General terms and conditions for sales and purchases of chemical products for LPG and chemical tankers

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PART I. GENERAL

1. Definitions

Affiliate(s) Means, in relation to either of the parties to the Agreement, any company controlling, controlled by, or under common control with that party, whether directly or indirectly.

AFRA Means Average Freight Rate Assessment published by the London Tanker Brokers' panel.

Agreement Means these terms and conditions including any applicable special provisions.

API Means American Petroleum Institute.

Associated company Any company which is a subsidiary of any of the parties to the Agreement, or a company of which a party is a subsidiary, or a company which is another subsidiary of a company of which a party is a subsidiary («subsidiary" having the meaning ascribed to it in section 736 of the Companies Act 1985 as amended).

ASTM Means American Society for Testing and Materials.

Banking day Means a day when the banks in the specified place are open for the transaction of normal banking business.

Barrel Means 42 US standard gallons at 60 degrees Fahrenheit.

Business hours Means 09:30 to 17:30 in Madrid.

CFR and CIF Shall have the meaning ascribed thereto in Incoterms (2010) except as expressly modified in the Agreement. In case of conflict or inconsistency between Incoterms and this Agreement, the express terms of the Agreement shall prevail.

CFR outturn and CIF outturn Shall have the meanings ascribed above to CFR and CIF respectively, except as expressly modified in the Agreement.

DES Shall have the meaning ascribed thereto in Incoterms 2000 (as amended from time to time) except as expressly modified in the Agreement. In case of conflict or inconsistency between Incoterms and this Agreement, the express terms of the Agreement shall prevail.

Discharge port Means the port, terminal, berth or other facility at which the Product to be delivered hereunder is to be discharged.

ETA Means estimated day and time of arrival.

EU Qualified Means that the Product may be freely circulated within the territory of the EU, and will not be charged with any import duties.

FOB Shall have the meaning ascribed there to in Incoterms (2010) except as expressly modified in the Agreement. In case of conflict or inconsistency between Incoterms and this Agreement, the express terms of the Agreement shall prevail.

IMO Means International Maritime Organization.

ISGOTT Means International Safety Guide for Oil Tankers and Terminals, a guide published by the International Chamber of Shipping and the Oil Companies' International Marine Forum.

ISM Code International Safety Management (ISM) Code means the International Management Code for the Safe Operation of Ships and for Pollution Prevention.

Laydays Means the day or range of days as specified in the special provisions, or established in accordance with the procedure(s) specified in the special provisions.

Loading port Means the port, terminal, berth or other facility at which the Product to be delivered hereunder is to be loaded.

MARPOL Means the international convention for the prevention of pollution from ships as amended from time to time.

Month Means a month of the Gregorian calendar.

MPMS Means the API Manual of Petroleum Measurement Standards.

N.O.R. Means the valid notice of readiness to load/discharge as given by the master in conformity with the provisions of the Agreement.

Normal banking business Means the normal hours of business for banks in the specified place.

OCIMF Means the Oil Companies International Marine Forum.

Product Means petroleum product or petro- chemical product of the grade specified in the special provisions or Sales contract.

Sellers' suppliers Means any corporate body or person being a direct or indirect source of supply for the Sellers.

Special Provisions Means the contract telex, facsimile, or e-mail, or other form of written agreement by which the parties may amend or supplement the general terms and conditions contained in the Agreement.

TBN Means to be nominated.

Ton Means a metric ton or tonne in vacuous or air, in accordance with standard practice at the loading port, or discharge port (as applicable).

Working days means normal working days in Madrid. A full working day means a total of 8 hours of one normal working day, or a period of 8 hours over two successive working days.

Worldscale Means worldwide tanker nominal freight scale.

Year Means a Gregorian calendar year commencing on the 1st of January and ending with the 31st of December.

2. Applicability

2.1 Unless otherwise expressly agreed in writing, these General Terms and Conditions shall apply to all contracts for the sale of product as defined herein by or on behalf of Repsol Materials SA, its associated companies or affiliates («Seller") into which they are incorporated by reference.

2.2 The Agreement, defined herein as these General Terms and Conditions together with any Special Provisions, contains the entire agreement between the Seller and the Buyer and supersedes all representations, prior agreements, oral or written, in connection with the matters which are the subject of the Agreement. In the event that there is a conflict or inconsistency between the Special Provisions and the General Terms and Conditions contained in the Agreement, the Special Provisions shall prevail over the General Terms and Conditions of the Agreement.

2.3 Incoterms 2010 (and subsequent revisions) shall apply to the Agreement as supplementary provisions. In case of conflict, ambiguity or inconsistency between the provisions of the Agreement and Incoterms 2010 (and subsequent revisions), the provisions of the Agreement shall prevail.

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

2.5 The Agreement shall apply from the time of the Seller's offer. No amendment to the Agreement will be valid unless expressly accepted in writing by Seller.

3. Payment

3.1 Unless otherwise agreed by the Seller and the Buyer in writing, payment shall be made by irrevocable documentary credit or standby letter of credit (at the Seller's option) opened by an international bank approved by the Seller, in the form set out in Annex A and Annex C, respectively.

3.2 The documentary credit or standby letter of credit (at Seller's option) shall be opened and duly receipted and accepted by the Seller in Madrid (whichever place is applicable) not later than close of normal banking business on the fifth working day prior to the first day of the loading lay days. The documentary credit or standby letter of credit shall be opened for a sum which is equal to the value of the contracted quantity plus ten per cent and shall be valid for any greater or lesser sum equal to the actual value of the Product delivered the 'actual value' being the value on the opening date of the documentary credit or standby letter of credit. Should any amendment be requested by the Bank, the Buyer shall comply with it. In the case of FOB intracommunity transactions, and when applicable, the value of the documentary credit or the standby letter of credit will, be increased with the applicable VAT due amount plus the Excise Duty minerals products as well as any and all costs, expenses, penalties

and interest incurred by the Seller as a result of the Buyer's failure to provide him with the information and documents according to EC regulations. The Buyer must provide the Seller no later than the commencement of loading of the vessel:

i. with his VAT and Excise Duty numbers when the Buyer is the final consignee of the goods

or

ii. with his VAT number and with the VAT and Excise Duty of the final consignee of the goods if the final consignee is not the Buyer hereunder.

The necessary information and documentary instructions should be received by the Seller at least two working days prior to the loading of the vessel. When applicable, a complete copy 3 of the AAD should be received by the Seller within the first 15 days of the next calendar month to the month in which loading of goods are completed.

3.3 Pursuant to such documentary credit or standby letter of credit, the Seller shall present the commercial documents as defined and described under the documentary credit as set out in Annex A or standby letter of credit in Annex C, whichever is appropriate. In the event that any of the documents set out in Annex A or Annex C are not available on the date that the documentary credit or standby letter of credit is presented for payment, such documentary credit or standby letter of credit shall provide for payment against presentation of one commercial invoice and the Seller's standard letter of indemnity as set out in Annex B (a telex-invoice plus telex-letter of indemnity will be acceptable).

3.4 Payment shall be made in full by the Buyer on the payment due date without discount or deduction for whatever reason including bank transfer fees, withholding, set-off or counterclaim of any kind whatsoever, or in the event of any dispute between the parties to the Agreement. Payment shall be made in EURO or U.S. Dollars, or any other convertible currency agreed in the Agreement (at the Seller's option) by telegraphic transfer immediately against presentation of the commercial invoice together with the documents referred to in Annex A, or, in the absence of such documents, on presentation of the Seller's letter of indemnity set out in Annex B. For cargoes covered by a standby letter of credit, payment shall be made against the documents referred to in Annex C.

3.5 In the event that the due date for payment falls on a Saturday or a non-banking day other than Monday, payment will be made on the previous banking day and in the event that the due date for payment falls on a Sunday or a non-banking Monday, payment will be made on the following banking day (the bank holidays and banking days will be those applicable to the banking system of the currency in which the payment is to be effected).

3.6 All charges in respect of the documentary credit or standby letter of credit shall be for the account of the Buyer.

3.7 The documentary credit or standby letter of credit shall take effect in accordance with its terms, but such terms shall not alter, add or in any way affect the terms of the Agreement.

3.8 If the Buyer does not provide, or provides an unacceptable documentary credit or standby letter of credit on or before close of normal banking business on the fifth working day prior to the first day of the agreed lay days, the Seller may terminate the Agreement immediately without prejudice to any rights or remedies of the Seller. In no event, shall the Seller be obliged to commence or complete loading until the said documentary credit or standby letter of credit is opened in the form set out in

Annex A or Annex C (whichever is appropriate). Any delay, costs and damages, whatsoever arising from the failure of the Buyer to open the documentary credit or standby letter of credit as provided for in the Agreement shall be for the Buyer's account.

3.9 Unless otherwise agreed, the Seller's invoice shall be prepared based on the quantities contained in the bill of lading which are to be based on the quantities stated in the certificate of quantity (or other equivalent document).

3.10 Unless otherwise agreed in writing, when the pricing mechanism does not allow the invoice to be completed before the payment day, payment shall be made against a provisional invoice that will include the available information at the moment that such provisional invoice is issued, and will be replaced as soon as the complete information becomes available, by the presentation of the Seller's final invoice (a telex invoice will be acceptable). Payment of any balance due shall be made within 5 working banking days upon receipt of the Seller's final invoice and final LOI (Telex /fax acceptable).

3.11 Payment(s) shall be made to the Seller's bank account name and account number as notified by the Seller to the Buyer in writing, («the payment account»).

3.12 Without limitation to any of the Seller's legal rights, if the Buyer fails to pay in full any invoiced amount on the due date, the Seller shall have the right to require the payment by the Buyer of interest on any unpaid amount from the due date (shown in the final invoice) until the Seller receives cleared funds in the full amount outstanding into the Seller's payment account:

a. at the British Bank Association one month U.S. Dollar deposit rate of two working days prior to contractual due date (due date which is shown on the invoice) plus 4 per cent;

b. at the British Bank Association one month Euro deposit rate of two working days prior to contractual due date (due date which is shown on the invoice) plus 4 per cent; whichever is applicable.

3.13 The provisions of this section shall not be construed as an indication of any willingness on the part of the Seller to provide extended credit, and shall be without prejudice to any rights and remedies that the Seller may have under the Agreement or otherwise.

4. Assignment

4.1 Neither party shall assign all or part of its rights and obligations under the Agreement without the written consent of the other party.

Notwithstanding the foregoing, the Seller shall be free to assign its rights and obligations under the Agreement to any of its associated companies or affiliates, and may assign his rights to receive payment under this contract to any third party without the prior written consent of the Buyer. In any event, the assignor remains responsible for contract performance.

4.2 If such written consent is given the assignee of the Buyer shall fully comply with the terms of payment contained in clause 3 herein or any other payment provision substituted for clause 3 with the consent of the Seller.

4.3 The assigning party shall nevertheless remain jointly and severally liable with the assignee for the proper performance of all its obligations under the Agreement, including all payment obligations.

4.4 Any assignment not made in accordance with the terms of this clause 4 shall be void.

5. Taxes, Duties and Imposts

5.1 All taxes, duties and all other charges on the vessel shall be the responsibility of the Buyer, save as provided for elsewhere in the Agreement. The Buyer shall also be responsible for the payment of any taxes, duties, imposts, and fees of any description on the Product after the Product passes the flange connection of the loading vessel's delivery hose at the loading port.

5.2 According to EU Regulations on Value Added Tax, the supply of goods between two member states shall be taxable in the member state of destination of the goods. In case the goods are delivered from a member state to another, and the Buyer´s VAT number is from the member state of destination or from another member state different from the state of origin, the supply will be taxable in that state. Otherwise, it shall be taxable in the member state of origin.

5.3 With regard to the excise duties, according to EU regulation, the Buyer must provide the Seller with all data relating to destination and recipient, and, when applicable to transport, all established in Directive 2008/118/EC of 16 December 2008 and Regulation (EC) no. 684/2009 of the Commission of 24 July 2009, and especially:

a) Destination type code of the movement, using one of the follows values:

1. Tax warehouse (point (i) of article 17(1)(a) of Directive 2008/118/EC).

2. Registered consignee (point (ii) of article 17(1)(a) of Directive 2008/118/EC).

3. Temporary registered consignee (point (iii) of article 17(1)(a) and article 19(3) of Directive 2008/118/EC).

4. Direct delivery (article 17(2) of Directive 2008/118/EC).

b) Trader identification: name, street name, number, postcode and city, and a valid seed registration number of the authorised warehouse keeper or registered consignee.

c) Place of delivery: trader name, street name, number, postcode and city, and a valid seed registration number of the tax warehouse of destination (for destination type code 1), or the vat identification number or any other identifier (for destination type code 2 and 3).

5.4 The necessary information and documentary instructions to comply with EU Regulations on VAT and Excise Duty must be received by the Seller at least two working days prior to the loading.

5.5 The Seller may request the Buyer to provide documentation for presentation to relevant authorities and the Buyer shall provide the Seller with the required documentation upon request.

In the sale of excise goods within the European Union as well as within the Spanish territory, the buyer and the seller should fulfil with the corresponding formal obligations established by the EU regulation (Directive 2008/118/EC of 16 December 2008 and Regulation (EC) no. 684/2009 of the Commission of 24 July 2009) and the local regulation.

5.6 The Buyer acknowledges his liability for the payment of VAT and Excise Duty on mineral Products and will immediately reimburse the Seller any amounts paid by the Seller in respect of VAT and/ or

Excise Duty. The Buyer shall indemnify the Seller in respect of any and all costs, expenses, penalties and interest incurred by the Seller as a result of the Buyer's failure to provide him with the information and documents referred to in this clause 5.

5.7 For the avoidance of doubt and in respect of every type of sale, the Seller shall not be the importer of record but shall be responsible for complying with customs and excise entry procedures at the Discharge Port and all duties and taxes that arise in respect of such customs and excise entry shall be for the Buyer's account.

6. Termination

6.1 If either party should go into liquidation (other than voluntary liquidation for the purpose of corporate reconstruction), or if a receiver or sequestrator is appointed in respect of the assets and/or undertaking (or any part thereof) of either party, or if either party should become bankrupt or insolvent, or should enter into a deed of arrangement or a composition for the benefit of its creditors, or should do or suffer any equivalent act or thing under any applicable law, or if either party has good reason to anticipate any such act or thing, the other party may, by written notice, immediately terminate the Agreement or immediately suspend delivery under the Agreement until further notice without prejudice to any right of action or claim accrued at the date of termination, or suspension.

6.2 If the Seller has any reason whatsoever to doubt the continuing ability of the Buyer to perform its obligations hereunder, the Seller may suspend deliveries until the Buyer has either agreed to make payment in advance for future deliveries or has provided such other security as the Seller, in its absolute discretion may require or, alternatively the Seller may terminate the Agreement by written notice without prejudice to any right of action or claim accrued to the benefit of the Seller at the date of termination.

6.3 If the Buyer should fail to pay in whole or in part the invoiced amount on the due date, the Seller may, on written notice to the Buyer, immediately suspend all or any supplies of Product until the Buyer has paid all of the amount owing, or may, at the Seller's option, on written notice to the Buyer immediately terminate the Agreement without prejudice to any right of action or claim accrued at the date of termination.

6.4 If the Buyer should fail to take delivery of the Product at the date specified under the Agreement (events of force majeure excepted), where a minimum quantity of Product is to be taken by the Buyer within specified periods, the Seller may, on written notice to the Buyer, suspend all or any supplies of Product until the Buyer has paid all of the amount owing, or may, at the Seller's option, on written notice to the Buyer immediately terminate the Agreement without prejudice to any right of action or claim accrued at the date of termination.

6.5 Written notice of termination provided for under this clause 6 shall be effective at the time it is despatched to the Buyer, in accordance with clause 12.

7. Force Majeure

7.1 No failure or delay by either party to the Agreement in fulfilling any of the obligations contained in the Agreement shall give rise to any claim by one party against the other, except in relation to obligations to make payments under the Agreement, if such failure or delay arises out of force majeure,

which for the purposes of the Agreement shall be any occurrence or circumstance reasonably beyond the control of that party. Examples of force majeure are, but are not limited to: acts of God, war, whether declared or undeclared, civil disorder, riot, strike, lockout, sabotage, embargo, storm, earthquake, perils of the sea, accident of navigation, fire, breakdown or interruption of the functioning of installations production plant or machinery or other facilities of the Seller or of the means of transportation of the Product, non-availability of feedstock, stoppage or restraint to labour in or about the plant of the Seller or its supplier, governmental laws, regulations or directions or acts of any officer, department agency, committee or similar bodies. For the purposes of this clause 7, the terms "Seller" and "party" where applied to the Seller shall include the Seller's relevant suppliers and affiliates and subsidiaries. The Seller shall not be required to make up deliveries omitted on account of the occurrence of incidents of force majeure. Notwithstanding this clause 7, the Buyer shall not be relieved of any obligation to make payment for all amounts due on Product sold to the Buyer under the Agreement. Each party shall promptly notify the other upon occurrence of any occurrences or circumstances excusing or likely to excuse that party's non-performance or delay under this clause 7.

7.2 If by any reason or cause reasonably beyond the control of the Seller, including but not limited to the reasons set out in clause 7.1, in the Seller's reasonable opinion there is a curtailment or shortage or interference of the Seller's sources or anticipated sources of supply, or transportation of any grade of Product from whatever country such that the Seller is unable to meet its own planned requirements, or anticipates that it will be unable to meet its own planned requirements, and those of its associated companies and affiliates and its requirements for sales to customers, including the Buyer, the Seller may allocate on a fair and reasonable basis according to its own discretion, its available supply of the grades of Product among its own requirements, those of its subsidiaries and affiliated companies and its requirements for sales to customers including the Buyer. In no circumstances shall the Seller be required to increase its suppliers of Product under the Agreement by purchases or otherwise of Product from other suppliers.

8. Limitations of liability

8.1 The Seller shall not be liable in contract or in tort or otherwise for any special, consequential or indirect loss or damage of any kind arising out of or in any way connected with the performance or failure to perform any part or parts of the Agreement, including but not limited to the negligent act or omission on the part of the Seller or its affiliates and/or agents and/or servants of the Seller or its affiliates, and nor shall the Seller be liable for any prospective or speculative profits.

8.2 No claim by the Buyer in respect of the quality of the Product delivered, quantity of Product delivered, or any other reason, may exceed the Agreement price, except as provided for in clause 8.3 below. The Agreement price shall be the price that should have been applied according to the Agreement terms if a bill of lading had been issued on the last of the lay days.

8.3 Where the loading port is not operated by the Seller or an associated company of the Seller, any claims in respect of shortage of quantity or variation of quality of the Product shall be recoverable only in accordance with the usual terms applicable for the purchase of Product at the loading port and the Buyer shall not be entitled to recover any costs, losses or damages incurred arising out of any shortage in quantity or variation of quality of the Product from the Seller unless the Seller is able to recover and does recover such shortage or compensation or variation of quality from its supplier or other relevant third party, and then only to the extent of such recovery. The Seller shall, use all reasonable efforts to

recover from its supplier or other relevant third party any such costs, losses or damages for which the Buyer has submitted a claim in accordance with the provisions of this clause.

8.4 There are no guarantees, conditions, warranties or representations, express or implied, given in relation to the quality, merchantability, fitness or suitability of the Product, for any particular purpose or otherwise, which extend beyond the description of the Product and any specifications contained in the Agreement.

8.5 The provisions of this clause 8 shall continue to apply notwithstanding the termination or expiry of the Agreement for any reason whatsoever.

8.6 Buyer shall assume all risks and liability for loss, damage or injury to persons or property arising out of its possession, use, or resale of the Product either singly or in combination with other substances, and shall indemnify Seller accordingly.

9. Jurisdiction

The parties agree that all disputes or differences whatsoever between them arising out of or in connection with the Agreement, its construction or effect, any rights, duties and liabilities of the parties under the Agreement, or any matter arising therefrom or connected therewith, shall be submitted to the exclusive jurisdiction of the High Court sitting in London, and to service of process by registered mail.

10. Applicable law

10.1 The laws of England shall govern the construction, validity and performance of the Agreement to the exclusion of any other law which may be imputed in accordance with choice of law rules applicable in any jurisdiction.

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

10.3 Each party to the Agreement warrants that it has entered the Agreement in its commercial capacity and that it is in this respect subject to civil and commercial law. Each party hereby irrevocably and unconditionally waives any rights of sovereign immunity (whether related to service of process, attachment prior to the execution, or attachment in aid of execution) which it may have or which it may subsequently acquire in respect of its status or any of its assets.

11. Time Limitation

In addition to the specific provisions and time limits in the Agreement concerning demurrage, quality and quantity, all disputes or differences whatsoever which at any time arise after the date of the Agreement between the parties to the Agreement touching or concerning the Agreement or its effect or as to the rights, duties and liabilities of the parties hereto or either of them under or by virtue of the Agreement or otherwise or as to any other matter in any way connected with or arising out of or in relation to the subject matter of the Agreement shall be commenced within either two years of the date of the Agreement or two years of the date of the event giving rise to the cause of action, failing

which such dispute or difference shall be deemed to have been waived and shall be time barred and no claim whatsoever may be brought in respect thereof.

12. Notices

12.1 All notices and other communications given under the Agreement shall be in writing and unless otherwise specified in the Agreement shall be deemed to have been given and delivered when despatched, provided the notice is despatched within business hours, by telex, cable or telefax to the Seller at its address at either:

Repsol Materials, S. A.
Calle de Méndez Alvaro nº 44,
28045 Madrid
SPAIN
(34) 917 538 000
(34) 917 538 100

and to the Buyer at its address specified in the Agreement.

12.2 Any change of address, telephone, telex or fax details must be notified to the other party in writing, at least 14 working days prior to the change taking effect.

13. Rights Power and Remedies

13.1 No failure or delay on the part of the Seller or the Buyer in exercising any right, power or remedy under the Agreement and no course of dealing between the Seller and the Buyer shall operate as a waiver by the Seller or the Buyer of any such right, power or remedy, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy under the Agreement.

13.2 The remedies in the Agreement provided to the Seller or the Buyer are cumulative and not exclusive of any legal rights or remedies which the Seller may otherwise have.

13.3 Except as required by the Agreement, no notice or demand upon the Seller or the Buyer in any case shall entitle the Seller or the Buyer to any other or future notice or demand in similar or other circumstances or constitute a waiver of the right of the Seller or the Buyer to take any other or future action in any such circumstances without notice or demand.

14. Amendments and waiver

14.1 Any amendment or waiver of any provision of the Agreement shall not be effective unless it is made by the express written agreement of both parties.

14.2 Any waiver of any breach of any provision of the Agreement by either party shall not be considered to be a waiver of any subsequent or continuing breach of that provision unless expressly agreed otherwise by the parties in writing.

14.3 No waiver by either party of any breach of any provision of the Agreement shall release, discharge or prejudice the right of the waiving party to require strict performance by the other party of any other of the provisions of the Agreement.

14.4 Failure by either party to take action against the other party in case of any breach of any provision of the Agreement shall not be considered to be a waiver by either party of their right to take action for any subsequent breach of that or any other provision of the Agreement.

15. Severability

The invalidity, illegality or unenforceability of any one or more of the provisions of the Agreement shall in no way affect or impair the validity and enforceability of the other provisions of the Agreement.

16. Headings

All clauses, articles and section headings used in the Agreement are for convenience only and shall not affect the construction or interpretation of any of the terms and/or conditions of the Agreement.

17. Telephone recording

The Buyer acknowledges and consents that the Seller may electronically record telephone conversations between the Seller and the Buyer or any of the Buyer's agents, officials or servants. In case of disagreements, misunderstandings or any other problem, the electronic record may be used for the purposes of resolving such matters

18. Confidentiality

Each of the parties expressly agrees to keep this Agreement and any related information and documents strictly confidential.

19. Change in regulations

19.1 It is understood by the parties that the Seller is entering into the Agreement in reliance on the laws, rules, regulations, decrees, agreements, concessions and arrangements («regulations») in effect on the date of the Agreement with governments, government instrumentalities or public authorities affecting directly or indirectly the Product sold under the Agreement including, but without limitation to the generality of the foregoing, those relating to the production, acquisition, gathering, manufacturing, transportation, storage, trading or delivery of this particular Product, insofar as such regulations affect the Seller or the Seller's supplier(s).

19.2 If at any time and from time to time during the currency of the Agreement any regulations are changed or new regulations have become or are due to become effective, whether by law, decree or regulation or by response to the insistence or request of any governmental or public authority or any person purporting to act for such organisations, and the material effect of such changed or new regulations is

a. not covered by any other provision of the Agreement; and

b. has or will have a material adverse economic effect on the Seller,

the Seller shall have the option to request renegotiation of the price(s) or other relevant terms of the Agreement. Such option may be exercised by the Seller at any time after such changed or new regulations are notified by written notice to the Buyer, such notice shall contain the new price(s) and/or terms and conditions desired by the Seller. If the parties do not agree upon the new price(s) or terms and conditions within 15 days after the date of the Seller's notice, either party shall have the right to terminate the Agreement immediately at the end of such 15 day period. Any Product 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.

20. Health, Safety and Environment

1. If applicable, the seller shall provide to the buyer a copy of the current material safety data sheet (MSDS) and any other information relating to the health safety and environmental data in connection with the product hereunder, in compliance with the requirements of any applicable laws, rules or regulations, including but not limited to regulation (EC) n° 1907/2006 of the European Parliament and of the council of 18 December 2006 concerning the registration, evaluation, authorization and restriction of chemicals (REACH).

MSDS will be delivered in the official language of the receiving country and when required, it will contain the number CAS, EINECS (of the substances mentioned in the MSDS) and REACH registration number.

2. In providing the buyer with the current MSDS and substance identifiers, seller provides no warranty or representation as to its accuracy or completeness. Notwithstanding any other provision to the contrary in this agreement, seller accepts no liability for loss, damage, delay or expense incurred by the buyer for whatever reason arising from its reliance on the accuracy of the substance identifiers provided and the existence of a valid (pre) registration of the substances.

3. For products originated outside, and to be imported into the EEA:

(A) The importer of the product shall comply with those of its obligations under REACH which are applicable to the physical introduction of the products into the EEA. (B) if an only representative (as defined by REACH) has been appointed by a non-EEA manufacturer or manufacturers of each substance contained in or comprising the product, the seller shall inform the buyer of that fact and provide the relevant written statement and the contact details of the only representative to the buyer.

4. For products originated within the EU or EEA (as defined for REACH purposes) the seller warrants that any REACH obligations in respect of the product sold to the buyer have been completed with.

5. In the case of substances registered as transported isolated intermediates, the buyer/recipient shall receive from the seller the strictly controlled conditions (SCC) document which shall have to be signed, stamped and returned by the buyer/recipient to seller in accordance with the requirements of any applicable laws and rules concerning the registration, evaluation, authorization and restrictions of chemicals (REACH)

6. The Buyer shall provide all relevant third parties, including but not limited to, its employees, tankship crew, contractors, a copy of the Seller's current Material Safety Data Sheet or, in its absence, a comparable Material Safety Data Sheet issued by the Buyer (MSDS) and/or any other relevant information relating to the danger to health and environment of the Product, the Buyer shall be responsible for ensuring that all relevant obligations, recommendations, international regulations directives, conventions, or guidelines are complied with.

7. The Buyer shall not be entitled to an indemnity from the Seller for any liability, claim or proceeding whatsoever for loss, damage or personal injury resulting from any hazards inherent in the nature of the Product delivered under the Agreement.

8. Buyer's compliance with the recommendations contained in the MSDS or any other information provided to him shall not relieve him from compliance with any obligation or recommendation regarding the Product delivered hereunder established by any law, statute, regulation or directive in any territory, state or jurisdiction.

9. ISPS

i. Buyer in FOB sales and Seller in CFR, CIF and DES sales, shall procure that the vessel complies with the requirements of the International Code for the Security of Ships and of Port Facilities and the relevant amendments to Chapter XI of SOLAS (ISPS Code) and where the loading or discharge port, as applicable, is within the USA and US territories or waters, with the US Maritime Transportation Security Act 2002 (MTSA),

ii. The vessel shall when required submit a Declaration of Security (DoS) to the appropriate authorities prior to arrival at the loading or discharge port, as applicable.

iii. Notwithstanding any prior acceptance of vessel by Seller in FOB sales and Buyer in CFR, CIF and DES sales, if at any time prior to the passing of risk and title in FOB sales, or to the arrival of the vessel at the discharge port in CFR, CIF and DES sales, the vessel ceases to comply with the requirements of the ISPS code or MTSA:

> a. Seller in FOB sales and Buyer in CFR, CIF and DES sales, shall have the right not to berth such nominated vessel and any demurrage resulting shall not be for the account of the Seller in FOB sales and Buyer in CFR, CIF and DES sales.
>
> b. Buyer in FOB sales and Seller in CFR, CIF and DES sales, shall be obliged to substitute such nominated vessel with a vessel complying with the requirements of the ISPS Code and MTSA. In CFR, CIF and DES sales, if title and risk to the cargo on board the vessel subsequently substituted pursuant to this section iii.b. has already passed to the Buyer, such title and risk shall be deemed to have reverted to the Seller.

iv. a. Seller in FOB sales and Buyer in CFR, CIF and DES sales, shall procure that the loading or discharge port./ terminal/ installation, as applicable, shall comply with the requirements of the International Code for the Security of Ships and of Port Facilities and the relevant amendments to Chapter XI of SOLAS (ISPS Code) and if located within the USA and US territories, with the US Maritime Transportation Security Act 2002 (MTSA)

b. Any costs or expenses in respect of the vessel including demurrage or any additional charge, fee or duty levied on the vessel at the loading or discharge port, as applicable, and actually incurred by Buyer

in FOB sales and Seller in CFR, CIF and DES sales, resulting directly from the failure of the loading or discharge port / terminal / installation, as applicable, to comply with the ISPS Code and if located within the USA and US territories, with the MTSA, shall be for the account of the Seller in FOB sales and Buyer in CFR, CIF and DES sales, 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.

v. Save where the vessel has failed to comply with the requirements of the International Code for the Security of Ships and of Port Facilities and the relevant amendments to Chapter XI of SOLAS (ISPS Code) and within the USA and US territories or waters, with the US Maritime Transportation Security Act 2002 (MTSA), Seller in FOB sales and Buyer in CFR, CIF and DES sales, shall be responsible for any demurrage actually incurred by the Buyer in FOB sales and Seller in CFR, CIF and DES sales, arising from delay to the vessel at the loading or discharge port, as applicable, resulting directly from the vessel being required by the port facility or any relevant authority to take any action or any special or additional security measures or undergo additional inspections by virtue of the vessel's previous ports of call.

vi. The Seller's in FOB sales and Buyer's in CFR, CIF and DES sales. liability to the Buyer in FOB sales and Seller in CFR, CIF and DES sales, under this agreement for any costs, losses or expenses incurred by the vessel, the charterers or the vessel owners resulting from the failure of the loading or discharge port / terminal / installation, as applicable, to comply with the ISPS Code or MTSA shall be limited to the payment of demurrage and costs actually incurred by the Buyer in FOB sales and Seller in CFR, CIF and DES sales, in accordance with the provisions of this clause.

21. Third party rights

No term of the Agreement shall be enforceable under the Contracts (Rights of Third Parties) Act 1999 by any person, company or other legal entity which is not a party to the Agreement against one of the parties to the Agreement. The parties may rescind or vary the Agreement in whole or in part, subject to the provisions of clause 4, without the consent of any third party.

PART II. FOB

22. Delivery

22.1 Title and risk

22.1.1 Notwithstanding any right of the Seller to retain documents until payment, delivery of

The Product shall be deemed completed and title and risk shall pass to the Buyer when the product passes the manifold flange connection of the vessel's delivery hose at the loading port. At that point the Seller's responsibility for the Product shall cease, and the Buyer shall assume all risk of loss or damage including but not limited to deterioration or evaporation of the product delivered.

22.1.2 Any loss of or damage to the Product during loading, or any consequences of Product pollution, or any environmental damage or contamination of the seawater, if caused by the vessel or its officers or crew, shall be for the account of the Buyer.

22.1.3 The Buyer shall indemnify the Seller for any claim made by the Seller's supplier(s) against the Seller in respect of damage to any facilities at the loading port caused by the Buyer's vessel.

22.2 Independent inspection

The Buyer and the Seller will appoint an inspection company, mutually agreed, with costs to be shared equally. The Seller shall ensure that the independent inspector shall have full access to the facilities at the loading port necessary to enable him to perform his duties. The report of such independent inspector shall include quality and net quantity and shall, except in case of fraud or manifest error, be conclusive and binding on both parties for invoicing purposes.

23. Quality

23.1 The Product to be supplied shall be of the quality, description or specification as set out in the Special Provisions. The quality of the Product shall be determined at the loading port in accordance with the latest ASTM standards and API Manual of Petroleum Measurement Standards (MPMS) or according to good standard practice in use at the loading port at the time of shipment.

23.2 The certificate of quality (or other equivalent document) issued at the loading port shall, except in cases of manifest error or fraud, be conclusive and binding on both parties.

23.3 Unless otherwise agreed, the quality of the Product shall be stated from a composite sample taken at the loading port in accordance with good standard practice at the loading port at the time of shipment. The sample will be retained in three sealed containers, two of which shall be kept at the loading port, the third one being placed on board the receiving vessel. The samples shall be kept for a period of three months.

23.4 Quality claims

23.4.1 Any complaint of variation of quality shall be admissible provided that:

a. a fully documented claim is presented to the Seller within 20 days after the date on which the discharge of the Product has been completed, and in all cases within 45 days after the date on which the loading of the Product has been completed; and,

b. it includes a copy of the report of analysis carried out by an independent inspection company on the load port sample on board the receiving ship («the sample placed on board») showing that the quality of the sample placed on board at the load port does not comply with the Agreement differing by an amount more than the reproducibility per the applicable standards

23.4.2 In the event that the report of analysis referred to at (b) above is not accepted by the Seller, one of the sealed samples («the official sample») kept at the loading port shall be referred for new analysis to a mutually acceptable independent laboratory of international reputation. Each party has the right to appoint a representative for witnessing the new analysis.

23.4.3 The costs of this new analysis shall be for the Buyer's account.

23.4.4 The results of the new analysis shall be conclusive and binding on both parties.

23.4.5 If the Buyer fails to comply with the provisions of this clause 23.4, all claims regarding quality shall be deemed to have been waived by the Buyer and no claim may be brought in respect of them.

23.4.6 This clause 23 constitutes the whole of the Seller's obligations with respect to the quality of the Product supplied and all statutory or other conditions or warranties express or implied with respect to the description, merchantability or quality of the Product or its fitness for any purpose are excluded. The Buyer agrees with the provisions of this clause 23 and acknowledges that it is fully familiar with the characteristics of the Product.

24. Quantity

24.1 Unless otherwise agreed, the quantity of the Product loaded shall be determined by shore measurements taken at the loading port and carried out in accordance with good standard practice at the load port at the time of shipment.

24.2 The certificate of quantity (or other equivalent document) issued at the loading port shall be final and binding for purposes of the quantity stated in the bill of lading and the obligation of the Buyer to make payment in accordance with the provisions of clause 3.

24.3 Nothing in clause 24.2 shall prejudice the right of either party to challenge the accuracy of the measurement taken and recorded in the certificate of quantity (or other equivalent document) in a proceeding instituted under the provisions of clause 9, provided that no such challenge may be made by the Buyer unless:

a. written notice of protest of the Seller's measurement of the quantity loaded shall have been given by the Buyer's representative prior to the time that the vessel has cleared berth at the loading port; and,

b. a fully documented claim is presented to the Seller within 20 days after the time that the vessel has cleared berth at the loading port, and in all cases within 45 days after the date on which the loading of the Product has been completed; and,

c. the fully documented claim includes a copy of the full report issued by the independent inspection company at the discharge port and the receiving vessel's ullage reports at the load port and discharge port.

24.4 If the Buyer fails to comply with the clause 24.3, all claims regarding quantity shall be deemed to have been waived by the Buyer and no claim may be brought in respect of them.

24.5 In any case the Seller shall not be liable for more dead freight than the total amount that the Buyer may have suffered.

24.6 No claim shall be made or allowed in respect of any shortage of quantity where the difference between the quantity stated in the bill of lading and the quantity discharged at Receiver's installation is 0.5% of the quantity recorded in the bill of lading or less.

25. Quality

25.1 Nomination

25.1.1 Unless otherwise provided in the Agreement, the Buyer shall advise the Seller, during business hours, of the vessel nomination no later than five (5) working days (hereinafter, «the deadline»), prior to the first day of the agreed lay days.

25.1.2 If the vessel is rejected, or the Buyer fails to nominate a vessel, the Buyer shall be responsible for any delay and all the costs and consequences arising from the delay.

25.1.3 Notice of nomination shall be given in writing and shall include the following:

a. the name of the vessel as well as its IMO registration number (and its previous name(s), if changed within the preceding twelve months), date built, flag, deadweight, length, beam, draught and such other information as may be required by the loading terminal operator from time to time;

b. the destination of the vessel; in any case, the final destination will be declared no later than the deadline;

c. the grade and quantity of Product to be loaded; in no event, will the Buyer declare the final quantity to be loaded later than the fourth day prior to the first day of the lay days;

d. the E.T.A. of the vessel at the loading port;

e. the ship agent at the loading port;

f. details of any cargo on board if loading a part cargo; if the Buyer fails to declare the nature, quality and quantity of any part cargo on board or if the vessel arrives at the loading port carrying on board different cargoes than those declared, or if the in transit cargoes are rejected by the loading terminal, the Seller shall have the right to refuse to berth the vessel or to make it anchor if she has already berthed, the Buyer will be fully responsible for all the costs and consequences arising from any action required under this clause;

g. demurrage rate for the voyage;

h. full written instructions regarding the preparation and disposition of bills of lading and such other customary loading port documentation, which may be required. The Buyer shall be liable for all costs resulting from any delays in loading the Product due to failure by the Buyer to supply such information in a timely manner. If the Buyer fails to send such information and documentation before the deadline, the Seller shall have the right to produce all documentation necessary for the vessel to leave the loading port, not being liable for any possible direct or indirect consequences;

i. such other information as the Seller may reasonably require.

25.1.4 A T.B.N. nomination shall not be considered a valid nomination for the purposes of the Agreement.

25.1.5 Notwithstanding the foregoing, should the Buyer fail in nominating a vessel or in providing any of the information required under this section 25.1 in a timely manner, the Seller shall have the right

to refuse loading the vessel; but if the Seller accepts to load the vessel, then the nomination shall be effective subject to the provisions of sub-section 26.3, so running hours shall not commence until such time as the vessel has actually commenced loading.

25.2 Rejection of nomination

25.2.1 Notwithstanding anything to the contrary express or implied elsewhere in the Agreement the Seller shall have the right to reject any nomination made by the Buyer, within one full working day of the receipt of the nomination, including a substitute nomination, or to refuse to accept for loading any vessel, on any grounds which the Seller considers reasonable. Any vessel can be rejected at any time by the Seller if all or part of the information provided by the Buyer at the time of nomination is found to be false or inaccurate.

25.2.2 The Seller shall incur no liability in refusing to accept a nomination and the Seller's acceptance of any vessel for loading shall not constitute a continuing acceptance of such vessel for any subsequent loading.

25.2.3 The Seller shall not have the obligation to give the Buyer the reasons for having refused any vessel.

25.3 Vessel's warranties

25.3.1 The Buyer hereby declares that it is familiar with all limitations of the loading port or area and shall not nominate a vessel exceeding such limitations and that in operational and technical aspects nominated vessels shall be in full compliance with all applicable laws, regulations and other requirements of the country of the vessel's registry and countries, port authorities and terminals at which vessel may be loading or calling.

25.3.2 The Buyer warrants that ship owners, throughout the currency of the charter related to the Agreement will maintain the certificate issued pursuant to the Civil Liability Convention 1969 or the 1992 Protocols to that Convention (or any amendment thereto), whichever be the case.

25.3.3 The Buyer warrants that during the currency of the charter the owners shall maintain adequate cover up to US$ 1000 million and in accordance with the terms of the Civil Liability Convention 1969 or the 1992 Protocols (or any amendment thereto). Otherwise the Buyer holds the Seller harmless for any damage or loss arising from that failure.

25.3.4 The Buyer warrants that each vessel loaded shall be manned and maintained so as to fully comply with the standards set out in ISGOTT, comply with appropriate IMO recommendations and comply with the OCIMF guidelines for the control of drugs and alcohol on-board ship (1990), and every further revision or amendment.

25.3.5 If requested by the Seller, the Buyer also agrees that the terms of this clause 25.3 will be incorporated into any bill of lading issued in respect of the Product sold under the Agreement.

25.3.6 The Vessel shall have on board at all times a valid ISM certificate and the owners, before and during the voyage, comply with the requirements of the ISM Code.

25.3.7 Any Vessel fitted with an inert gas system(«IGS») will not be permitted to berth or to load or discharge Product unless the IGS is in good order, operative and if required , the cargo tank´s inert. If, inerting is required, and vessel arrives with the IGS inoperative, the Vessel will not be berthed until the

IGS is operative and the cargo tanks inert and until that time NOR shall not be effective, and Lay time shall not start counting until commencement of loading or discharge, as the case may be

25.4 Vessel's Compliance

The Buyer warrants that the vessel complies with MARPOL 73/78, Annex I as amended, as well as any other international, European or national laws or regulations applicable to chemical tankers, especially those related to single/double hull. In this respect the Buyer shall contact with vessel local agents at loading or discharge port, as applicable, in order to get updated information on international, European, and national laws and regulations, and to obtain from the relevant authorities any required authorization, which shall be faxed to Seller. All applicable local and port authority regulations, and any other requirements of whatever nature applicable at the loading terminal, shall apply to the Buyer's vessel. If the vessel does not comply with any of the foregoing provisions, the Seller or the Seller's suppliers might refuse to berth or load the vessel. Seller shall not be liable for any loss, damage or delay derived from vessel's non-compliance with any of the foregoing provisions.

25.5 Substitution of vessel

The Buyer shall have the right, with prior notification to the Seller in writing, to substitute, at least three (3) local working days prior to the first day of the agreed lay days, the nominated vessel by another vessel of similar class, type, size, capacity and position, complying with the provisions and warranties under clause 25.3 provided that the substitute vessel tenders N.O.R. to load before or within the agreed lay days and that the Buyer shall provide in the substitute nomination notice the same details as required under clause 25.1.

25.6 ETA

25.6.1 The Buyer shall arrange for the vessel to give to the Seller or the Seller's suppliers its E.T.A. at the loading port by telex or cable at least 72 hours before arrival, again at least 48 hours before arrival and again at least 24 hours prior to arrival, thereafter promptly advising any variation of more than 2 hours.

25.6.2 If the Buyer's vessel fails for any reason to give any of the required ETAs, then running hours shall commence counting 72 hrs after the vessel has tendered NOR at load port or when the vessel commences loading, whichever occurs first.

25.6.3 Any delays resulting from any failure to give the required notices shall not count as lay time nor, if the vessel is on demurrage, as time on demurrage.

25.7 Shifting

The Seller shall have the right to shift the vessel from one berth to another. Lay time and shifting costs shall be for the Seller's account if such shifting is for the Seller's purposes, otherwise shifting costs, including but not limited to shifting costs due to bad weather conditions, shall be for the Buyer's account.

25.8 Port and loading expenses

All expenses ashore pertaining to the pumping of the Product from shore tanks to the loading vessel shall be borne by the Seller. All other expenses pertaining to the vessel, including without limitation all, duties, fees, taxes, quay dues and other charges, and all charges relating to the berthing and

unberthing of the vessel including without limitation all as pilotage, mooring and towage expenses incurred at the loading port, shall be borne by the Buyer.

25.9 Vacation of berth

The Buyer's vessel shall vacate the berth as soon as loading hoses have been disconnected, provided that the vessel's departure is not delayed awaiting production of loading port documents unless such documents can be delivered to the vessel at a suitable anchorage or where early departure procedure («EDP») is applied. If the vessel fails to vacate the berth, unless for reasons attributable to the Seller, its supplier or the loading port operator, any loss or damage suffered by the Seller or its supplier or the loading port operator or any third party resulting from such failure, including such as may be incurred by other vessels awaiting their turn to load, shall be paid by the Buyer to the Seller.

25.10 Berth utilization

Notwithstanding clause 25.8, if at the loading port the Seller's supplier or any agency (whether or not an associated company of the Seller) imposes on the Seller, in respect of the Buyer's vessel, an excess berth utilisation charge in accordance with the loading port regulations or a contractually agreed or otherwise established scale for any hours of berth utilisation in excess of a specified period of hours (as such scale may be advised by the Seller to the Buyer from time to time), but does not impose such charge directly on the Buyer's vessel itself, such charge shall be for the Buyer's account. For the avoidance of doubt, it is agreed that for the purposes of this clause 25.9 that any technical failure or breakdown of the vessel shall be a cause within the control of the vessel and the Buyer.

26. Lay time and demurrage

26.1 The nominated vessel shall arrive at the loading port or area, tender N.O.R. and complete formalities and shall be in all respects ready for loading within the agreed lay days range. If the nominated vessel does not arrive within the agreed lay days, the Seller shall not be obliged to load the vessel. Should the Seller load the vessel, it shall be without prejudice to the rights and remedies of the Seller.

26.2 Time allowed The time allowed to the Seller for loading a full or part cargo shall be duly specified in nomination and mutually agreed between Buyer and Seller, weather permitting, Sundays and holidays included, unless loading on the Sunday or holiday in question is prohibited by law or regulation at the loading port.

26.3 Running hours

26.3.1 Time allowed for loading shall commence, berth or no berth, 6 hours after N.O.R. is tendered in writing to the Seller or its representative by the master of the vessel, or his representative, or when the vessel is securely moored at the berth or other loading place, whichever occurs first. The N.O.R. shall only be valid when tendered after the vessel has entered the commercial area of the loading port and the vessel is ready to load in every respect.

26.3.2 If the nominated vessel loads Product purchased by the Buyer from the Seller in addition to other cargoes at the same loading port (a part cargo), the time allowed for loading such part cargo shall not commence until the vessel is securely moored at the berth or other loading place at the Seller's loading terminal and is ready to load. However, if the different part cargoes are loaded at the

same berth, the time allowed for loading the Seller's part cargo shall not start counting until loading has actually commenced.

26.3.3 If N.O.R. is given by the vessel before the agreed lay days, the time allowed shall commence at 0600 hours of the first day of such lay days, or upon commencement of loading, whichever occurs first.

26.3.4 If N.O.R. is given by the vessel after the agreed lay days and the Seller accepts to load the vessel the time allowed shall commence upon commencement of loading.

26.3.5 Where the vessel serves a N.O.R. and the vessel is not in every way ready to load, including but not limited to being ready in accordance with the presentation provisions of the Agreement or the security requirements of the loading terminal, then the N.O.R. shall be deemed to have been served when the vessel has been made ready and has been inspected and passed by port authorities or the Seller or its agent or such independent inspector as may have been agreed between the Seller and the Buyer.

26.3.6 The period of time for loading the Products shall cease upon disconnection of the loading hoses immediately after loading is completed.

26.3.7 Whether or not the vessel is on demurrage, any time taken for any of the following purposes shall not be counted or included in calculating the time taken by the Seller to load the Product or time in respect of which the Seller is liable for demurrage:

a. inward passage until the vessel is securely moored at the berth or any other loading place or passage from berth to lightering place if lightering is to take place at the anchorage or other loading place (such passage will not be considered to be shifting under clause 25.7);

b. awaiting daylight, tugs, tide, pilot, free pratique or customs or immigration procedures or local administration requirements or sanitary clearance or any other reason of similar nature beyond the Seller's control;

c. time taken due to bad weather and/or sea conditions or port closure by port authority before or during or after the vessel has berthed;

d. time taken in handling or preparing to handle ballast, slops, bunkers or other substances, unless this is carried out concurrently with loading or other normal cargo operations;

e. time taken in cleaning and/or inspecting and/ or inert the vessel's cargo tanks.

f. time taken for handling, and/or cleaning and/ or changing and/or inert the ship lines;

g. time spent in complying with the regulations and other requirements of loading operations of the terminal;

h. time spent in complying with local laws, regulations or intervention by local authorities including but not limited to prohibiting operating at night;

i. vessel's breakdown or failure to comply with the requirements of the loading terminal with respect to equipment aboard or for any other cause whatsoever attributable to the vessel or its crew causing restrictions to loading operations;

j. time spent due to labour disputes, strikes, go slows, work to rules, lockouts, stoppages or restraints of labour involving master, officers or crew of the vessel or tugboats or pilots or mooring men;

k. delays caused by the failure of the Buyer to comply with any of the terms of the Agreement including but not limited to delays caused by the vessel's master or her representatives' failure to give the appropriate E.T.A. as provided in clause 25.6;

l. restrictions imposed by the owner, charterer or master of the vessel;

m. any other delay attributable to the vessel, the Buyer or agents of the Buyer.

26.4 Demurrage

26.4.1 If the total time for loading all the Products exceeds the time allowed under clause 26.2, the Seller shall pay to the Buyer demurrage at the rate specified in the Buyer's nomination. Notice for such excess time, provided always that the Buyer has fully satisfied the nomination requirements, under clause 25, and the Buyer has not restricted the loading rate. The Seller shall not be liable for any other loss and/or damages, direct or indirect, which the Buyer may suffer as a result of the Product not being loaded within the time allowed in clause 26.2.

26.4.2 In the event of any delay of any kind or from any cause whatsoever whether in connection with the scheduling of the vessel's turn to load (including any changes in such scheduling), provision of a berth for the vessel, berthing or loading of the vessel or otherwise howsoever without limitation, and provided always that the vessel is eventually loaded, any rights of the Buyer against the Seller, however the same may arise and whether or not arising under the Agreement, shall be limited to any claim for the payment of demurrage as hereinafter specified, excluding any kind of port expenses directly attributable to time spent in such demurrage, and the Buyer shall not be entitled to complain directly or indirectly of any delay except for the purpose of founding a claim to such demurrage.

26.4.3 Notwithstanding anything contained in the Agreement to the contrary, if the Seller is, by any cause whatsoever reasonably beyond its control, prevented, delayed or hindered from or in obtaining or bringing to the loading port the Product required for the shipment under the Agreement or any part thereof, or from or in loading the same, any time lost, whether in the commencement, carrying out or completion of the loading, shall not be counted or included in calculating the time taken by the Seller to load such shipment and any time so lost after the time allowed for loading as hereinbefore provided which shall have expired shall not be counted or included in calculating the time in respect of which the Seller is liable for demurrage.

26.4.4 The appropriate rate of demurrage to be used for the purposes of this clause shall be the agreed rate in the special provisions for that voyage. Notwithstanding the foregoing, if there is no such a rate in the Special Provisions or the rate exceeds the AFRA rate applicable to a vessel of the type to move such cargo in similar trade under market conditions prevailing published at the beginning of the month in which the Vessel loads, irrespective of the reference period mentioned in the publication, the AFRA shall prevail and be applicable.

26.4.5 When a nominated vessel loads less than a full cargo or it loads a part cargo, for the purposes of determining the appropriate rate of demurrage, a vessel which has a summer deadweight equal to the cargo or part cargo plus 5 % shall be deemed to have been used.

26.4.6 In case the nominated vessel is part loaded with Product being delivered to the Buyer by another supplier at the same berth, the Seller shall only be liable for demurrage insofar as and to the extent that demurrage arises as a result of delay in loading the part cargo delivered by the Seller.

26.4.7 In any case, the Seller shall not be liable for more demurrage than the total amount that the Buyer may have suffered.

26.5 Demurrage claim

26.5.1 Notwithstanding clause 26.4, the Seller shall not be liable for demurrage under the Agreement unless a demurrage claim notice has been submitted to the Seller in writing within 30 days from the date of the bill of lading. The fully documented claim is to be received in writing within 90 days from the date of the bill of lading.

26.5.2 The fully documented claim shall include:

I. owner's calculation for demurrage and dispatch for loading/discharge at load port / discharge port;

II. the charter party and/or fixture recap;

III. time log/statement of facts by the terminal;

IV. E.T.A. notices;

V. any L.O.P. (Letter of Protest);

VI. N.O.R.

26.5.3 In order to effect payment of any demurrage, the Buyer must previously deliver the proof of payment of the same to owners.

26.5.4 If the Buyer fails to comply with the this clause 26.5, all claims regarding demurrage shall be deemed to have been waived by the Buyer and no claim may be brought in respect of them.

PART III. CFR, AND CIF

27. Delivery

27.1 Title and risk

27.1.1Notwithstanding any right of the Seller to retain documents until payment, delivery of the Product shall be deemed completed and title and risk shall be vested in the Buyer when the Product passes the manifold flange connection of the vessel's delivery hose at the loading port. At that point the Seller's responsibility with respect to the Product shall cease, and the Buyer shall assume all risk of loss or damage including but not limited to deterioration or evaporation of the Product delivered.

27.1.2 In the case of delivery as a part cargo lot where the Product deliverable under the Agreement is not identifiable or ascertainable on board the Seller's vessel separately from Product destined for receivers other than the Buyer, the Buyer agrees to be allocated, and accept risk and title, in accordance with clause 27.1.1, in such percentage of the total quantity of Product loaded as is represented by the bills of lading issued to the Buyer in relation to the total quantity of Product recorded in all the bills of lading issued in respect of the voyage in question.

27.1.3 If the vessel has commenced or completed loading prior to being nominated to the Buyer as per clause 31, the risk in the Product delivered shall be deemed to have passed to the Buyer as the Product passes the manifold flange of the vessel's delivery hose at the loading port and the title of the Product shall pass immediately upon receipt by the Seller of the Buyer's acceptance of such nomination.

27.2 Independent inspection

The Buyer and the Seller will appoint an inspection company, mutually agreed, with costs to be shared equally. The Buyer shall ensure that the independent inspector (and any representative of the Seller which the Seller may appoint) shall have full access to the facilities at the discharge port necessary to enable him to perform his duties. The report of such independent inspector shall include quality and net quantity and shall, except in case of fraud or manifest error, be conclusive and binding on both parties for invoicing purposes.

28. Quality

28.1 The Product to be supplied shall be of the quality, description or specification as set out in the Sales contract or agreement in the Special Provisions. The quality of the Product shall be determined at the loading port in accordance with the latest ASTM standards and API MPMS. or, in their absence, according to good standard practice in use at the loading port at the time of shipment.

28.2 The certificate of quality (or other equivalent document) issued at the loading port shall, except in cases of manifest error or fraud, be conclusive and binding on both parties.

28.3 Unless otherwise agreed, the quality of the Product shall be stated from a composite sample taken at the loading port, in accordance with good standard practice at the loading port at the time of shipment. The sample will be retained in three sealed containers, two of which shall be kept at the loading port, the third one being placed on board the receiving vessel. The samples shall be kept for a period of three months.

28.4 Quality claims

28.4.1 Any complaint of variation of quality shall be admissible provided that:

a. a fully documented claim is presented to the Seller within 20 days after the date on which the discharge of the Product has been completed, and in all case within 45 days after the date on which the loading of the Product has been completed; and,

b. it includes a copy of the report of analysis carried out by the inspection company on the load port sample on board the receiving ship («the sample placed on board») showing that the quality of the sample placed on board at the load port does not comply with the Agreement differing by an amount more than the reproducibility per the applicable standards.

28.4.2 In the event that the report of analysis referred to at (b) above is not accepted by the Seller, one of the sealed samples («the official sample») kept at the loading port shall be referred for new analysis to a mutually acceptable independent laboratory of international reputation. Each party has the right to appoint a representative for witnessing the new analysis.

28.4.3 The costs of the new analysis shall be for the Buyer's account.

28.4.4 The results of the new analysis shall be conclusive and binding on both parties.

28.4.5 If the Buyer fails to comply with the procedure in this clause 28.4, all claims regarding quality shall be deemed to have been waived by the Buyer and no claim may be brought in respect of them.

28.4.6 This clause 28 constitutes the whole of the Seller's obligations with respect to the quality of the Product supplied and all statutory or other conditions or warranties express or implied with respect to the description, merchantability or quality of the Product or its fitness for any purpose are hereby excluded. The Buyer hereby agrees with the provisions of this clause 28 and, acknowledges that it is fully familiar with the characteristics of the Product.

28.4.7 In case of a quality discrepancy, the Buyer will proceed with a formal claim according to this clause 28.4, but no claim exempts the Buyer from its obligation to discharge the Product.

29. Quantity

29.1 Unless otherwise agreed, the quantity of the Product loaded shall be determined by shore measurements taken at the loading port and carried out in accordance with good standard practice in use at the loading port at the time of shipment.

29.2 The certificate of quantity (or other equivalent document) issued at the loading port shall be final and binding for the purposes of the quantity stated in the bill of lading and the obligation of the Buyer to make payment in accordance with the provisions of clause 3.

29.3 Nothing in clause 29 shall prejudice the right of either party to challenge the accuracy of the measurement taken and recorded in the certificate of quantity (or other equivalent document), in a proceeding instituted under the provisions of clause 9, provided that no such challenge may be made by the Buyer unless:

a. written notice of protest of the Seller's measurement of the quantity loaded shall have been given by Buyer's representative prior to the time that the vessel has cleared berth at the loading port; and

b. a fully documented claim is presented to the Seller within 20 days after the time that the vessel has cleared berth at the loading port, and in all cases within 45 days after the date on which the loading of the Product has been completed; and,

c. the fully documented claim includes a copy of the full report issued by the independent inspection company at the discharge port and the receiving vessel's ullage reports at the load port and discharge port.

29.4 If the Buyer fails to comply with the above, all claims regarding quantity shall be deemed to have been waived by the Buyer and no claim may be brought in respect of them.

29.5 No claim shall be made or allowed in respect of any shortage of quantity where the difference between the quantity stated in the bill of lading and the quantities discharged at Receiver's installations is 0.5% of the quantity recorded in the bill of lading or less

30. Insurance

30.1 CFR deliveries

The Buyer shall be responsible for securing insurance whether against marine or other risks.

30.2 CIF deliveries

The Seller shall procure and pay for insurance against ordinary marine risks (excluding insurance against war, strikes, riots, civil commotions, blocking and trapping) to the full value of the shipment under the Agreement plus 10 %. Such insurance shall cover the shipment from passing the manifold flange connection of the vessel's delivery hose at the loading port to passing the permanent connection of the vessel's delivery hose at discharge port and shall be in accordance with the provisions of the Institute Cargo Claims (A) or ILU Bulk Product Clauses. The benefit of the insurance shall pass to the Buyer upon the passing of title and risk of the shipment to the Buyer as described in clause 27.1.

30.3 War Clause

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

I. to direct any vessel, to undertake or to complete the voyage to the loadport or discharge port if such vessel is required in the performance of the Agreement:

a. to transit or to proceed to or to remain in waters so that the vessel concerned would be involved in a breach of any institute warranties (if applicable) or, in the Seller's opinion, to risk its safety; or,

b. to transit or to proceed or to remain in waters where there is war (de facto or de jure) or threat thereof; or,

II. prior to the commencement of loading, to direct any vessel to undertake the voyage to the intended load port or discharge port if such vessel is required in the performance of the terms of the Agreement to transit waters which, in the Seller's reasonably held opinion, would involve abnormal delay; or,

III. to undertake any activity in furtherance of the voyage which in the opinion of the vessel's master could place the vessel, its cargo or crew at risk.

30.3.2 If the Seller agrees to direct a vessel to undertake or to complete a voyage as referred toin subsection 30.3.1 above, the Buyer undertakes to reimburse the Seller, in addition to other amounts payable under the Agreement, for costs incurred by the Seller in respect of any additional insurance premium including, but not limited to;

a. any and all costs in respect of war risk insurance for the vessel's hull and machinery in respect of the voyages to any of the ports of loading or discharge or any seas through which the vessel has to travel in the performance of the Agreement, including any additional insurance or war

risk insurance premium in excess of those prevailing at the date of the Agreement, as well as crew war bonuses or any other bonuses relating to the shipment; and

b. any other sums that the Seller may be required to pay to the vessel's owner including but not limited to any sums in respect of any amounts deductible under such owner's insurance and any other costs and/or expenses incurred by the Seller.

30.3.3 The Seller will advise the Buyer in a timely manner of the best estimation of any additional insurance costs as described in clause 30.3.2 above and the Seller will confirm final costs by invoice.

30.3.4 Payment of extra costs incurred will be subject to the presentation by the Seller of supporting documents from vessel's owner together with invoice.

31. Nomination

31.1 Nomination of vessel

31.1.1 Unless otherwise provided in the Agreement, the Seller shall advise the Buyer, during the Seller's normal business hours, of the vessel nomination no later than three (3) working days (hereinafter, «the deadline»), prior to the first day of the agreed laydays.

31.1.2 Such notice shall be given in writing and shall include:

a. the name of the vessel, date built, flag, deadweight, length, beam, summer draught;

b. the E.T.A. of the vessel at the loading port;

c. The last cargoes of the vessel in its previous voyage

d. details of any other cargo on board if delivery is a part cargo at discharge port;

e. the lay days at the loading port, or bill of lading date, and E.T.A. at discharge port.

31.2 Rejection or acceptance of nomination

31.2.1 The Buyer shall have one full working day after receipt of nomination to accept or reject the nomination in accordance with provisions (a) to (e) above. The Buyer's acceptance shall not be unreasonably withheld. The Buyer shall not reject the nomination on the basis that the nominated vessel is carrying a part cargo.

31.2.2 The Buyer shall incur no liability in reasonably denying acceptance, and the Buyer's acceptance of any vessel for loading shall not constitute a continuing acceptance of such vessel for any subsequent voyage.

31.2.3 In the event of rejection of nomination by the Buyer the Seller shall nominate a substitute vessel.

31.3 Vessel's warranties

31.3.1 The Seller hereby declares that nominated vessels shall be in full compliance with all applicable laws, regulations and other requirements of the country of the vessel's registry and countries, port authorities and terminals at which the vessel may be discharging.

31.3.2 The Seller warrants that ship owners, throughout the currency of the charter relating to the Agreement, will maintain the certificate issued pursuant to the Civil Liability Convention 1969 or the '1992 Protocols (or any further amendment thereto), whichever be the case.

31.3.3 The Seller warrants that during the currency of the charter the owners shall maintain adequate cover up to US$1000 million and in accordance with the terms of the Civil Liability Convention 1969 or 1992 Protocols (or any further amendments thereto). Otherwise the Seller holds the Buyer harmless from any damage or loss arising from that failure.

31.3.4 The Seller warrants that each vessel loaded hereunder shall be manned and maintained so as to fully comply with the standards set out in ISGOTT, comply with appropriate IMO recommendations and comply with the OCIMF guidelines for the control of drugs and alcohol on board ship (1990), and every further revision or amendment.

31.4 Substitution of vessel The Seller shall have the right, with prior notification in writing to the Buyer, to substitute prior to the first day of the agreed lay days, the nominated vessel by another vessel of similar type, size, and capacity, provided that the substitute vessel tenders N.O.R. to load before or within the agreed lay days and that Seller shall provide in the substitution advice the same details as in a nomination notice as provided in clause 31.1.2.

31.5 Nomination of discharge port

31.5.1 Within 2 working days at the loading port before the 1st day of the loading lay days, the Buyer must inform the Seller of the discharge port within the charter party range of destinations and must accommodate all the physical characteristics of the nominated vessel including, but without limitation, the length, beam and draught of the nominated vessel.

31.5.2 Buyer may request another discharging port as per charter party options, terms and conditions, and at charter party differential. Any additional freight or costs will be borne by the Buyer, and shall be paid as part of the price, at the same time and conditions. No change to the final discharge port shall be made without the Seller's written acceptance, which shall not be unreasonably withheld.

31.5.3 Full written documentary instructions including particulars and destination of bills of lading will be received by the Seller within 2 working days at the loading port before the first day of the loading lay days.

31.5.4 The Buyer shall be liable for all costs (including but not limited to demurrage) resulting from any delay at loading/discharge port due to the failure of the Buyer to supply the information provided for in this clause 31.5 in a timely manner

31.5.5 The Seller shall have the right to issue its own instructions if such instructions are not so provided by the Buyer in a timely manner.

31.6 Alternative discharge port

The Buyer shall have the option to nominate an alternative discharge port, always in accordance with the Special Provisions and provided that such option is available to the Seller under the terms of the relevant charter party. The Buyer shall be liable for any additional cost incurred by the Seller as a result of the alternative discharge port nomination

31.7 ETA

The Seller shall arrange for the vessel to give to the Buyer or its representatives the E.T.A.at the discharge port by telex or cable at least 72 hours before arrival, again at least 48 hours before arrival and again at least 24 hours prior to arrival, thereafter advising any variation of more than 2 hours, if possible and practicable

Unless otherwise specified by Contract or Incoterms, dates for discharge of the cargo, range of dates or fact of delivery are not provided in the form of a warranty, notwithstanding any vessel nomination or other communication by Seller specifying an arrival date, discharge date or other information related to cargo arrival and discharge.

31.8 Shifting

The Buyer shall have the right to shift the vessel from one berth to another within the discharge port provided that the vessel can when fully laden safely reach and leave and always safely lie afloat at such berth. All costs, including but not limited to damages for delay, shall be for the Seller's account if such shifting is due to reasons within the control of the Seller and/or the vessel and shall otherwise be for the Buyer's account.

31.9 Discharging expenses and dues on vessels

All dues and other charges at the discharge port shall be borne by the Buyer, unless defined by World scale to be for vessel owner's account.

31.10 Lightering

31.10.1 Vessels shall not be compelled to lighter at the discharge port, but if any lightering shall be undertaken at the request of the Buyer the expense thereof shall be for the Buyer's account and all time expended in connection with such lightering (without any deduction therefrom) shall count as discharging time for the purposes of calculating the liability for demurrage under the provisions of clause 32.

31.10.2 Any lightering or ship-to-ship transfer operations shall be carried out in accordance with the procedures set out in the ICS/OCIMF ship-to-ship transfer guides. The lightering vessel shall be subject to the Seller's prior acceptance in writing.

31.10.3 All time used for any lightering operation (excluding any time consumed for the purposes set out in section 32.5.8 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. Any additional steaming and / or waiting time used solely for the purposes of any lightering operation shall count as lay time or, if the vessel is on demurrage, as demurrage.

31.10.4 Except in relation to any lightering carried out at the request of and for the purposes of the Seller, any lightering operation carried out shall be at the Buyer's risk and 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. This subsection shall not be included in the scope of clause 31.8.

32. Lay time & Demurrage

32.1 Arrival of vessel

The nominated vessel shall arrive at the discharge port or area, tender N.O.R., complete formalities and shall be in all respects ready for discharging.

32.2 Berth

For the discharge of each shipment the Buyer shall provide or cause to be provided free of charge to the Seller a berth to be indicated by the Buyer or its representative at which the vessel can when fully laden safely reach and leave and where she can always lie safely afloat. The Buyer shall indemnify and hold the Seller fully harmless in respect of any damages or losses suffered by the Seller or in respect of any claim to which the Seller is exposed by reason of any breach of this clause 32.2.

32.3 Product washing and stripping

Any time taken during the discharge used for Product washing and / or stripping of cargo tanks and lines (except for that used to comply with Marpol Regulations) shall count against lay time or if already on demurrage, for demurrage

32.4 Time allowed

The time allowed to the Buyer for discharge shall be specified in nomination and or Sales agreement between Buyer and Seller

32.5 Running hours

32.5.1 Time allowed for discharge shall commence, berth or no berth, 6 hours after N.O.R. is tendered in writing to the Buyer or its representative by the master of the vessel or his representative, or when the vessel is securely moored at the berth or other discharge place, whichever occurs first.

32.5.2 If the nominated vessel is to discharge Product purchased by the Buyer from the Seller in addition to other cargoes at the same discharge port, but in different berths, then, in addition to the time counted under paragraph 32.5.4 below, time allowed for discharging such part cargo shall count:

a. if the Buyer's terminal or berth be the first terminal or berth at which the vessel commences discharge, upon the vessel being made all fast at the Buyer's terminal or berth.

b. if the Buyer's terminal not be the first terminal or berth for which the vessel commences the discharge, when the vessel tenders NOR for the Buyer's parcel and is clear from the previous berth, except for those provisions set out in clause 32.5.8 below.

32.5.3 However if the nominated vessel discharges Product purchased by the Buyer from the Seller in addition to other cargoes at the same berth, the time allowed for discharging the Buyer's part cargo, in addition to the time counted under paragraph 32.5.4 below, shall start counting when discharge of the Buyer's part cargo has actually commenced, unless the vessel is prevented from commencing discharge by reasons directly attributable to the Buyer and/or Buyer's Terminal, in which case such delay shall count as lay time. The time consumed between the vessel being made all fast at the berth and the commencement of discharge of the first parcel shall be prorated proportionately to the percentage of cargo due to the Buyer against the total cargo on board.

32.5.4 In the circumstances described in 32.5.2 and 32.5.3 above, the time consumed by the vessel awaiting first berth, except for the first 6 hours, shall be prorated proportionately to the percentage of cargo due to the Buyer against the total cargo on board.

32.5.5 If N.O.R. is given by the vessel before the agreed lay days, insofar as lay days have been agreed in the Special Provisions, time allowed shall commence at 0600 hours of the first day of such lay days, or upon berthing, whichever occurs first

32.5.6 If N.O.R. is given by the vessel after the agreed lay days, insofar as lay days have been agreed in the Special Provisions, time allowed shall commence upon berthing or 24 hours after tendering N.O.R., whichever occurs first.

32.5.7 The period of time for discharging the cargo shall cease upon disconnection of the discharging hoses.

32.5.8 Whether or not the vessel is on demurrage, any time taken for any of the following purposes shall not be counted as time taken by the Buyer to discharge the cargo or time in respect of which the Buyer is liable for demurrage:

a. inward passage until the vessel is securely moored at the berth or any other discharging place (even if lightering has taken place at the anchorage or other waiting place);

b. awaiting daylight (but only if it is a port regulation), tugs, tide, pilots, free pratique or immigration procedures;

c. time taken in handling or preparing to handle ballast, slops, bunkers or other substances, unless this is carried out concurrent with discharging or other normal cargo operations;

d. time spent in complying with the regulations and other requirements of discharging operations of the terminal;

e. vessel's breakdown or failure to comply with the requirements of the terminal with respect to equipment aboard or for any other cause whatsoever attributable to the vessel or its crew causing restrictions to discharging operations;

f. any other delay directly attributable to the vessel, the Seller or agents of the Seller.

32.5.9 Any other circumstance not covered by the above provisions (a) to (f) will be regulated as per governing charter party terms and conditions.

32.6 Pumping

32.6.1 The Seller warrants that the vessel shall be capable of discharging nominated cargo within agreed laytime receiving facilities permitting.

32.6.2 Any claim for demurrage which can be attributed to any failure to comply with clause 32.6.1 shall be reduced only by that proportion of time which is directly attributable to that failure.

32.7 Demurrage

32.7.1 If the cargo is not discharged within the time allowed, the Buyer shall pay demurrage to the Seller for the time in excess at the appropriate rate per day or pro rata. The rate shall be that specified in the applicable charter party. The Seller shall present any demurrage claim to the Buyer within120 days of the date of completion of discharge.

32.7.2 In the absence of a charter party, the Seller will inform the Buyer of the applicable demurrage rate for this single voyage. However, should the Buyer consider that this rate is not representative of the market and no agreement is achieved within the subsequent 30 day period, then the question shall be submitted to the London Tanker Brokers Panel Ltd whose decision shall be final and binding.

32.7.3 The Seller shall also be entitled to claim against the Buyer for all costs due to excess berth occupancy or any other port cost which is directly attributable to the time on demurrage for which the Buyer is obliged to reimburse the Seller.

PART IV. CFR OUTTURN, CIF OUTTURN, AND DES DELIVERIES

33. General

The provisions of Part III shall apply to CFR Outturn, CIF Outturn and DES deliveries, where appropriate, except as specified in this Part IV.

34. Delivery

34.1 Title and risk

34.1.1 For CFR outturn and CIF outturn deliveries, title and risk shall pass from the Seller to the Buyer as specified in clause 27.1 of the Agreement.

34.1.2 For DES sales, delivery of the Product shall be deemed completed and title and risk shall be vested in the Buyer when the Product passes the manifold flange connection of the vessel's delivery hose at the discharge port. At that point the Seller's responsibility with respect to the Product shall cease, and the Buyer shall assume all risk of loss or damage including but not limited to deterioration or evaporation of the Product delivered.

34.2 Independent inspection The Buyer and the Seller will appoint an inspection company, mutually agreed, with costs to be shared equally. The Buyer shall ensure that the independent inspector (and any representative of the Seller which the Seller may appoint) shall have full access to the facilities at the discharge port necessary to enable him to perform his duties. The report of such independent inspector shall include quality and net quantity and shall, except in case of fraud or manifest error, be conclusive and binding on both parties for invoicing purposes.

35. Quality

35.1 For CFR outturn and CIF outturn deliveries clause 28 of these General Terms and Conditions shall apply.

35.2 DES deliveries

35.2.1 The Product to be supplied shall be of the quality, description or specification as set out in the Special Provisions. The quality of the Product shall be determined at the discharge port in accordance with the latest ASTM standards and API MPMS or, in their absence, according to good standard practice in use at the discharge port at the time of discharge.

35.2.2 The certificate of quality (or other equivalent document) issued at the discharge port shall, except in cases of manifest error or fraud, be conclusive and binding on both parties.

35.2.3 Quality claims

Any complaint regarding quality shall be admissible provided that:

a. a fully documented claim is presented to the Seller within 20 days after the date on which the discharge of the Product has been completed; and,

b. it includes a copy of the report of analysis carried out by the inspection company at the discharge port showing that the quality of the Product discharged does not comply with the Agreement differing by an amount more than the reproducibility per the applicable standards. If the Buyer fails to comply with the procedure in this clause 35.2.3, all claims regarding quality shall be deemed to have been waived by the Buyer and no claim may be brought in respect of them..

35.2.4 No quality claim exempts the Buyer from its obligation to discharge the Product.

35.2.5 This clause 35 constitutes the whole of the Seller's obligations with respect to the quality of the Product supplied and all statutory or other conditions or warranties express or implied with respect to the description, merchantability or quality of the Product or its fitness for any purpose are hereby excluded. The Buyer hereby agrees with the provisions of this clause 35 and, acknowledges that it is fully familiar with the characteristics of the Product.

36. Quantity

The quantity of the product shall be determined by an independent inspector, mutually agreed, in accordance with good standard practice in use at the discharge port at the time of discharge.

37. Payment

37.1 For CFR outturn and CIF outturn deliveries, payment shall be made by the Buyer to the Seller against presentation to the Buyer of documents referred to in Part I of the Agreement together with a copy of the report of the independent inspector appointed as per above clause 34.

37.2 For DES deliveries, payment shall be made by the Buyer to the Seller against presentation to the Buyer of the Seller's telex/fax commercial invoice and a copy of the report of the independent inspector appointed as per above clause 34.

PART V. EX TANK, INTO TANK

38. Nominations

Nomination shall be made in accordance with the standard operating procedures of the relevant storage company.

39. Inspections

Where permitted by the storage company, the Buyer and the Seller may appoint an independent inspection company mutually agreed with costs to be shared equally. The independent inspection company shall witness the determination of the quantity and quality of the Product and to identify the samples of the Product to be transferred.

40. Risk and property

The risk and property in the Product shall pass to the Buyer:

40.1 in the case of delivery ex- tank, as the Product passes the outlet flange of the Seller's storage tank from which the product is being delivered; or,

40.2 in the case of delivery into tank, as the Product passes the inlet flange of the Buyer's receiving storage tank.

PART VI. FREE INTO PIPELINE "FIP"

41. Nominations

In the case of delivery Free Into Pipeline («FIP»), whether delivery at Frontier («DAF») or otherwise, nominations shall be made in accordance with the standard operating procedures of the relevant pipeline operating company.

42. Inspections

Whether DAF or otherwise, unless otherwise specifically agreed between the parties and set out in the Special Provisions, no independent inspection shall be required by either the Buyer or the Seller.

43. Risk and property

The risk and property in the Product shall pass to the Buyer, whether DAF or otherwise, as the Product passes the inlet flange of the Buyer's receiving pipeline system.

44. Quantity

In the case of delivery DAF, unless otherwise agreed in writing, the quantity of the Product delivered shall be determined by meter measurements taken at the pumping terminal and carried out in accordance with good standard practice in use at the pumping terminal at the time of delivery.

PART VII. ANNEXES

ANNEX A. DOCUMENTARY CREDIT

ANNEX B. LETTER OF INDEMNITY

ANNEX C. STAND BY LETTER OF CREDIT