also comply with all international laws, regulations and/or requirements including, but not limited to, the International Convention for the Safety of Life at Sea, 1974, as amended, MARPOL, all other International Maritime Organisation ("IMO") rules and regulations, and any United States Coast Guard regulations as applicable.

4.3.2.2 Without prejudice to Article 4.3.2.1, the Vessel shall:

(a) be owned by or demise chartered to a member of the International Tanker Owners Pollution Federation Ltd. (ITOPF), unless the Vessel is a LPG tanker;

(b) when necessary, carry onboard certificate(s) required in accordance with the International Convention on Civil Liability for Oil Pollution Damage (CLC), 1969, as amended, the International Convention on Civil Liability for Bunker Oil Pollution Damage 2001 and a Certificate Of Financial Responsibility;

(c) have the maximum protection and indemnity insurance coverage for pollution not less in scope and amount than available at any time under the rules of the International Group of P&I Clubs;

(d) have onboard a valid Safety Management Certificate, issued pursuant to the International Safety Management (ISM) Code 2002;

(e) be manned, operated and maintained to comply with the standards stated in the most recent edition of the International Safety Guide for Oil Tankers and Terminals (ISGOTT), the appropriate IMO recommendations and the OCIMF Guidelines for the Control of Drugs and Alcohol Onboard Ship (1995), each as amended from time to time; and

(f) only discharge dirty ballast, bilges, slops or other substances into water in accordance with MARPOL.

4.3.3 Consequences of breach

Where the Vessel does not meet the requirements stated in Article 4.3, the Terminal and/or the Buyer may refuse to berth, discharge or continue to discharge the Vessel.

4.4 Nomination of the Vessel and the Port of Destination

4.4.1 Notice of nomination of the Vessel

The Seller shall give a Notice to the Buyer of the Vessel which is to Deliver the Cargo ("the nomination"). The nomination shall specify:

(a) the grade and/or quality and the approximate quantity of the Cargo to be Delivered to the Buyer;

(b) the name of the Vessel and such other information as may reasonably be required by the Port of Destination; and

(c) the description of any other cargo onboard.

4.4.2 Acceptance/rejection of nomination and the Buyer's instructions

4.4.2.1 The nominated Vessel shall be subject to the Buyer's acceptance which shall not to be unreasonably withheld. The Buyer shall provide the Seller with a Notice of acceptance or rejection of the nominated Vessel within one Working Day of receipt of the nomination.

4.4.2.2 Any Notice of rejection shall state the specific reason(s) for the Buyer's rejection so that the Seller may take reasonable corrective action(s), including making a further nomination, without prejudice as to whether the Buyer's rejection is reasonable or not.

4.4.3 Nomination of the Port of Destination

4.4.3.1 Unless otherwise stated in the Special Conditions, the Buyer shall notify the Seller within one Working Day of the Buyer's receipt of the Seller's nomination stated in Article 4.4.1, of:

(a) the Port(s) of Destination, unless already specified in the Special Conditions; and

(b) all instructions regarding customary documentation which may be required at the Port of Destination; and

(c) the identity of the Terminal(s) at the Port of Destination, with instructions to enable the Vessel to prepare and submit necessary information to the customs or border authorities.

4.4.3.2 Any delays in discharging the Cargo caused by the Buyer's failure to provide any necessary information at the Port of Destination will be for the Buyer's account. The Buyer shall indemnify the Seller for all costs, losses and damages, including, but not limited to, demurrage and/or detention incurred by the Seller as a result thereof.

4.4.3.3 The Buyer has the option to take the Delivery at a place other than that agreed in the Special Conditions subject to:

(a) the terms, conditions and exceptions of the relevant charterparty; and

(b) the Seller's prior approval;

always provided the Buyer accepts to pay such compensation as the Seller requests for the alternative Port of Destination and indemnifies the Seller and holds it harmless in respect of any liability, loss, damage or expense of whatsoever nature which the Seller may incur (directly or indirectly) to the Ship-owner for the Delivery of the Cargo at a port other than that stated in the bills of lading.

4.4.4 Substitution of the Vessel

The Seller may substitute the Vessel with another of similar size and characteristics provided that the Seller fulfils

its obligations under Article 4.4.1.

4.4.5 Delivery Date Range

In the event of the Delivery being made as a part cargo lot, the Seller may tender the NOR after expiry of the Delivery Date Range as long as the Vessel arrives at the Port of Destination within the Delivery Date Range.

4.5 The Port of Destination

4.5.1 Requirements of the Port of Destination

The Buyer shall provide a safe port and Berth for the Vessel which the Vessel can, when fully laden, proceed to, lie at, Deliver the Cargo at and depart from, always safely afloat and always free from possible air draft(s) or other physical or legal restrictions.

4.5.2 Port costs

All dues and other charges on the Seller's Vessel at the Port of Destination, other than those defined by Worldscale as being for the Ship-owner's account, shall be borne by the Buyer.

4.5.3 Laytime

4.5.3.1 The Laytime allowed to the Buyer for discharging the Cargo, SHINC (Sundays and holidays included), shall be as agreed between the Parties in the Special Conditions.

4.5.3.2 Where no Laytime is agreed in the Special Conditions, the Laytime allowed to the Buyer shall be either:

(a) one half of the laytime allowed to the Seller under the charterparty; or

(b) where the charterparty makes no stipulations as to the laytime allowed, the Buyer shall be entitled to one half of such laytime that would be customary in a voyage charterparty for such a vessel on this trade.

Notwithstanding this Article 4.5.3.2, for deliveries of crude oil or condensate the Laytime allowed for discharging the Cargo shall be a minimum of 36 hours.

4.5.3.3 Where the Delivery of the Cargo is being made as a part cargo lot, then the Laytime allowed to the Buyer for discharging the Cargo shall be prorated to the quantity of the Cargo compared with the full cargo capacity of the Vessel.

4.5.3.4 The Laytime shall commence, Berth or no Berth, six hours after the Vessel's master or its agent has tendered the NOR to the Terminal at the Port of Destination upon arrival of the Vessel at the customary anchorage or the place where the Vessel is ordered to await for discharging (WWWW), whichever is applicable, or at the time when the Vessel is securely moored at the Berth, whichever is earlier.

4.5.3.5 Where the Vessel tenders the NOR at the Port of Destination prior to the Delivery Date Range, the Laytime shall commence six hours after the NOR but not prior to 00.00 on the first day of the Delivery Date Range, unless the Buyer allows the Vessel to berth earlier, in which case the Laytime commences when the Vessel is securely moored.

4.5.3.6 Where the Vessel tenders the NOR at the Port of Destination during the Delivery Date Range, then the Laytime shall start in accordance with the general provisions of this Article 4.5.3.

4.5.3.7 Where the Vessel tenders the NOR at the Port of Destination after the Delivery Date Range, then the Laytime shall start when the Vessel is all fast or 36 hours after the NOR is given, whichever is earlier. Save as aforesaid, Article 4.5.3 and Article 4.5.4 shall apply in full.

4.5.3.8 Time spent by the Vessel on inward passage shall not count as Laytime or time on demurrage.

4.5.3.9 Where the Cargo is a refined petroleum product (excluding LPG) the Vessel, shall be able to maintain an average of 100 PSI at the Vessel's manifold during discharge (save when stripping) provided that there are no interruption(s) and always provided shore facilities permit.

4.5.3.10 Where the Cargo is crude oil, the Vessel shall be able to either maintain an average of 100 PSI at the

Vessel's manifold or discharge the Cargo within 32 hours (eight hours less where crude oil washing is not conducted) and always provided that shore facilities permit.

4.5.3.11 Where the Cargo is condensate, the Vessel shall be able to either maintain an average of 100 PSI at the Vessel's manifold or discharge the Cargo within 24 hours and always provided that shore facilities permit.

4.5.3.12 Where the Cargo is LPG, the Vessel shall be able to discharge the Cargo as agreed in the Special Conditions, but in the absence of such agreement at the rate consistent with the Vessel's actual capability and always provided that shore facilities and sea water temperature permit.

4.5.3.13 Time lost during discharge as a result of the Vessel being unable to perform as stated in Article 4.5.3.9 to Article 4.5.3.12 shall not count as Laytime or time on demurrage.

4.5.3.14 The Laytime shall cease at the time of the Disconnection of Hoses. However, where the Vessel's departure from the Port of Destination is delayed solely for the Buyer's purposes for more than two hours after the Disconnection of Hoses, the Laytime or time on demurrage shall recommence until the Vessel is allowed to leave the Port of Destination.

4.5.3.15 Where the Vessel is ordered to shift Berth or to go to anchorage other than due to a reason attributable to the Seller or the Vessel, then the time taken to move shall count as Laytime or time on demurrage, as the case may be, and any additional costs shall be for the Buyer's account.

4.5.3.16 The provisions of Article 15 shall not apply to Article 4.5.3 and Article 4.5.4.

4.5.4 Demurrage

4.5.4.1 Where the Laytime allowed is exceeded, the Buyer shall, subject to the provisions of this Article 4.5.4, have an independent obligation to pay demurrage to the Seller in respect of the excess time.

4.5.4.2 The demurrage to be paid shall be calculated by multiplying the excess time by the demurrage rate agreed between the Parties in the Special Conditions per Day (and pro rata for part of a Day).

4.5.4.3 Where no demurrage rate is agreed in the Special Conditions, the demurrage rate shall be determined as follows:

(a) where the Product is crude oil or condensate the demurrage rate shall be based on the Average Freight Assessment Rate (AFRA) of Worldscale applicable to the size of the Vessel as published by the London Tanker Brokers Panel and current on the date of the Completion of Loading; or

(b) where the Product is LPG, the demurrage rate shall be as per the "Braefoot Bay Assessment" rate for the size of the performing vessel on the date of the Completion of Loading.

4.5.4.4 Where no demurrage rate can be established under Article 4.5.4.2 or Article 4.5.4.3, the demurrage rate shall be as per the market rate for the applicable size of vessel on the date of the Completion of Loading as shall be assessed by a mutually agreed independent and reputable broker. In the event that the Parties do not agree on a mutually acceptable broker, then each Party will appoint a reputable independent broker and the two so appointed will appoint a third. The assessment that is furthest away from the median will be discounted and the applicable demurrage rate will be the average of the two remaining assessments.

4.5.4.5 Where the Vessel is discharging the Cargo and cargo(es) for other receiver(s) at the Port of Destination and the Seller is not able to identify which receiver is responsible for demurrage incurred, then any demurrage shall, in the Seller's sole discretion, be prorated between the Buyer and the other receivers in proportion to the discharged quantity of the Buyer's and each receiver's cargo.

4.5.4.6 The Buyer's obligation to pay demurrage shall be absolute and not excused by operation of Article 15. However where demurrage is directly incurred as result of adverse weather or sea state conditions or as a result of fire, explosion, strike, lockout, stoppage or restraint of labour or (where not resulting from want of due diligence by the Buyer or its Affiliates, servants, agents or counterparties) by breakdown of machinery, plant or equipment at the Terminal, and always provided the Vessel is not already on

demurrage, then the rate of demurrage shall be reduced by one-half per running hour or pro rata for part of an hour for demurrage thus incurred.

4.5.4.7 Demurrage shall be paid by the Buyer to the Seller not later than 30 Days from the date of the Seller's invoice. Where payment is not made within the due date, interest on overdue payment shall be payable in accordance with Article 12.2.4. However, where the Vessel is delayed at the Port of Destination for more than 14 Days then the Seller may send provisional invoices and these are payable immediately, but without prejudice to the Buyer's right to dispute liability after discharge is completed and the Vessel has sailed.

4.6 Deadfreight

Any deadfreight incurred by the Seller as a direct result of meeting the requirements of the Port of Destination 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.

4.7 Lightering and shifting at the Port of Destination

4.7.1 Lightering and ship-to-ship transfer

4.7.1.1 The Buyer may request the Vessel to be lightered and/or to carry out ship-to-ship transfer ("STS"), and the Seller shall not unreasonably deny such request. Any and all expenses incurred for lightering and/or STS operations shall be for the Buyer's account and all time expended in connection with such operations shall count as Laytime for the purposes of calculating the liability for demurrage under the provisions of Article 4.5.3 and Article 4.5.4.

4.7.1.2 Except in relation to any lightering and/or STS operations carried out at the request of and for the purpose of the Seller, any such operations shall be at the Buyer's risk and expense, and:

(a) the Buyer shall be liable to the Seller in respect of any losses, costs, damages and proceedings arising therefrom and shall indemnify the Seller in respect thereof; and

(b) all time used for any lightering and/or STS operations, even where the Vessel is outside port limits shall be counted or included in calculating the time taken by the Buyer to discharge the Vessel or the time in respect of which the Buyer is liable for demurrage (excluding only any time consumed for the purposes stated in Article 4.5.3.5). Any additional steaming and/or waiting time used solely for the purpose of any lightering and/or STS operations shall count as Laytime or, where the Vessel is on demurrage, as demurrage. Where discharge takes place solely using lighters and/or by STS, then the Laytime shall cease upon separation of the last receiving vessel.

4.7.1.3 Any lightering and/or STS operations shall be conducted in accordance with the procedures stated in the latest edition of the Ship to Ship Transfer Guide as published by ICS/OCIMF. The lightering and/or receiving vessel shall be subject to the Seller's prior acceptance, which shall not be unreasonably withheld. Any failure to meet the requirements of Klesch Vetting shall always be considered as a reasonable ground for withholding acceptance.

4.7.1.4 The provisions of this Article 4.7.1 shall not be included within the scope of Article 18.1 and Article 18.2.

4.7.2 Shifting

The Buyer may require the Seller to shift the Vessel at the Port of Destination from one safe Berth or anchorage to another safe Berth or anchorage. The cost and time of shifting for the Buyer's purposes shall be for the Buyer's account.

4.8 Ice

4.8.1 In case of ice at or en route to the Port of Destination the Vessel shall not force ice, but shall follow channels cut by icebreakers unless the master considers, on reasonable grounds, that such navigation will not be safe. The Buyer shall be obliged, at its own cost and risk, to place both icebreakers and an ice advisor at the Vessel's disposal where the master deems this necessary. Where the Seller agrees

to continue on such a voyage, then the Buyer undertakes to reimburse the Seller for:

(a) any extra insurance applicable including the deductible;

(b) the costs of any ice damage incurred; and

(c) any charter hire or damages paid by the Seller to the Ship-owner for the period of the repair due to such ice damage, including deviation to the repair yard.

4.8.2 Where the master deems the Vessel to be in danger of being frozen in at the Port of Destination, the Seller may, at its sole discretion, order the Vessel to cease discharging forthwith and leave the Port of Destination. In such circumstances the Buyer shall, on its own account, place icebreakers and/or an ice advisor at the Vessel's disposal where the master deems this necessary.

4.8.3 Where the Port of Destination is inaccessible due to ice, or in the event the master deems the Vessel in danger of being frozen in, the Vessel will proceed to the nearest safe ice-free position and at the same time the Seller will request revised orders. Immediately upon receipt of such request, the Buyer shall nominate an alternative ice-free and accessible port, where there is no danger of being frozen in and where there are facilities for receiving the Cargo in bulk. In this event, any extra freight, expenses, demurrage and dues incurred as result of such change and damages payable to the Ship-owner shall be paid for by the Buyer. Where the Buyer fails to nominate an alternative port which is reasonably acceptable to the Seller, the Buyer shall cover all additional costs incurred by the Seller as a result of the Vessel not being able to complete its voyage as intended.

4.9 War risk insurance and related expenses

4.9.1 Where, on its voyage to the Port of Destination, the Vessel is required in performance of the Agreement to transit through or to an area or place as a result of which the Seller incurs, pursuant to the terms of the relevant charterparty, additional costs or charges including insurance or war risk insurance premiums for the Vessel's hull and machinery, protection and indemnity or cargo insurances; crew war bonuses and the provision of security services for the Vessel, the Seller shall be reimbursed by the Buyer in respect of:

(a) any additional insurance and/or all additional premiums in respect of the Vessel in excess of those prevailing on the Deal Execution Date including, but not limited to, war risk insurance premiums for Hull and Machinery and/or Protection and Indemnity risks; and/or

(b) all other expenses, including crew war bonuses and the costs of security services for the Vessel; that the Seller is required to pay to the Ship-owner pursuant to the terms of the relevant charterparty. The Seller shall also be reimbursed by the Buyer in respect of any additional insurance and/or additional premiums for the Cargo payable to the cargo insurers.

4.9.2 The cost of such additional insurance, additional premiums and/or other expenses referred to in Article 4.9.1 shall be paid by the Buyer to the Seller in addition to the price payable pursuant to the Agreement.

4.10 Seller's refusal to complete the voyage

4.10.1 Notwithstanding Article 4.9, the Seller reserves the right to refuse at any time:

(a) to direct any Vessel to undertake or to complete the voyage to the Port of Destination or to transit to/proceed to/remain in areas where this would mean the Vessel concerned breaching any International Navigating Limits, similar insurance restrictions or contractual warranties or, in the Seller's opinion, to risk the safety of the Vessel, its cargo or crew or to risk ice damage;

(b) to transit or proceed to or remain in areas where there is a war (de facto or de jure) or threat thereof;

(c) prior to the Commencement of Loading, to direct any Vessel to undertake the voyage to the intended Port of Destination which, in the Seller's reasonably held opinion, would involve abnormal delay; or

(d) 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.

4.10.2 Following the Seller's Notice to the Buyer of its refusal to direct a Vessel to undertake or to complete the voyage as referred in Article 4.10.1, the Buyer shall nominate an alternative port reasonably acceptable to the Seller. In this event, any extra freight, expenses, demurrage and dues incurred as result of such change and damages payable to the Ship-owner as a result, shall be paid for by the Buyer. Where the Buyer fails to nominate an alternative port reasonably acceptable to the Seller, the Buyer shall cover all additional costs incurred by the Seller as a result of the Vessel not being able to complete its voyage as intended.

4.10.3 Where the Seller directs a Vessel to undertake or to complete the voyage as referred in Article 4.10.1, the Buyer undertakes to reimburse the Seller, in addition to the price of the Cargo, for all additional costs incurred by the Seller in order to complete the voyage and facilitate the return voyage of the Vessel to the closest safe area after discharge of the Cargo, including any additional insurance premiums and any other sums that the Seller may be required to pay to the Ship-owner.

4.11 Offshore Loaded Crude

4.11.1 The Seller will promptly notify the Buyer of any changes in any given nominations under the Agreement arising from production changes, weather, operational reasons or any matter beyond the Seller's reasonable influence. Any such modifications notified by the Seller in the quantity of the Cargo, date ranges or final loading or discharge range as the case may be shall be deemed to be accepted by the Buyer and any modified quantity, date ranges or final loading- or discharge range shall replace the quantity and/or date ranges and/or final loading or discharge dates respectively as nominated.

4.11.2 The Seller may, by written Notice to the Buyer, require that the Vessel shall have priority to discharge at the Port of Destination port ahead of other vessels whether or not they have commenced discharging. Where such requirement arises, the Buyer shall procure that the Vessel may proceed without waiting directly to a Berth provided by the Buyer and commence discharging immediately on arrival at the Berth.

4.11.3 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 that have tendered a valid NOR to discharge, provided that the indemnity against liability for demurrage shall in each case be limited to the equivalent of the amount of time actually used by the Seller's Vessel to discharge the Cargo.

4.11.4 Where the time allowed to the Buyer for discharge has expired, whether the Cargo has been fully discharged or not, the Seller may, at its sole discretion, forthwith order the Vessel to cease discharging forthwith and leave the discharge Terminal.

4.11.5 Notwithstanding any provisions contained elsewhere in the Agreement as to how the Laytime and/or demurrage is treated and/or calculated under various situations, any delay or interruption of any operation at the Port of Destination by reason of bad weather and/or sea conditions or as a result of fire, explosion, strike, lockout, stoppage or restraint of labour or (where not resulting from want of due diligence by the Buyer or its Affiliates, servants, agents or counterparties) by breakdown of machinery or equipment at the Terminal shall count in full as Laytime and/or as time on demurrage where the Vessel is on demurrage.

ARTICLE 5. FREE CARRIER (FCA)

5.1 Risk and title

Notwithstanding any right of the Seller to retain the documents referred to in Article 12.2.1 until payment, risk and title to the Cargo shall pass from the Seller to the Buyer at the agreed Point of Loading as the Cargo passes the inlet manifold of the Buyer's Road Tanker/Railcar in question or; where loading by gravity fed top loading, as the Cargo passes the outlet of the Terminal's loading hose.

5.2 Quantity and quality

5.2.1 Determination of the quantity and the quality of the Cargo shall be carried out by measurement, sampling and testing in accordance with the standard practice in use at the Point of Loading at the time of loading.

5.2.2 The quantity of the Cargo determined pursuant to Article 5.2.1 (or, where applicable, the Special Conditions) shall be inserted in the certificate of quantity and/or the Consignment Note(s) for the Cargo in accordance with standard practice in use at the Point of Loading at the time of loading and that quantity shall be used to calculate the Seller's invoice.

5.2.3 Where the Special Conditions provide for the appointment of an Independent Inspector at the Point of Loading, the quantity and/or the quality of the Cargo as ascertained or witnessed by such Independent Inspector shall, except for fraud or manifest error, be final and binding on both Parties. The cost of the Independent Inspector's services shall be shared equally between the Parties.

5.2.4 Where determination of quantity and quality of the Cargo pursuant to Article 5.2.1 to Article 5.2.3 does not take place, the quantity and quality of the Cargo provided at the permanent hose connection of the Road Tanker/Railcar shall be that stated in the certificates of quantity and quality so issued.

5.2.5 Subject to Article 5.2.3, any documents issued stating the quantity and quality delivered in accordance with this Article 5.2 shall be final and binding on both Parties for all purposes, save fraud or manifest error.

5.3 Requirements for the Road Tanker/Railcar

The Road Tanker/Railcar shall comply with all applicable governmental and local authority laws and/or regulations and requirements of whatever nature in force at the Point of Loading. Where the Road Tanker/Railcar does not comply with such requirements the Seller may refuse to load the Road Tanker/Railcar in question.

5.4 Nomination of the Road Tanker/Railcar

Nominations of the Road Tanker/Railcar shall be made in accordance with the standard operating procedures of the relevant Point of Loading.

5.5 The Point of Loading

5.5.1 Requirements of the Point of Loading

5.5.1.1 The Seller shall exercise due diligence to provide a safe place for the Road Tanker/Railcar to load the Cargo.

5.5.1.2 The Point of Loading provided for the Road Tanker/Railcar shall always be free of charges for normal cargo transfer.

5.5.2 Time allowed for loading

5.5.2.1 The time allowed to the Seller for loading the Cargo shall be as agreed between the Parties in the Special Conditions.

5.5.2.2 The time allowed to the Seller shall commence when the Road Tanker/Railcar is made available to the Seller ready for loading and shall cease when the Road Tanker/Railcar is made available to the Buyer for collection or departure from the Terminal.

5.5.2.3 The Buyer warrants that the Road Tanker/Railcar is able to load the Cargo within the time allowed for loading, provided loading facilities permit. All time lost as a result of the Road Tanker/Railcar being unable to load the Cargo in accordance with this warranty shall not count against the time allowed for loading or, where the Road Tanker/Railcar is on excess time, as time on the Excess Time Rate.

5.5.2.4 The following activities shall not count towards the time allowed for loading:

(a) cleaning, inspecting and / or inerting the tanks of the Road Tanker/Railcar;

(b) repairs or substitution of the Road Tanker/Railcar due to breakdown;

(c) delays due to the Buyer's failure to comply with any term of the Agreement including, but not

limited to, any requirements of the Terminal; and/or

(d) any delay whatsoever attributable to the Road Tanker/Railcar.

5.5.3 Excess Time

5.5.3.1 Where an Excess Time Rate is specified in the Special Conditions and the time allowed for loading is exceeded, then the Seller shall pay the Buyer in respect of the excess time.

5.5.3.2 Each excess time claim shall be submitted in writing, together with all supporting documents. In no event shall the Seller be liable for an excess time claim where such claim with all supporting documents is not received by the Seller in writing and within 21 Days of the date of the Completion of Loading. For the purpose of this Article 5.5.3.2, the Completion of Loading date shall count as day one. Where the Buyer fails to present a claim, together with supporting documentation, within the aforesaid limit, then any liability of the Seller for excess time shall be extinguished.

5.5.3.3 An excess time claim which is submitted in accordance with Article 5.5.3.2 and which is not disputed by the Seller shall be paid by the Seller to the Buyer within 30 Days from the date of the Buyer's invoice. Where payment is not made within such due date, interest on overdue payment shall be payable in accordance with Article 12.2.4.

ARTICLE 6. CARRIAGE AND INSURANCE PAID TO (CIP) AND CARRIAGE PAID TO (CPT)

6.1 Risk and title

Notwithstanding any right of the Seller to retain the documents referred to in Article 12.2.1 risk and title to the Cargo shall pass from the Seller to the Buyer at the Point of Loading as the Cargo passes the inlet manifold of the Seller's Road Tanker/Railcar in question or, where loading by gravity fed top loading, as the Cargo passes the outlet of the Terminal's loading hose.

6.2 Quantity and quality

6.2.1 Determination of the quantity and the quality of the Cargo shall be carried out by measuring, sampling and testing in accordance with the standard practice in use at the Point of Loading at the time of loading.

6.2.2 The quantity of the Cargo determined pursuant to Article 6.2.1 (or, where applicable, the Special Conditions) shall be inserted in the certificate of quantity and/or the Consignment Note(s) for the Cargo in accordance with standard practice in use at the Point of Loading at the time of loading and that quantity shall be used to calculate the Seller's invoice.

6.2.3 Where the Special Conditions provide for the appointment of an Independent Inspector at the Point of Loading, the quantity and /or the quality of the Cargo as ascertained or witnessed by such Independent Inspector shall, except for fraud or manifest error, be final and binding on both Parties. The cost of the Independent Inspector's services shall be shared equally between the Parties.

6.2.4 Where determination of quantity and quality of the Cargo pursuant to Article 6.2.1 to Article 6.2.3 does not take place, the quantity and quality of the Cargo provided at the permanent hose connection of the Road Tanker/Railcar shall be as that stated in the certificates of quantity and quality so issued.

6.2.5 Any documents issued stating the quantity and quality delivered in accordance with this Article 6.2 shall be final and binding on both Parties for all purposes, save fraud or manifest error.

6.3 Requirements for the Road Tanker/Railcar

The Road Tanker/Railcar shall comply with all applicable governmental and local authority laws and/or regulations, and KR's requirements of whatever nature in force at the Point of Destination. Where the Road Tanker/Railcar does not comply with such requirements the Buyer may refuse to unload the Road Tanker/Railcar in question.

6.4 Nomination of the Road Tanker/Railcar

6.4.1 Nominations of transportation shall, where any such procedure is agreed to be conducted, be made in accordance with the standard operating procedures of the relevant Terminal at the Point of Destination.

6.4.2 Any delays in unloading the Cargo caused by the Buyer's failure to nominate or provide any necessary documents for importation or unloading the Cargo will be for the Buyer's account. The Buyer shall indemnify the Seller for all costs, losses and damages including, but not limited to, all costs related to excess time and/or detention incurred by the Seller as a result thereof.

6.5 The Port of Destination

6.5.1 Requirements of the Point of Destination

6.5.1.1 The Buyer shall provide a safe place at the Point of Destination for the Road Tanker/Railcar which the Road Tanker/Railcar can proceed to, arrive at, unload the Cargo at, and depart from.

6.5.1.2 The safe place at the Point of Destination provided for the Road Tanker/Railcar shall always be free of all charges for normal cargo transfer. Any additional costs that occur subsequent to the Deal Execution Date shall be for the account of the Buyer.

6.5.2 Time allowed for unloading

6.5.2.1 The time allowed to the Buyer for unloading the Cargo shall be as agreed between the Parties in the Special Conditions.

6.5.2.2 The time allowed to the Buyer shall commence when the Road Tanker/Railcar is made available to the Buyer at the Point of Destination ready for unloading and shall cease when the Road Tanker/Railcar is unloaded and made available to the Seller for collection at the same place

6.5.2.3 The following activities shall not count towards the time allowed for unloading:

(a) repairs or substitution of the Road Tanker/Railcar due to breakdown; and/or

(b) delays due to the Seller's failure to comply with any term of the Agreement including, but not limited to, any requirements of the Terminal.

6.5.3 Excess Time

6.5.3.1 Where an Excess Time Rate is specified in the Special Conditions and the time allowed for loading is exceeded, then the Buyer shall pay the Seller in respect of the excess time.

6.5.3.2 Each excess time claim shall be submitted in writing, together with all supporting documents.

6.5.3.3 An excess time claim which is submitted as stated in Article 6.5.3.2 and not disputed by the Buyer shall be paid by the Buyer to the Seller within 30 Days from the date of the Seller's invoice. Where payment is not made within such due date, interest on overdue payment shall be payable in accordance with Article 12.2.4.

6.6 Insurance

Any cargo insurance to be procured under the Agreement shall be subject to the Institute Cargo Clauses (A), the Institute Bulk Oil Clauses or any other terms which provide the same or greater levels of coverage, which for the avoidance of doubt shall exclude war risk, strikes, riots and civil commotions risks in respect of the Cargo. The cargo insurance procured pursuant to this Article 6.6 shall be underwritten by a first class insurer(s) to the full value of the Cargo plus 10% subject to a deductible of 0.5% of the full value of the Cargo. The insurance and the right to claim under it shall be fully assignable to, or by, the Seller or its order.

ARTICLE 7. DELIVERED DUTY PAID (DDP)

7.1 Risk and title

Notwithstanding any right of the Seller to retain the documents referred to in Article 12.2.1, the risk and title to the Cargo shall pass from the Seller to the Buyer:

(a) where delivery is by Road Tanker, when the Road Tanker arrives at the Point of Destination; and

(b) where delivery is by Railcar, when the locomotive is disconnected from the Railcar at the Point of Destination.

7.2 Quantity and quality

7.2.1 Where delivery is by Road Tanker/Railcar, the determination of the quantity and quality shall be carried out by measurement, sampling and testing at such place and by such method as agreed between the Parties in the Special Conditions.

7.2.2 Where delivery is by Railcar, the binding quantity figure shall be the quantity stated in the railway bills.

7.2.3 Any documents issued stating the quantity and quality delivered in accordance with this Article 7.2 shall be final and binding on both Parties for all purposes, save fraud or manifest error.

7.3 Requirements for the Road Tanker/Railcar

The Road Tanker/Railcar shall comply with all applicable governmental and local authority laws and/or regulations, and KR's requirements of whatever nature in force at the Point of Destination. Where the Road Tanker/Railcar does not comply with such requirements the Buyer may refuse to unload the Road Tanker/Railcar in question.

7.4 Nomination of the Road Tanker/Railcar

7.4.1 Notice of nomination

The Seller shall give a Notice to the Buyer of the Road Tanker/Railcar which is to Deliver the Cargo ("the nomination"). The nomination shall specify:

(a) the quality and approximate quantity to be Delivered; and

(b) such other information as may be required by the Point of Destination.

7.4.2 Acceptance/rejection of nomination and the Buyer's instructions

7.4.2.1 The nominated Road Tanker/Railcar shall be subject to the Buyer's acceptance which shall not be unreasonably withheld. The Buyer shall provide the Seller with a Notice of acceptance or rejection of the nominated Road Tanker/Railcar within one Working Day of receipt of the nomination.

7.4.2.2 Any Notice of rejection shall state the specific reason(s) for the Buyer's rejection so that the Seller may take reasonable corrective action(s), including making a further nomination, without prejudice as to whether the Buyer's rejection is reasonable or not.

7.4.3 Nomination of the Port of Destination

7.4.3.1 Unless otherwise stated in the Special Conditions, the Buyer shall notify the Seller within one Working Day of the Buyer's receipt of the Seller's nomination stated in Article 7.4.1, of:

(a) all instructions regarding the customary documentation which may be required at the Point of Destination; and

(b) the Point of Destination(s), unless already specified in the Special Conditions, with instructions to enable the Road Tanker/Railcar to prepare and submit necessary information to the custom or border authorities of the Terminal(s) specified in a timely fashion so as to enable compliance with the regulatory requirements as may be applicable at the Point of Destination.

7.4.3.2 Any delays in unloading the Cargo caused by the Buyer's failure to nominate or provide any necessary documents for the importation of the Cargo at the Port of Destination will be for the Buyer's account. The Buyer shall indemnify the Seller for all costs, losses and damages, including, but not limited to, excess time and/or detention incurred by the Seller as a result thereof.

7.5 Point of Destination

7.5.1 Requirements of the Point of Destination

7.5.1.1 The Buyer shall provide a safe place for the Road Tanker/Railcar which the Road Tanker/Railcar can proceed to, arrive at, Deliver the Cargo at, and depart from.

7.5.1.2 The Point of Destination provided for the Road Tanker/Railcar shall always be free of all charges for normal cargo transfer. Any additional costs that occur subsequent to the Deal Execution Date shall be for the account of the Buyer.

7.5.2 Time allowed for unloading

7.5.2.1 The time allowed to the Buyer to unload the Cargo shall be as agreed between the Parties in the Special Conditions. The time allowed for unloading shall start when the Road Tanker/Railcar is made available to the Buyer at the agreed Point of Destination and shall cease when the Road Tanker/Railcar is made available to the Seller for collection at the same place.

7.5.2.2 The following activities shall not count towards the time allowed for unloading:

(a) repairs or substitution of the Road Tanker/Railcar due to breakdown; and/or

(b) delays due to the Seller's failure to comply with any term of the Agreement including, but not limited to, any requirements of the Terminal.

7.5.3 Excess Time (Railcar)

7.5.3.1 Where the time allowed for unloading the Railcar is exceeded, the Buyer shall pay the Excess Time Rate to the Buyer as specified in the Special Conditions. Where no such Excess Time Rate is specified, the Excess Time Rate shall be equivalent to the daily rate paid by the Seller for the respective Railcar.

7.5.3.2 Where no such Excess Time Rate is stated or a daily rate is not applicable, the Excess Time Rate shall be determined to reflect the market rates at the time of the Delivery. When determining such market rate the following shall be taken into consideration to the extent applicable for the respective Railcar:

(a) a railcar of similar size and type as the Railcar used for the transport or storage of the Cargo;

(b) the transport from the Point of Loading to the Point of Destination specified in the Special Conditions; and

(c) the quantity of the Cargo.

7.5.3.3 Each excess time claim shall be submitted in writing, together with all supporting documents.

7.5.3.4 An excess time claim which is submitted as stated in Article 7.5.3.3 and is not disputed by the Buyer shall be paid by the Buyer to the Seller not later than 30 Days from the date of the Seller's invoice. Where payment has not been made within such due date, interest on overdue payment shall be payable in accordance with Article 12.2.4.

7.5.4 Excess Time (Road Tanker)

7.5.4.1 Where an Excess Time Rate is specified in the Special Conditions and the time allowed for unloading a Road Tanker is exceeded, then the Buyer shall pay the Seller in respect of the excess time.

7.5.4.2 Each excess time claim shall be submitted in writing, together with all supporting documents.

7.5.4.3 An excess time claim which is submitted as stated in Article 7.5.4.2 and not disputed by the Buyer shall be paid by the Buyer to the Seller not later than 30 Days from the date of the Seller's invoice. Where payment has not been made within such due date, interest on overdue payment shall be payable in accordance with Article 12.2.4.

7.6 Duties

The Seller shall procure custom clearance of the Cargo upon importation and the price agreed shall be deemed to include any duty payable upon importation at the Point of Destination.

ARTICLE 8. DELIVERED OUT OF TANK (EX TANK)

8.1 Risk and title

Notwithstanding any right of the Seller to retain the documents referred to in Article 12.2.1, risk and title to the Cargo shall pass from the Seller to the Buyer at the Point of Loading as the Cargo passes the outlet flange of the Seller's storage Tank.

8.2 Quantity and quality

8.2.1 Determination of the quantity and the taking of samples for the purpose of determining quality of the Cargo shall be carried out in accordance with the standard practice in use at the Point of Loading at the time of the Delivery.

8.2.2 The quantity of the Cargo determined pursuant to Article 8.2.1 (or where applicable, the Special Conditions) shall be inserted in the certificate of quantity and any Consignment Note(s) for the Cargo in accordance with standard practice in use at the Point of Loading at the time of the Delivery and that quantity shall be used to calculate the Seller's invoice.

8.2.3 Where the Special Conditions provide for the appointment of an Independent Inspector at the Point of Loading, the quantity and /or the quality of the Cargo as ascertained or witnessed by such Independent Inspector shall, except for fraud or manifest error, be final and binding for all purposes on both Parties. The cost of the Independent Inspector's services shall be shared equally between the Parties.

8.2.4 Where determination of quantity and quality of the Cargo pursuant to Article 8.2.1 to Article 8.2.3 does not take place, any documents issued in connection with the Delivery stating the quantity and quality of the Cargo shall be conclusive and binding on both Parties for invoicing purposes. The Buyer shall be obliged to make payment in full in accordance with Article 12.2 but without prejudice to the rights of either Party to make any claims pursuant to Article 14.

8.3 Requirements for the Means of Transport

The Means of Transport designated for receiving the Cargo shall comply with all applicable governmental, local, laws and/or regulations, in force at the Point of Loading and regulations and requirements of whatever nature as detailed. Where the Means of Transport does not comply with such requirements the Seller may refuse the Means of Transport in question.

8.4 Nomination of the Means of Transport

8.4.1 Nominations of the Means of Transport shall be made in accordance with the standard operating procedures of the relevant Point of Loading.

8.4.2 Any delays in delivering the Cargo caused by the Buyer's failure to provide the documents necessary for the delivery of the Cargo will be for the Buyer's account. The Buyer shall indemnify the Seller for all costs, losses and damages, including but not limited to penalties, fees and/or detention incurred as a result thereof.

ARTICLE 9. DELIVERED INTO TANK (INTO TANK)

9.1 Risk and title

Notwithstanding any right of the Seller to retain the documents referred to in Article 12.2.1, the risk and title to the Cargo shall pass from the Seller to the Buyer at the Point of Destination as the Cargo passes the inlet flange of the Buyer's storage Tank.

9.2 Quantity and quality

9.2.1 The determination of the quantity and quality shall be performed at the Point of Destination as agreed between the Parties in the Special Conditions.

9.2.2 In the absence of such agreement as described under Article 9.2.1, the determination of the quantity and quality shall be performed at the Point of Destination in accordance with the approved industry

practice and standard practice in use at the Point of Destination.

9.2.3 A mutually agreed Independent Inspector shall be appointed to ascertain or witness the determination of quantity and quality of the Cargo or the readings as the case may be. The cost of the Independent Inspector's services shall be shared equally between the Parties.

9.2.4 For the purpose of quality determination, the Independent Inspector will draw composite representative samples from the delivering Means of Transport or Tank prior to the Delivery.

9.2.5 Any documents issued stating the quantity and quality delivered in accordance with this Article 9.2 shall be conclusive and binding on both Parties for all purposes, save fraud or manifest error.

9.3 Requirements for the Means of Transport

The Means of Transport designated for delivering the Cargo shall comply with all applicable governmental, local, laws and/or regulations, in force at the Point of Destination and regulations and requirements of whatever nature as detailed.

9.4 Nomination of the Means of Transport

9.4.1 Nominations of the Means of Transport shall be made in accordance with the standard operating procedures of the relevant Point of Destination.

9.4.2 Any delays in the Delivery of the Cargo caused by the Seller's failure to provide the documents necessary for the Delivery of the Cargo will be for the Seller's account. The Seller shall indemnify the Buyer for
all costs, losses and damages, including but not limited to penalties, fees and/or detention incurred as a result thereof.

ARTICLE 10. IN TANK TRANSFER (ITT)

10.1 Risk and title

Notwithstanding any right of the Seller to retain the documents referred to in Article 12.2.1 the risk and title to the Cargo shall pass from the Seller to the Buyer at the time and place of the Delivery and in such Tank(s) as specified in the Special Conditions.

10.2 Quantity and quality

10.2.1 The determination of the quantity and quality shall be performed at the place of the Delivery specified in the Special Conditions.

10.2.2 In the absence of such agreement as described under Article 10.2.1, the determination of the quantity and quality shall be performed at the place of the Delivery specified in the Special Conditions in accordance with the approved industry practice and standard practice in use at such place.

10.2.3 A mutually agreed Independent Inspector shall be appointed to ascertain or witness the determination of quantity and quality of the Cargo or the readings as the case may be. The cost of the Independent Inspector's services shall be shared equally between the Parties.

10.2.4 Any documents issued stating the quantity and quality Delivered in accordance with this Article 10.2 shall be conclusive and binding on both Parties for all purposes, save fraud or manifest error.

ARTICLE 11. FREE INTO PIPE (FIP) OR EX-PIPE (EXP)

11.1 Risk and title

Notwithstanding any right of the Seller to retain the documents referred to in Article 12.2.1, the risk and title to the Cargo shall pass from the Seller to the Buyer at the place of delivery as specified in the Special Conditions:

(a) where the delivery is FIP, as the Cargo passes the inlet flange of the Buyer's Pipeline;
(b) where the delivery is EXP, as the Cargo passes the outlet flange of the Seller's Pipeline.

11.2 Quantity and quality

11.2.1 The determination of the quantity and quality shall be performed at the place of the Delivery specified in the Special Conditions.

11.2.2 In the absence of such agreement as described in Article 11.2.1, the determination of the quantity and quality shall be performed at the place of the Delivery specified in the Special Conditions in accordance with the standard practice in use at such place.

11.2.3 A mutually agreed Independent Inspector shall be appointed to ascertain or witness the determination of quantity and quality of the Cargo or the readings as the case may be. The cost of the Independent Inspector's services shall be shared equally between the Parties.

11.2.4 For the purpose of quality determination, the Independent Inspector will draw line or tank composite representative samples prior to commencement of the Delivery from the Means of Transport.

11.2.5 Any documents issued stating the quantity and quality Delivered in accordance with this Article 11.2 shall be conclusive and binding on both Parties for all purposes, save fraud or manifest error.

11.3 Requirements for the Pipeline

The Pipeline designated for receiving the Cargo shall comply with all applicable governmental, local, laws and/or regulations, in force at the place of the Delivery and regulations and requirements of whatever nature as detailed. Where the Pipeline does not comply with such requirements the Seller or the Buyer (as the case may be) may refuse to Deliver make delivery of the Cargo.

11.4 Nominations of transportation

11.4.1 Nominations of transportation shall be made in accordance with the standard operating procedures at the relevant place of the Delivery.

11.4.2 Any delays in the Delivery of the Cargo caused by a Party's failure to provide the documents necessary for the Delivery of the Cargo will be for such failing Party's account. The failing Party shall indemnify the other Party for all costs, losses and damages, including but not limited to penalties, fees and/or detention incurred as a result thereof.

11.5 Requirements of the place of the Delivery

11.5.1 Where the delivery is FIP, the Buyer shall provide safe access to the receiving Pipeline system in order to allow the Seller to Deliver the Cargo.

11.5.2 The place of the Delivery provided by the Buyer shall always be free of all charges for normal cargo transfer. Any additional costs that occur subsequent to the Deal Execution Date shall be for the account of the Buyer.

General Terms

ARTICLE 12. SETTLEMENT

12.1 Credit

12.1.1 Notwithstanding any provision regarding payment security in the Special Conditions, the Seller may, at any time, notify the Buyer that the Seller requires the Buyer to provide security for the payment or further security in the form of:

(a) an irrevocable Standby Letter of Credit ("Standby L/C") opened and advised or confirmed by a first class international bank or banks acceptable to the Seller, which shall:

(i) be in the format and terms as stated in Schedule 2;

(ii) be sufficient to cover the Seller's estimated value of the Cargo plus 10%; and

(iii) remain valid for at least 21 Days after the estimated payment due date; or

(b) pre-payment for the Cargo in whole or in part at the Seller's discretion at any time before the Delivery to the Buyer or discharge of the Means of Transport. Such pre-payment shall be made upon presentation of the Seller's provisional invoice based on the Seller's estimated value of the Cargo plus 10%; or

(c) such other security for payment which the Seller, in its sole and absolute discretion and at any time, finds acceptable.

12.1.2 Where the Special Conditions require or the Seller requests an irrevocable Standby L/C be opened and/or confirmed in accordance with Article 12.1.1, such Standby L/C shall be so advised or confirmed by no later than the date and time:

(a) as specified in the Special Conditions; or

(b) as specified in the Seller's Notice pursuant to Article 12.1.1; or

(c) where the date and time is not specified in the Special Conditions or in the Seller's Notice, by no later than:

(i) 12.00 GMT on the date falling five Banking Days prior to the first day of the Delivery Date Range; or

(ii) where the Cargo is already loaded when the Standby L/C is requested, one Banking Day after the Seller's request or before discharge commences, whichever is the earliest; or

(iii) where the delivery is DAP, 12.00 GMT on the date falling five Banking Days prior to the first day of either the date of loading of the Cargo or the Delivery Date Range, whichever is the earliest; or

(iv) where the delivery is FCA, CPT, CIP, EX Tank, INTO TANK, ITT, FIP or EXP, 12.00 GMT on the date falling five Banking Days prior to the expected date of the Delivery of the Product.

12.1.3 It is a condition of the Agreement that the Buyer complies with all its obligations under Article 12. Any failure by the Buyer to comply with any of its obligations under Article 12 shall be a breach of a condition of the Agreement, and the Seller may, at its absolute discretion, and in addition to and without prejudice to any other rights it may have in law or under the Agreement, decide at any time to:

(a) cancel the Delivery of the Cargo; and/or

(b) withhold or suspend the Delivery or loading, discharging or unloading of the Cargo; and/or

(c) withhold release of the Consignment Notes, shipping documents or letter(s) of indemnity; and/or

(d) declare that title (but not risk) in the Cargo shall be retained by, or re-vest in, the Seller. Where the Seller so declares or orders under this Article 12.1.3, title in the Cargo shall not pass to the Buyer and, where already passed to the Buyer, shall re-vest in the Seller upon such Notice being given by the Seller. The Cargo shall remain at the Buyer's risk in accordance with the Agreement until the Seller gives Notice that this is no longer the case; and/or

(e) insist on the Buyer discharging the Means of Transport exclusively to an entity notified to the Buyer by the Seller.

12.1.4 Article 12.1.3 is entirely without prejudice to any other rights or legal remedies the Seller may have, and the Seller shall not be liable to the Buyer for any costs, losses and/or damages (including liabilities to third parties) incurred by the Buyer as a result of any such steps the Seller may take. The Seller may exercise the rights stated in Article 12.1.3 whether or not nominations have been made or accepted. Where the Seller exercises any such right, the Seller shall be entitled to dispose freely of any resulting quantity of the Product and the Buyer shall be liable for, and shall indemnify the Seller for any costs, losses and/or damages incurred by the Seller. The Buyer's liability includes, but is not limited to, any demurrage or excess time payable by the Seller in respect of the Means of Transport or other means of transport(s) waiting at the Terminal and / or any liability incurred by the Seller from third parties as a result thereof.

12.1.5 All bank charges relating to any Standby L/C or other security and any other fees, commissions, costs and expenses incurred with respect to providing security are for the Buyer's account, save for those charges stated in Schedule 2 as being for the Seller's account.

12.1.6 Notwithstanding the provision of security for the transaction, the Buyer will remain responsible for payment in the event that payment is not made under the security for any reason whatsoever.

12.2 Payment

Any payment by the Buyer shall be made, without deduction, discount, set off or counterclaims, and unless otherwise specified in the Special Conditions, in immediately available same day funds by telegraphic transfer to a bank account specified by the Seller in the currency, and by the date of payment, specified in the Special Conditions (or, if not specified in the Special Conditions, specified in the relevant invoice).

Payments received from the Buyer will be applied against the oldest due receivable against such Buyer, unless expressly allocated otherwise by the Buyer.

12.2.1 Payment documents

Except as expressly provided elsewhere in the Agreement, payment shall be made by the Buyer against the presentation of the Seller's commercial invoice (provisional invoice is acceptable where the provisions of Article 12.2.3.3 apply) and the following documents:

(a) Where deliveries are FOB, CIF, CFR, CIF Outturn or CFR Outturn:

(i) original certificates of quantity and quality or, where no such certificates are issued, reasonable equivalent documents issued at the Port of Loading;

(ii) a complete set of original bills of lading issued or endorsed to the order of the Buyer;

(iii) Upon Buyer's request for CIF or CIF Outturn deliveries, Seller will provide the original Certificate of Insurance or insurance company's cover note or where the Cargo is self-insured by the Seller, evidence of such self insurance, in accordance with the terms of the Agreement;

(iv) for CIF Outturn or CFR Outturn deliveries, any quantity measurement report issued at the Port of Destination pursuant to Article 4.2.

(b) Where deliveries are DAP:

(i) a copy of the report issued by the Independent Inspector at the Port of Destination pursuant to Article 4.2.

(c) Where deliveries are FCA, CPT, CIP or DDP:

(i) the original Consignment Note issued to the Buyer or endorsed to the order of the Buyer evidencing the carriage of the Cargo in accordance with standard practice for the relevant Means of Transport and the Delivery term or, in the absence of such Consignment Note, due to local laws, regulations or established procedures, other contract documents evidencing the carriage of the Cargo;

(ii) original certificates of quantity, quality or where no such certificates are issued, equivalent documents issued at the Point of Destination; and

(iii) for CIP deliveries, the original Certificate of Insurance or insurance company's cover note or where the Cargo is self-insured by the Seller, evidence of such self-insurance, in accordance with the terms of the Agreement.

(d) Where deliveries are Ex Tank, Into Tank, ITT, EXP or FIP:

(i) original certificates of quantity, quality or where no such certificates are issued, reasonable equivalent documents issued at the Point of Destination; and

(ii) the original Consignment Note, or the original relevant receipts or documents that are issued by the Point of Destination to the Buyer or endorsed to the order of the Buyer evidencing the carriage, the change of ownership or the receipt of the Cargo as the case may be.

12.2.2 Seller's Indemnity in place of unavailable documents

Where any of the documents referred to in Article 12.2.1 are not available to the Seller 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:

(a) the Seller's commercial invoice (a provisional invoice is acceptable where the provisions of Article 12.2.3.3 apply); and

(b) the Seller's executed letter of indemnity (LOI) in the format stated in Schedule 1 presented in the form of a telefax/telecopy or a PDF file e-mail attachment.

12.2.3 Invoice

12.2.3.1 The Seller's invoices shall be presented in the form of a hard copy, sent by post, mail or courier, or a fax or a PDF file e-mail attachment.

12.2.3.2 The Seller's invoices shall be based on the pricing stipulated in the Special Conditions and the Delivered quantity in accordance with the relevant documents issued pursuant to the Agreement.

12.2.3.3 Notwithstanding 12.2.3.2, prior to the due date for payment, the Seller may issue one or more provisional invoices. Unless specifically agreed otherwise between the Parties, the Seller's provisional invoice shall be based on a provisional price reasonably assessed by the Seller, and where it is necessary to estimate a provisional volume, a provisional volume of 99.8% of the Seller's assessment of the volume Delivered. The final invoice or, as the case may be, credit note (in each case limited to the difference between the provisional invoice and the final price) shall be issued as soon as practicable after all relevant pricing and/ or quantity information becomes available to the Seller, if not specifically agreed otherwise. For the avoidance of doubt, each invoice (including any provisional invoice) represents an independent and separate receivable of the Seller against the Buyer pursuant to the terms of this Agreement.

12.2.3.4 Where any payment due date falls on a Sunday or a bank holiday Monday in any region necessary to effectuate subject payment, such payment shall be made on the first Banking Day following and where any payment falls due on Saturday or any other bank holiday in any region necessary to effectuate subject payment, such payment shall be made on the last preceding Banking Day.

12.2.4 Interest

12.2.4.1 Where any payments are not made in full by the due date, the Buyer shall pay to the Seller interest calculated using SOFR 30-Day Average plus three percentage points (SOFR-30 + 3% points), on all outstanding amounts from the due date to the date payment is actually received by the Seller.

12.2.4.2 Interest shall continue to accrue under this Article 12.2.4 until payment is made in full, notwithstanding

the termination of the Agreement for any cause whatsoever.

12.2.4.3 The amount of interest payable to the Seller shall be grossed-up for withholding tax, if any, such that the net amount of interest received by the Seller shall be equal to the full amount of interest due as if no withholding tax were payable.

12.2.4.4 The provisions of this Article 12.2.4 shall not be construed as any agreement or willingness by the Seller to extend credit to the Buyer and are without prejudice to any other rights or remedies of the Seller under the Agreement or in law.

ARTICLE 13. DUTIES, TAXES AND OTHER GOVERNMENTAL CHARGES

13.1 Terminology

In this Article 13:
"Tax" and "Taxes" means all customs, taxes, royalties, excises, fees, duties (including, but not limited to, import duties), levies, sales and use taxes and value added taxes, charges and all other similar taxes or assessments, which may now or hereafter be enacted, levied or imposed, directly or indirectly, by a Governmental Authority but shall not include any taxes based on income, revenues, gross receipts or net worth and all state franchise, licence and similar taxes required for the maintenance of corporate existence that are assessed against a Party.

"Other Charges" means all fees, dues, levies and charges (including but not limited to fees and charges imposed or levied by a Governmental Authority) whatsoever arising in connection with the Cargo, its sale, transportation, removal, ownership, the Delivery, export or use but shall not include any charge to tax falling within the definition of "Tax" and "Taxes" stated in this Article 13.

"Applicable Law" means any applicable national, municipal or state statute, ordinance or other law (including any Tax law), regulation, by-law, code, order or decree, any form of delegated or secondary legislation, any treaty or international convention, any regulation or directive and, where the context so permits, any agreement, licence, concession or arrangement with any Governmental Authority [and, for the purposes of this definition, "regulation" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority (whether or not a Governmental Authority) or organisation and a provision of law is a reference to that provision as amended or re-enacted].

13.2 Taxes

13.2.1 The price specified in the Agreement (whether fixed in the Agreement of fixed pursuant to a pricing mechanism referred to in the Agreement) is exclusive of any and all Taxes.

13.2.2 Where, and to the extent that Taxes are payable and the Seller is required in accordance with Applicable Law to pay the same, the Buyer shall pay an amount equal to the amount of such Taxes to the Seller in addition to the price so specified and shall indemnify and hold the Seller harmless in respect of any such amount and against any claim made against the Seller in respect thereof and against any loss, cost or expense arising in connection therewith or as a consequence thereof unless such loss, cost or expense arises as a result of the wilful default or gross negligence of the Seller.

13.2.3 The Buyer must pay all sums payable by it under the Agreement free and clear of all deductions or withholdings in respect of Tax unless any Applicable Law requires such a deduction or withholding to be made. Where such a deduction or withholding is so required the Buyer shall promptly 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.

13.3 Other charges

13.3.1 Notwithstanding any provision of Applicable Law to the contrary, the Seller shall be responsible and

indemnify the Buyer for the payment of any Other Charges arising at the Port of Loading or Point of Loading, as applicable, and that arise from the sale and the Delivery to the Buyer of the Cargo until the stage when the title has passed to the Buyer.

13.3.2 All Other Charges imposed on the Cargo or the Means of Transport after the title has passed to the Buyer (when not included in the agreed freight rates) shall be for the Buyer's account.

13.4 Invoicing and payment

13.4.1 Without prejudice to the provisions of Article 13.3.1, payment of any Taxes and/or Other Charges shall be made to the Seller in addition to the price specified in the Special Conditions and in accordance with Article 13.2.3.

13.4.2 To the extent that there are Taxes and/or Other Charges due for payment that are determinable and have been determined on or immediately before the invoice date, the invoice provided by the Seller to the Buyer at the time of request for payment shall state the amount of those Taxes and/or Other Charges.

13.4.3 The invoice may be rendered in either the local currency of the country in which the Taxes and/or Other charges are payable or, at the Seller's option, in the invoicing currency for the Cargo, converted at the appropriate exchange rate prevailing on the date of the tax point under the relevant Applicable Law.

13.5 Provision of information and documentation

13.5.1 The necessary information and documentary instructions required to comply with EU or any non-EU state of loading/discharge law and/or regulations or other Applicable Law on Taxes must be received by the Seller at least two Working Days prior to the Commencement of Loading or - in case of FIP, in Tank or Ex Tank sales - prior to the Delivery, unless otherwise agreed by the Seller in writing (such information will otherwise be deemed not to have been given for the purpose of Article 13.5.

13.5.2 Upon receipt of the Seller's request, the Buyer shall provide such documentation, for presentation to any relevant Governmental Authority that the Seller reasonably considers necessary in order to satisfy any enquiry made by that Governmental Authority in relation to the treatment of the sale of the Cargo for Tax purposes.

13.5.3 Upon receipt of the Seller's request, the Buyer will provide an official receipt from any such Governmental Authority confirming that the payment of any Taxes and/or Other Charges (as the case may be) have been paid.

13.5.4 Upon receipt of the Buyer's request, the Seller shall provide such documentation for presentation to any relevant Governmental Authority that the Buyer reasonably considers necessary in order to satisfy any enquiry made by that Governmental Authority in relation to the treatment of the sale of the Cargo for Tax purposes.

13.6 Indemnification

13.6.1 Notwithstanding anything herein to the contrary, the Buyer shall be responsible for, indemnify and hold the Seller harmless from and against any and all direct or indirect losses, costs, expenses, penalties and interest incurred by the Seller as a result of the Buyer's failure to provide the Seller with the information and documentation referred to in this Article 13 and/or as a result of the Buyer's failure to pay, or delay in paying, any Taxes and/or Other Charges in accordance with the Agreement.

13.6.2 Notwithstanding anything herein to the contrary, the Seller shall be responsible for, indemnify and hold the Buyer harmless from and against any, and all direct losses, costs, expenses, penalties and interest incurred by the Buyer as a result of the Seller's failure to provide the Buyer with the information and documentation referred to in this Article 13.

ARTICLE 14. QUANTITY AND QUALITY

14.1 **Quality**

14.1.1 The quality of the Cargo Delivered shall not be inferior to the specification stated in the Special Conditions.

14.1.2 Where the Product is crude oil or condensate, the quality of the Product delivered shall be of the quality of such crude oil or condensate as usually made available at the time and Port of Loading where deliveries are FOB, CIF or CFR and at the Port of Destination where deliveries are DAP.

14.1.3 Where the Product is Offshore Loaded Crude, the Product shall be of the quality that is available at the offshore loading facility at the time of loading the Cargo.

14.1.4 Whether stated in these GT&Cs or in the Special Conditions, neither Typicals nor any stipulation as to the time of the Delivery shall form part of the Product's description, quality or fitness for purpose.

14.1.5 This Article 14.1 constitutes the whole of the Seller's obligations with respect to the description, quality and fitness for purpose of the Product to be Delivered and (save to the extent that exclusion thereof 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 Product or its fitness for any particular purpose or otherwise are hereby excluded.

14.2 **Claims in respect of quantity or quality**

14.2.1 For Deliveries by the Vessel: FOB, CIF, CFR , CIF Outturn, CIF Outturn and DAP:

14.2.1.1 Any claim as to shortage in quantity of the Cargo and/or defects in the quality of the Cargo shall be made by Notice to the Seller immediately after such apparent shortage and/or defects are discovered at the Port of Loading or Port of Destination, as the case may be.

14.2.1.2 Such Notice shall be followed by a written claim to the Seller containing all the details necessary to evaluate the claim. Where a written claim together with all supporting documents is not received by the Seller within 50 Days after the Completion of Loading for FOB, CFR or CIF deliveries or within 30 Days after the Completion of Discharge for CIF Outturn, CFR outturn or DAP deliveries, then the claim shall be time-barred and any liability or alleged liability of the Seller under the Agreement shall be extinguished.

14.2.1.3 Where the deliveries are crude oil, any claims in respect of deficiency of quantity or variation of grade of the crude oil shall only be recoverable in accordance with the usual terms applicable to the purchase of crude oil at the Port of Loading and the Buyer shall not be entitled to recover any costs, losses or damages 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 costs, losses or damages for which the Buyer has submitted a claim in accordance with the provisions of this Article 14.2.

14.2.1.4 Where the deliveries are CIF Outturn or DAP, notwithstanding the provisions of Article 4.2, 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 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 operations at the Port of Destination, during the discharge of the Product.

14.2.1.5 Notwithstanding any other provision of the Agreement, no claim shall be admitted in respect of any deficiency of quantity where the difference between the loaded and discharged quantity is 0.3% of the loaded quantity or less.

14.2.2 For land-based deliveries FCA, CPT, CIP, DDP, Ex Tank, Into Tank, ITT, FIP and EXP

14.2.2.1 Without prejudice to the fact that the certificates of quality and quantity may be final and binding, any claim as to shortage in the quantity of the Cargo and/or defects in the quality of the Cargo shall be made by Notice to the Seller immediately after such apparent shortage and/or defects are discovered at the

place of the Delivery.

14.2.2.2 Such Notice shall be followed by a written claim to the Seller containing all the details necessary to evaluate the claim. Where a written claim together with all supporting documents is not received by the Seller within 30 Days after the Delivery then the claim shall be time-barred and any liability or alleged liability of the Seller under the Agreement shall be extinguished.

14.3 **Planned refinery shutdown**

In the event of a planned refinery shutdown, Seller has no obligation to supply Products during the shutdown period, provided a 60 day-notification is given by Seller. Buyer and Seller agree to cooperate to mitigate the effects of a refinery shutdown on normal supplies.

ARTICLE 15. FORCE MAJEURE

15.1 Force Majeure Events

For the purposes of this Article 15, “Force Majeure Events” shall mean any cause or event beyond a Party’s reasonable control, including, but not limited to, pandemics such as COVID-19, fires, earthquakes, lightning, floods, explosions, storms, adverse weather, landslides and other acts of natural calamity or acts of God; navigational accidents or maritime peril; piracy, Vessel damage or loss; breakdown of the Vessel; strikes (including sympathy strikes), grievances, actions by or among workers or labour groups or lock-outs (whether or not such labour difficulties could be settled by acceding to any demands of any such labour group(s) or individuals); accidents at, closing of, or restrictions upon the use of mooring facilities, docks, harbours, ports, Terminals, pipelines, or other navigational or transportation mechanisms; explosions or accidents to wells, pipelines, storage plants, refineries, Terminals, machinery and other facilities; acts of war or civil war (whether declared or undeclared), hostilities, civil commotion, embargoes, blockades, terrorism, sabotage, riots and revolution or acts of the public enemy; any act or omission of any directive of any Governmental Authority; good faith compliance with any order, request or directive of any Governmental Authority; failure, cessation, curtailment, reduction or interference with the Product supplies whether lawful or not from the Seller’s or the Seller’s suppliers’ sources of the Product, including any refusal for any reason by the Seller’s suppliers to supply the Product, provided in fact that the sources of supply are for the purpose of the Agreement or any other cause reasonably beyond the control of a Party, whether similar or dissimilar to those above and whether foreseeable or unforeseeable, which, by the exercise of due diligence, such Party could not have been able to avoid or overcome.

15.2 No liability

Neither the Seller nor the Buyer shall be liable for a failure to perform any of its obligations under the Agreement (other than the obligation of payment of money or provision of security stated in Article 12) where such performance has been prevented, hindered, delayed or curtailed by a Force Majeure Event. For the avoidance of doubt, the Buyer’s liability for Laytime and Demurrage shall not be subject to qualification by the operation of Article 15.

15.3 Substitute purchase

Notwithstanding Article 15.2, the Seller shall not be obliged to acquire the Product from other sources or suppliers or to purchase product to make good shortages or deficiencies or delays in the Delivery resulting from a Force Majeure Event. For the avoidance of doubt the Seller shall be free to allocate its remaining availability as the Seller at its absolute discretion thinks fit and the Buyer shall be obliged to accept and pay for any Product tendered for the Delivery even if less than the full agreed quantity. Should the Seller thereafter acquire additional Product of the same grade and quality, the Seller shall not be required to allocate any such Product to the Buyer.

15.4 Payment

Nothing in this Article 15 shall relieve the Buyer of any of its accrued obligations to make payment to the Seller under the Agreement by the due date for such payment.

15.5 Notification

15.5.1 The Party seeking relief under this Article 15 shall issue a Notice to the other Party as soon as reasonably possible upon the occurrence of a Force Majeure Event.

15.5.2 The Party seeking relief shall thereafter provide the other Party with information regarding (i)when it expects to be in a position to resume performance of the Agreement, (ii) the possible cessation of the circumstances relied upon on and (iii) the date that the Force Majeure Event is terminated.

15.5.3 Failure of a Party to comply with the requirements of Article 15.5.1 and Article 15.5.2 shall make the failing Party responsible for loss and damages that could otherwise have reasonably been avoided had the requirements been complied with.

15.6 Termination

15.6.1 The Party seeking relief of its performance obligation under this Article 15 shall resume such obligation as soon as reasonably possible after the circumstances relied upon have ceased.

15.6.2 Where the period of suspension of the Delivery due to a Force Majeure Event shall continue for more than 30 consecutive Days from the date that Notice of such event is given, and so long as such event is continuing, either Party may terminate such affected Delivery upon giving Notice to the other Party and neither Party shall have any further liability to the other Party in respect of such Delivery except for the rights and remedies previously accrued.

ARTICLE 16. NEW OR CHANGED REGULATIONS

16.1 The Buyer acknowledges and agrees that the Seller is entering into the Agreement in reliance on the laws, rules, regulations, decrees, agreements, concessions and arrangements in effect on the date of the Agreement with governments, government agencies or instruments or public authorities ("Regulations"), affecting directly or indirectly the Product sold under the Agreement. Such Regulations include, but are not limited to, those relating to the production, acquisition, gathering, manufacturing, transportation, storage, trading or delivery of the Product to the extent such regulations affect the Seller or the Seller's supplier(s).

16.2 Furthermore, the Parties agree that where at any 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 for such entities, and the material effect of such changed or new regulation is:

(a) not covered by any other provision of the Agreement; and/or

(b) has or will have a material adverse economic effect on the Seller

The Seller shall have the option to re-negotiate in good faith with the Buyer the price(s) or other relevant terms of the Agreement, based on such changed or new Regulations.

16.3 The Seller may exercise the option stated in Article 16.2 at any time by issuing a Notice to the Buyer of such changed or new Regulations. The Notice shall contain the new price(s) or terms and conditions proposed by the Seller and the information explaining the material adverse economic effect that it imposes on the Seller. Where the Parties do not agree on the new price(s) or terms and conditions within 15 Days after the date of the Seller's Notice, the Seller shall have the right to terminate the Agreement immediately at the end of such 15 Day period. Any Cargo Delivered during such 15 Day period shall be sold and purchased at the price(s) and on the terms and conditions specified under the Agreement without any adjustment in respect of the new or changed Regulations.

ARTICLE 17. SUSPENSION, TERMINATION AND RIGHT OF RE-SALE

17.1 Buyer's default

17.1.1 Without prejudice to any right of termination the Seller may have by equity or law, the Seller may, at its sole discretion and in addition to any other legal remedies it may have, forthwith upon giving written Notice to the Buyer suspend all deliveries under the Agreement and/or terminate the Agreement where:

(a) the Buyer is in breach of any conditions of the Agreement;

(b) delivery or discharge of the Cargo is delayed due to any cause(s) attributable to the Buyer and such delay is not excused by any other provision of the Agreement;

(c) loading or discharge of the Cargo is delayed by more than 72 hours after the NOR has been tendered due to reasons attributable to the Buyer;

(d) a petition is filed with a court having jurisdiction or an order is made or an effective resolution is passed for the dissolution, liquidation or winding up of the Buyer or its Parent Company;

(e) there is a major change in the direct or indirect ownership of the Buyer or its Parent Company;

(f) the Buyer or its Parent Company becomes insolvent or is adjudged bankrupt or makes an assignment, arrangement or composition with or for the benefit of its creditors or does not pay or is in the Seller's reasonable opinion expected to be unable or unwilling to pay its debts as the same become due;

(g) the Buyer or its Parent Company ceases or threatens to cease to carry on its business or a major part thereof;

(h) a distress, execution, attachment, sequestration or other legal process is levied or enforced or sued on or against any significant part of the property and/or assets of the Buyer or its Parent Company and such process is not discharged within 14 Days thereafter; or

(i) a receiver is appointed or an encumbrancer takes possession of the whole or a significant part of the assets or undertaking of the Buyer or its Parent Company.

17.1.2 Where the Seller suspends the Delivery of the Cargo due to any of the events referred to under this Article
17.1.1 The Seller may, so long as such event is continuing, at any time terminate the entire Agreement.

17.1.3 Where, pursuant to the provisions of this Article 17.1, the Seller under an Agreement providing for multiple deliveries temporarily suspends the Delivery of the Cargo and then decides to resume deliveries under the Agreement, the Seller may cancel the suspended delivery and shall be under no obligation to make up for any quantity of the Cargo that would have been Delivered to the Buyer but for such suspension.

17.1.4 Where the Agreement provides for multiple deliveries, then the rights given to the Seller in this Article 17.1 apply to all deliveries such that where the Seller is allowed to terminate in respect of one delivery, then it is entitled to terminate all the remaining deliveries.

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

17.2 Seller's default

17.2.1.1 Without prejudice to any right of termination the Buyer may have in equity or in law, the Buyer may at its sole discretion, and in addition to any other legal remedies it may have, forthwith upon giving Notice to the Seller terminate the Agreement, where the Seller, for any reason whatsoever, is in breach of any conditions of the Agreement. In relation to multiple deliveries under the Agreement, the Buyer's right to terminate under this Article 17.2 or otherwise, only applies to the delivery in respect of which the Seller is in breach and not to future deliveries.

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

17.3 Right of resale

17.3.1 Where the Buyer fails to take delivery of any of the Product under the terms of the Agreement, and such failure is not excused through any other provision of the Agreement, the Seller shall, in addition to any other legal remedies it may have, be entitled to sell the Product comprised in such delivery for the Buyer's account, in a public or private sale after issuing seven days notice to the Buyer and the price so obtained shall be deemed conclusively to be the best price that the Seller could obtain.

17.3.2 The Buyer shall reimburse the Seller for any difference between the price(s) stated in the agreement and the price(s) obtained through public or private sale for the quantity of the Product that not taken for delivery by the Buyer, together with all expenses incurred by the Seller through the Buyer's failure to take delivery of any of the Product.

17.3.3 Payment shall be made by the Buyer to the Seller within 30 Days from the date of the Seller's invoice.

ARTICLE 18. LIMITATION OF LIABILITY/INDEMNIFICATION

18.1 Consequential losses

Except as specifically provided for elsewhere in the Agreement, in no event, including a negligent act or omission on its part, shall either Party be liable to the other, whether under the 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 (without limitation) if and to the extent they might not otherwise 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, hedging or other derivative losses, punitive damages, goodwill, use, market reputation, business receipts or contracts or commercial opportunities, whether or not foreseeable.

18.2 Monetary limits

The Seller's liability, if any, even in the event of negligence on its part, shall always be limited to the difference between the contract price and the market price of the quantity of the Cargo at the time the loss or damage in question occurred and assessed at the place where the Delivery took place or should have taken place or the nearest available market.

18.3 Time limits

Without derogating from the specific time limits stated in the Agreement for the submission of demurrage claims and complaints of deficiency of quantity or quality and any other provisions requiring compliance within a given period, all of which shall remain in full force and effect, any claim arising under the Agreement shall be commenced within two years from the date on which the Cargo was Delivered or the date on which the Cargo 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.

18.4 Indemnification

18.4.1 The Buyer agrees to indemnify and hold the Seller and its Affiliates harmless in respect of any liability, loss, damage or expense of whatsoever nature that the Seller may sustain by reason of a third party bringing a claim against the Seller for personal injury and/or death and/or loss caused by the Cargo (including, but not limited to, the handling of the Cargo) following the passing of risk or title to the Cargo.

18.4.2 The provisions of this Article 18.4 shall continue to apply notwithstanding the termination or expiry of the Agreement for any reason whatsoever.

ARTICLE 19. GOVERNING LAW AND LITIGATION/ARBITRATION

19.1 Governing law

19.1.1 Default position and Options

The governing law of the Agreement shall be Danish law, if the parties have not specifically agreed on English

law in the Special Conditions.

19.1.2 Security for Claims

Whatever law governs the Agreement and notwithstanding the forum that is chosen for the resolution of any disputes or claims, the Seller shall not be precluded from pursuing arrest, attachment and/or other conservatory, interlocutory or interim actions in any court or exercising any contractual rights in relation to the Cargo or the Means of Transport provided for elsewhere in the Agreement.

19.1.3 Vienna Convention

Notwithstanding anything to the contrary in the Agreement, the Parties hereby agree that the United Nations Convention on Contracts for the International Sale of Goods of Vienna, 11th April 1980, shall not apply to the Agreement.

19.2 Litigation/Arbitration

19.2.1 English law

Article 19.2.1 shall apply where the governing law is English law.

19.2.1.1 Except as provided for in Article 19.2.1.2 and Article 19.2.1.3, any dispute arising out of or in connection with the Agreement, including any question regarding its existence, validity or termination shall be referred to the exclusive jurisdiction of the High Court in London.

19.2.1.2 Notwithstanding Article 19.2.1.1, the Seller may refer any such dispute to be resolved by arbitration in London in accordance with The Arbitration Act 1996 as amended from time to time. Unless otherwise agreed, the arbitration tribunal shall consist of three arbitrators, one to be appointed by each of the Parties, and the third arbitrator who shall be the chairman of the tribunal shall be appointed by the two so appointed. Where the Seller elects to arbitrate it shall send a Notice in writing to the Buyer appointing its own arbitrator and requesting the Buyer to appoint its arbitrator within 14 Days of such Notice. Where the Buyer fails to appoint its arbitrator and give Notice of having done so within the said 14 Days, the Seller's appointed arbitrator shall be deemed the sole arbitrator, whose award shall be final and binding as if the arbitrator was appointed by agreement. Where the Buyer is the claiming party then the Seller must elect to arbitrate in writing within 14 Days of the Buyer's written request to accept service of High Court proceedings as per 16.2.3 (d).

19.2.2 Danish law

Article 19.2.2 shall apply where the governing law is Danish law.

Any dispute arising out of or in connection with the Agreement, including any question regarding its existence, validity or termination shall be referred to the exclusive jurisdiction of the City Court of Copenhagen (in Danish: *Københavns Byret*).

19.2.3 Sovereign immunity

Each Party hereto warrants that it has entered into the Agreement in a commercial capacity and that with respect to the Agreement it is in all respects subject to civil and commercial law. Each Party hereby irrevocably and unconditionally and to the fullest extent permitted by law waives any rights of sovereign immunity which it may have now or which it may subsequently acquire in respect of its position or any property and/or assets (present or subsequently acquired and wherever located) belonging to it.

ARTICLE 20. COMPLIANCE

20.1 SANCTIONS

20.1.1 Notwithstanding anything to the contrary elsewhere in the Agreement:

(a) 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 is inconsistent with, penalised or prohibited under any laws, regulations, decrees, ordinance, order, demand, request, rules or requirements of the United States of America, the United Nations, the European Union or any EU member state, applicable to such party which relate to international boycotts of any type.

(b) 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 this would be in violation of, inconsistent with, or expose such party to punitive measure under, any laws, regulations, decrees, ordinances, orders, demands, requests, rules or requirements of the European Union, any EU member state, 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**").

20.1.2 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:

(a) to immediately suspend the affected obligation (whether payment or performance) until such time as the Affected Party may lawfully discharge such obligation; and/or
(b) 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; and/or
(c) where the obligation affected is acceptance of the means of transport provided by the Buyer, to require the nominating party to nominate an alternative means of transport,

in each case without any liability whatsoever (including but not limited to any damages for breach of contract, penalties, costs, fees and expenses). Nothing in this clause shall be taken to limit or prevent the operation, where available under the governing law of the Agreement.

20.2 Destination restrictions

20.2.1 For the purposes of this Article 20, “Embargoed Country” shall mean any country, state, territory or region that is subject to a trade embargo imposed on the relevant Product by any Governmental Authority and affecting either Party or its Affiliates and/or any third party to the extent the third party is involved in the execution of the Agreement on behalf of either the Buyer or the Seller.

20.2.2 The Buyer shall not knowingly sell, supply or Deliver, directly or indirectly, the Cargo to an Embargoed Country or in contravention of any applicable trade embargo requirements of Norway or the United States of America or the United Nations.

20.2.3 The Seller may at any time require the Buyer to provide any relevant documents for the purpose of verifying the final destination of the Cargo and the Buyer undertakes to advise the Seller, upon request, of the destination of the Cargo.

20.2.4 Where, at any time before the Commencement of Discharge of the shipment, importation of the Cargo at the designated discharge Terminal is prohibited by order of the governmental authorities of the country in which the Cargo has been produced or loaded or is to be imported, then the Buyer shall arrange for discharge at an acceptable alternative port that is not subject to any such prohibition. Any resulting additional costs incurred by the Seller as a result of such alternative discharge shall be refunded promptly to the Seller by the Buyer.

20.2.5 In the event that the Cargo is disposed of by the Buyer to a third party in whole or part, the Buyer shall ensure that all end users of the Cargo abide by the provisions stated in Article 20.1 and without delay provide the Seller with all relevant information as the Seller may require related to such alternative disposal including name of the end user, name of the refinery and any other relevant information the Seller may deem necessary.

20.2.6 The Buyer's failure to comply with any of the provisions of Article 20.1 (or where the Seller, at its sole discretion, has reasonable grounds for believing that such undertakings shall not be complied with) shall entitle the Seller (without prejudice to any other rights and remedies it may have under the Agreement) to terminate the Agreement, suspend further Deliveries of the Product under the Agreement or dispose of any undelivered Cargo as it deems fit.

20.3 Anti-corruption and facilitation payments

20.3.1 It is a condition of the Agreement that the Parties will comply with, and will use reasonable endeavours to ensure that any third Parties used by them to fulfil the Parties' respective obligations under the Agreement will comply with, all laws, rules, regulations, decrees or official governmental orders relating to anti-bribery, anti-corruption and/or anti-money laundering, applicable to any of the Parties or their ultimate parent companies.

20.3.2 All financial settlements, billings and reports in connection with the Agreement shall be a true and proper reflection of the transactions. Such data may be relied upon as being complete and accurate for the purposes of any recordings and/or reporting made or to be made by either Party or any of their representatives, for whatever purpose.

20.4 Health, Safety and Environment ("HSE"), drug and alcohol policy

20.4.1 The Buyer warrants that it is fully conversant with KR's HSE policy and the ethical standards and requirements.

20.4.2 The Parties agree that all business will be conducted in the most responsible manner to ensure that the operations involve minimum risk to people, the environment and equipment. The shared targets for the operation of the trade are zero personnel injuries, zero spills/environmental damage and zero equipment damage.

20.4.3 Each Party shall notify the other of any incidents in connection with their performance under the Agreement related to HSE issues including any pollution incidents that require notification to any governmental authorities, further investigation or other response action under any applicable environmental laws and/or regulations.

20.4.4 Each Party agrees to issue HSE performance data not older than six months upon request of the other Party covering any recordable incidents during the relevant period. Such reports shall provide a brief description of the incident and appropriate follow-up action taken.

20.4.5 The Party responsible for employing the Means of Transport undertakes that at all times the Means of Transport will at all times strictly observe the HSE provisions, policies or guidelines at any Terminal or place that it is required to use in connection with their performance under the Agreement and, where relevant, the ports or places where such Terminals are situated and the roads or railway network used for the transport and perform the transport in accordance with any such regulations in force at such place or port.

20.4.6 Furthermore, the applicable Party shall undertake that personnel employed by the Means of Transport shall specifically and strictly observe the respective national or regional legislations with respect to alcohol and drug consumption prior to and while at work.

20.4.7 Should the Means of Transport, or its employees, representatives or sub-contractors fail to observe any and all of the guidelines and/or directions of the applicable loading Terminal/discharge Terminal or national or regional legislation pertaining to HSE that could result in losses, damages, costs, expenses or fines or any other costs against the Party not providing the transport, the Party that has undertaken

the provision of transport shall indemnify the other Party in respect of such losses, damages, costs, expenses, fines etc.

20.5 Workers' conditions

20.5.1 Where the Agreement provides for the Cargo to be shipped on a Vessel, the Party responsible for performing the transport of the Cargo shall undertake to ensure that the Vessel has a valid International Transport Worker's Federation ("ITF") Blue Card certificate or equivalent certificate evidencing that the minimum terms and conditions of employment of the crew of the Vessel are acceptable to the ITF.

20.5.2 The Party responsible for performing the transport of the Cargo ("the Responsible Party") shall indemnify the other Party from and against any and all loss or damage (including but not limited to demurrage and/ or detention of the Vessel), costs, legal fees and other expenses that the other Party may suffer as a result of strikes, boycotts or any other industrial or legal action at the loading and/or discharge Terminal (as the case may be) as a result of the Responsible Party's breach of Article 20.4.1.

ARTICLE 21. MISCELLANEOUS

21.2 REACH

21.2.1 The provisions of this Article 21.1 shall apply in respect of any delivery where either Port of Loading, Port of Destination, Point of Loading and Point of Destination is located within the European Union/European Economic Area ("EU/EEA") unless:

(a) the Product is crude oil or condensate; or

(b) an alternative exemption applies under REACH Article 2 (7) b.

21.2.2 The Parties shall comply with REACH as amended from time to time, and their respective obligations hereunder.

21.2.3 If the Product is sourced from inside the EU/EEA and delivered in the EU/EEA by the Seller, or if the Product is sourced from outside the EU/EEA and the Seller is defined as an importer by REACH, the Seller shall provide the Buyer with a copy of the current Safety Data Sheet (SDS) of the Product and any other health, safety and environmental information relating to it and needed by the Buyer and/or reasonably requested by the Buyer to comply with the requirements of REACH.

21.2.4 If the Product is sourced from outside the EU/EEA, and the Seller is not an importer as defined by REACH, the Seller shall make reasonable endeavours to provide the Buyer with the Chemical Abstract Service Index number ("CAS Number") and/or European Inventory of Existing Commercial Chemical Substances number ("EINECS Number") and/or or any other health, safety and environmental information relating to the Product.

21.2.5 Notwithstanding any other provision to the contrary in the Agreement, in providing the Buyer with a CAS Number and/or EINECS Number and/or any other health, safety and environmental information relating to the Product pursuant to this Article 21.1.4, regardless of their source, the Seller provides no warranty or representation as to the accuracy or completeness of such identification number(s) or information relating to it and needed by the Buyer and/or reasonably requested by the Buyer to comply with the requirements of REACH, hence 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 identification numbers
or other information hereunder provided and /or the existence of a valid (pre-) registration of the Product to be imported into the EU/EEA.

21.3 Assignment

21.3.1 The Buyer shall not assign any of its rights and obligations under the Agreement, in whole or in part, without the prior written consent of the Seller. In case of an assignment, the Buyer shall remain jointly and severally liable together with the assignee for the full and proper performance of the Agreement. Any assignment not made in accordance with the terms of this Article 21.2 shall be void.

21.3.2 The Seller may at any time assign (whether partially or entirely) any receivables and other (including ancillary) rights arising under or in connection with the Agreement to any third party including, but not limited to, any of the Seller's banks, factoring providers or other financing providers which the Seller in its absolute discretion deems to be appropriate.

21.3.3 However, the Seller may assign its rights and obligations under this Agreement, where the Seller is required to do so pursuant to a specific instruction from the relevant Agency of the Norwegian State to this effect. In the event of an assignment in accordance with the terms of this section, the assignee must be acceptable to the Buyer.

21.4 Consents and authorisations

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.

21.5 Recording of conversations

21.5.1 Each Party acknowledges and agrees that the other Party may from time to time and without further notice:

(a) record and retain electronic transmissions (including telephone conversations, emails and instant messaging) between the Parties' respective representatives in connection with the negotiation and/or performance of the Agreement in 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 laws, regulations and internal policies for their other legitimate business purposes.

21.5.2 Each Party will obtain any necessary consent for and give notice of such recording to such personnel of it and its Affiliates and/or its agents as is necessary. The Parties agree that any such recordings may be retained and submitted in evidence to any court or in any other legal proceedings for the purpose of establishing any matters relating to the Agreement.

21.6 Confidentiality

The contents of the Agreement and all other documents relating to the Agreement, and any information made available by one Party to the other Party with respect to the Agreement are confidential and shall not be disclosed to any third Party (nor shall any public announcement relating to the Agreement be made by either Party), except for such information that:

(a) was already known to the Party receiving the information from a non-confidential source prior to the date the information was made available by the other Party;

(b) is or becomes generally available to the public other than as a result of a breach of the Agreement;

(c) is required to be disclosed in response to any summons, subpoena, or otherwise in connection with any litigation or to comply with any applicable law, order, regulation, ruling or accounting disclosure rule or standard;

(d) has been or may be obtained from a non-confidential source that disclose such information in a manner that does not violate its obligations to the other Party in making such disclosures;

(e) is required to be furnished to the disclosing Party's Affiliates, auditors, attorneys, or advisors, in which case such Affiliates, auditors, attorneys and/or advisors shall be required to keep the information disclosed in confidence; or

(f) is agreed between the Parties not to be confidential.

21.7 Notices

21.7.1 Where communication between the Parties is agreed to be given in a form of a Notice, such communication can be given in any manner described in this Article 21.6.1 to the address of the other Party specified for this purpose in the Agreement and will be deemed effective as follows:

(a) where delivered in person or by courier, on the date it is delivered;

(b) where sent by facsimile transmission, on the date of transmission (it being agreed that the burden of proving receipt will be on the sender and this will be met by a transmission report generated by the sender's facsimile machine); or

(c) where sent by post, five Days after it is posted;

unless the date of that delivery (or attempted delivery), as applicable, is not a Working Day or that communication is delivered (or attempted) or received, as applicable, after 15.00 on a Working Day, in which case that communication will be deemed to be given and effective on the next Working Day.

21.7.2 Except for Notices concerning termination and legal or arbitration proceedings, the Parties may exchange messages with respect to the performance of the Agreement by e-mail. Any message sent by e-mail shall be sent to the address of the other Party specified for this purpose in the Special Conditions and, if sent on a Working Day before 17.00, shall be deemed to have been received on that day; in any other case, on the next Working Day. Notwithstanding the foregoing, e-mail messages are only valid if actually received and the sender bears the risk of a failure in transmission.

21.7.3 Any alterations to the contacts or addresses specified in the Special Conditions shall be notified immediately by courier, letter or facsimile to the other Party.

21.7.4 Notices may not be given by instant messaging.

21.8 Costs for debt collection procedure

The Buyer shall bear all fees, costs and expenses incurred by the Seller (or any third party to which it has assigned a receivable) from or in connection with any successful debt collection procedure against the Buyer.

21.9 Trademarks

Nothing in the Agreement whether express or implied shall be deemed to confer any right upon the Buyer to apply any trademark owned by the Seller or any of its Affiliates to any Product supplied under the Agreement nor to use such trademark in relation to such Product.

Schedules

SCHEDULE 1

LETTER OF INDEMNITY FROM THE SELLER

Quote

LETTER OF INDEMNITY

We refer to a cargo of ..... metric tons of ..... loaded onboard the vessel ..... at the port of ..... on ....., 20..... ("the Cargo")
Although we have sold and transferred title to the said Cargo to you, we have been unable to provide you with the original bills of lading, cargo manifest and time sheet for the Cargo.
In consideration of your paying to us USD..... being the full purchase price of the Cargo, we hereby expressly warrant that we have marketable title to such Cargo and that we have full right and authority to transfer such title to you and to effect delivery of the said Cargo.

We agree to protect, indemnify and hold you harmless from and against any and all damages, costs, legal fees and other expenses which you may suffer from any breach of above warranties or from the fact that you are paying us the purchase price of the Cargo without having in hand such original bills of lading and other shipping documents, including but not limited to, any claims or demands which may be made by any holder or transferee of any of the original bills of lading and other shipping documents or by any other third party claiming an interest in or lien on the Cargo or proceeds thereof.

We will make all reasonable efforts to obtain and surrender to you, as soon as possible, the original bills of lading and the other shipping documents referred to above and this letter of indemnity shall become null and void upon our tendering these documents to you.

Our obligation to indemnify you is subject to the condition that you give us prompt notice of the assertion of any claims and full opportunity to conduct the defence thereof, and that you do not settle any such claim(s) without our approval.

This letter of indemnity shall be governed by and construed in accordance with the law governing the agreement between the Parties for the sale of the Cargo ("the Agreement"), and any disputes that cannot be settled by mutual agreement between the Parties shall be subject to the exclusive jurisdiction of the applicable forum specified in the Agreement.

Unquote

SCHEDULE 2
STANDBY LETTER OF CREDIT

We ……hereby issue our irrevocable Standby Letter of Credit no:……

By order and for account of applicant:
[insert BUYER]…….
…….
…….
(Hereinafter referred to as the "Buyer") In favor of beneficiary:
[insert SELLER]…….
…….
…….
(Hereinafter referred to as the "Seller")

This Standby Letter of Credit is for an amount of: USD [insert amount in words and figures], subject to the special conditions as stated below.

Covering non-payment of the amount due for the purchase of approximately [insert quantity] of [insert product] according to the purchase/sale agreement between Buyer and Seller.

This Standby Letter of Credit is available with the issuing bank by payment at sight against presentation of the following documents.

A) Copy of Seller's commercial invoice;

B) Seller's signed statement stating that payment of the Seller's invoice(s) is due, and that payment has not been made by Buyer;

This Standby Letter of Credit expires at our counters at [insert place] on [insert date].

SPECIAL CONDITIONS:

1) The amount of the credit will automatically fluctuate in accordance with the loaded quantity and price formula in the purchase/sale agreement above and below the amount of this Standby Letter of Credit and without any further amendment[1].

2) All bank charges, commissions, costs, expenses and any other fees incurred with respect to providing the Standby Letter of Credit are for Buyer's account. All other bank charges, if any, are for Seller's account.

3) Documents presented via telefax/telecopy or email are acceptable.

4) Partial and multiple drawings are permitted.

5) This Standby Letter of Credit shall be valid also in the event that the invoiced amount exceeds the amount stated herein.

Upon receipt of documents in full compliance with this Standby Letter of Credit terms and conditions, we shall effect payment according to your instructions, with value latest three Business Days after receipt of documents.

Where the Issuing Bank is a U.S. bank, the construction, validity and performance of this Standby Letter of

Credit shall be governed by and construed in accordance with the law of the State of New York and any dispute shall be submitted to the exclusive jurisdiction of the United States District Court for the Southern District of New York located in the Borough of Manhattan, New York, or, where such court declines to exercise or does not have jurisdiction, in any New York State court in the Borough of Manhattan. Where the Issuing Bank is a non-U.S. bank, the construction, validity and performance of this Standby Letter of Credit shall be governed by and construed in accordance with English law and any dispute shall be submitted to the exclusive jurisdiction of the High Court of Justice in London. Except to the extent it is inconsistent with the express terms of this Standby Letter of Credit, this Standby Letter of Credit is subject to the International Standby Practices ISP 98, ICC Publication No. 590. This telefax/telecopy or email is the operative instrument and no mail confirmation will follow. 1 This Condition shall not apply where the issuing bank is a U.S. bank

SCHEDULE 3
ISPS CODE/MTSA FOR ARTICLE 2 DELIVERIES

A. 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 Section XI of SOLAS ("ISPS Code") and where the Port of Loading is within the USA and/or US territories or waters, with the US Maritime Transportation Security Act 2002 ("MTSA").

B. The Vessel shall when required submit a Declaration of Security (DoS) to the appropriate authorities prior to arrival at the Port of Loading.

C. Notwithstanding any prior acceptance of the Vessel by the Seller, if at any time prior to the passing of risk and title to the Cargo the Vessel ceases to comply with the requirements of the ISPS Code or MTSA:

1. the Seller shall have the right not to Berth the Vessel and any demurrage and/or any other costs resulting shall not be for the account of the Seller; and

2. The Buyer shall be obliged to substitute the Vessel with a vessel complying with the requirements of the ISPS Code and MTSA.

D. The Seller shall procure that the Port of Loading shall comply with the requirements of the ISPS Code and if located within the USA and/or US territories, with the MTSA.

E. Subject always to (H), any costs or expenses in respect of the Vessel including demurrage or any additional charge, fee or duty levied on the Vessel at the Port of Loading and actually incurred by the Buyer resulting directly from the failure of the Port of Loading to comply with the ISPS Code and if located within the USA and/or US territories, with the MTSA, shall be for the account of the Seller, including but not limited to 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.

F. Subject always to (H), save where the Vessel has failed to comply with the requirements of the ISPS Code and within the USA and/or US territories or waters, with the MTSA and save where caused by the Vessel's previous ports of call, the Seller shall be responsible for any demurrage actually incurred by the Buyer arising from delay to the Vessel at the Port of Loading resulting directly from the Vessel being required by the Port of Loading or any relevant authority to take any action or any special or additional security measures or undergo additional inspections. This is the limit of the Seller's liability in this situation.

G. The Seller's liability to the Buyer generally under this Schedule for any costs, losses or expenses incurred by the Vessel, the charterer or the Ship-owner arising out of the ISPS Code or MTSA (and including negligence on the Seller's part) shall be limited to the payment of demurrage and costs actually incurred by the Buyer to allow the Vessel to load in accordance with the provisions of this Schedule.

H. If the Terminal at the Port of Loading is not operated by the Seller (or an Affiliate), then the Seller's liability under this Schedule is conditional on the Seller (having used reasonable efforts) being able to recover and actually recovering from the supplier or other relevant third party, and then only to the extent of such recovery.

SCHEDULE 4
ISPS CODE/MTSA FOR ARTICLE 3 OR ARTICLE 4 DELIVERIES

A. The Seller 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 Section XI of Solas ("ISPS Code") and where the Port of Destination is within the USA and/or US territories or waters, with the US Maritime Transportation Security Act 2002 ("MTSA").

B. The Vessel shall when required submit a Declaration of Security (DoS) to the appropriate authorities prior to arrival at the Port of Destination.

C. Notwithstanding any prior acceptance of the Vessel by the Buyer, if at any time prior to the passing of risk and title to the Cargo the Vessel ceases to comply with the requirements of the ISPS Code or MTSA, then:

1. the Seller shall be obliged to substitute the Vessel with a vessel complying with the requirements of the ISPS Code and MTSA; and

2. the Buyer shall have the right not to Berth the Vessel at the Port of Destination and any demurrage resulting shall not be for the account of the Buyer.

D. The Buyer shall procure that the Port of Destination shall comply with the requirements of the ISPS Code and if located within the USA and/or US territories, with the MTSA.

E. Any cost or expenses in respect of the Vessel including demurrage or any additional charge, fee or duty levied on the Vessel at the Port of Destination and actually incurred by the Seller resulting directly from the failure of the Port of Destination o comply with the ISPS Code and if located within the USA and/ or US territories, with the MTSA shall be for the account of the Buyer, including but not limited to 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.

F. 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 Port of Destination resulting directly from the Vessel being required by the Port of Destination to take any special or additional security measures or undergo additional inspections, including (but not limited to) by virtue of the Vessel's previous ports of call.

G. The Buyer's liability to the Seller under the Agreement for any costs, losses or expenses incurred by the Vessel, the charterers or the Ship-owner resulting from the failure of the Port of Destination to comply with the ISPS Code or MTSA shall be limited to the payment of demurrage and costs actually incurred by the Seller in accordance with the provisions of this Schedule.