



**Shell International Trading and Shipping Company Limited**  
**General Terms and Conditions**  
(February 2023 edition)

For the Sale of Brent Blend, Forties, Oseberg, Ekofisk  
and Troll Crude Oil on One Full Month Ahead Terms and Midland  
Crude Oil on One Day and One Full Month Ahead Terms V1.1  
("STASCO CASH BFOETM 2022 V1.1")  
(Effective for June 2023 Delivery onwards)

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# Using these terms and conditions

Section headings, clause headings and graphics are for convenience only and will not affect the interpretation of these terms and conditions.

Any reference to any document (including the Agreement), or any provision in any document, includes such document or provision and any amended, supplemented, modified, restated or novated version of such document or provision.

Any reference to any Act of Parliament, regulation or legislation of any sovereign state or the EU includes any amendment, replacement or re-enactment of that Act, regulation or legislation for the time it is in force, and any update or supplement to such Act, regulation or legislation, and includes any byelaws, licences, statutory instruments, rules, regulations, orders, notices, directions, consents or permissions made under that Act, regulation or legislation, and any condition attached to it. Any reference to an EU directive includes all applicable laws and regulations implementing and interpreting such directive (under national laws or otherwise).

Any reference to a law includes common or customary law and any constitution, decree, judgment, legislation, order, ordinance, statute, treaty or other legislative measure. This applies for any jurisdiction whatsoever. Lawful and unlawful will be construed accordingly.

Any reference to a regulation includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of:

- any governmental, inter-governmental or supranational body, agency, department; and
- any regulatory, self-regulatory or other authority or organisation.

Except where the context requires otherwise, words denoting:

- the singular includes the plural and vice-versa;
- any gender includes all genders; and
- persons include, whether they have a separate legal personality or not: firms; corporations; companies; governments; states or agencies of a state; associations; foundations; trusts; joint ventures; consortiums; or partnerships.

The Agreement will be interpreted in the English language.

Any reference to a company includes any company, corporation or body corporate, wherever incorporated.

Any reference to any party includes the party's successors in title, permitted assignees and/or permitted transferees.

Any reference to a judgment includes any order, injunction, determination, award or other judicial or arbitral measure, in any jurisdiction.

The terms 'include', 'including', 'included', 'in particular', and words of similar effect, will not be deemed to limit the general effect of the words that precede them.

Any reference to a book, record, or other information, includes any format, including paper, electronically stored data, magnetic media, film, and microfilm.

Any reference to writing includes typing, printing, lithography, photography and other modes of representing or reproducing words in a visible form. Expressions referring to writing will be construed accordingly.

# Definitions

The following definitions apply to the Agreement:

**Affiliate** a company or other legal entity that, directly or indirectly through one or more intermediaries;

- a) controls a party;
- b) is controlled by a party; or
- c) is under common control with a party.

For this definition, 'control' means the company or other legal entity that has direct or indirect ownership of 50 per cent or more of the voting rights attached to the issued share capital of a company or legal entity.

**Agreement** the Special Provisions plus these General Terms & Conditions plus any applicable Schedules.

**Anti-Corruption Laws** means:

- a) the United States Foreign Corrupt Practices Act of 1977;
- b) the United Kingdom Bribery Act 2010;
- c) all applicable national, regional, provincial, state, municipal or local laws and regulations that prohibit tax evasion, money laundering or otherwise dealing in the proceeds of crime; and
- d) all applicable national, regional, provincial, state, municipal or local laws and regulations that prohibit bribery of, or providing unlawful gratuities, bribes, facilitation payments, or other benefits to any government official or any other person.

**Barrel** a volume of 42 U.S. gallons measured at 60 degrees Fahrenheit.

**Base Sediment and Water (BS&W)** sedimentary and water impurities that may be found in Crude Oil.

**Berth** a place that is acceptable under any Vetting Procedures used by the Buyer/Seller and where the Vessel can safely lie, always Safely Afloat, which may be one of the following: a berth; dock; anchorage; submarine line; single point mooring facility; single berth mooring facility; offshore location; alongside another vessel or lighter; or any other loading/discharging place as may be indicated by a party.

**BFOETM** means the FOB Grades and Midland.

**Business Day** a day other than a Saturday, Sunday, or bank holiday in London. Where the last day for any notice to be given under the Agreement falls on a day that is not a Business Day, such notice will be given by no later than 17:00 hours London time on the last preceding Business Day.

**Cargo** shall mean 700,000 barrels (the "Nominal Volume") plus or minus 1% in Buyer's option.

**Cargo Reference Number** shall mean for the FOB Grades, the number allocated by the Loading Terminal Authority to a parcel of Crude Oil which is intended to be made available for loading on the Scheduled Day during the Specified Month. If the Cargo comprises more than one parcel of Crude Oil, then any reference to the Cargo Reference Number of the Cargo shall be understood to refer to the Cargo Reference Numbers of all parcels included in the Cargo.

**CIF** has the meaning defined in Incoterms 2020 (as amended from time to time).

**Competent Authority** any person having legal, executive and/or regulatory authority and/or having enforcement powers over either or both parties.

**Crude Oil** crude petroleum of the grade specified in the Special Provisions and declared in accordance with the terms and conditions, that has been stabilised and that is suitable for loading into Vessels.

**Delivery** as defined in section 7 and section 41 as applicable.

The definition of Deliver, Deliverable and Delivered will be consistent with the definition of Delivery.

**Demurrage Rate** the rate determined in accordance with section 40.3 and section 70.1, as applicable, and used to calculate the amount one party can claim from the other party for demurrage or other delay to the Vessel.

**Discharge Port** the port, terminal or installation where the Crude Oil will be discharged.

**Discharge Port Authority** the operator, authority or governing body of the Discharge Port.

**Discharge Port Regulations** all applicable regulations, restrictions and requirements in force at the Discharge Port and the requirements of Schedule B.

**Dispute** any dispute, controversy, claim, or unpaid amount arising out of or in connection with the Agreement, or its subject matter or formation, whether in tort, contract, under statute or otherwise, including any question regarding its existence, validity, interpretation, breach or termination, and including any non-contractual claim.

**ETA** the estimated time and/or date or range of days of arrival of the Vessel at the Load Terminal / Discharge Port as applicable.

**EU** European Union.

**Evidence** a document issued by the Loading Terminal that will confirm the cargo quantity & grade, the Laydays, the loading port & terminal and the ownership of the cargo.

**FOB** has the meaning defined in Incoterms 2020 (as amended from time to time).

**FOB Grades** Brent Blend Crude Oil or Forties Crude Oil or Oseberg Crude Oil or Ekofisk Crude Oil or Troll Crude Oil.

**Force Majeure** an impediment beyond a party's control including: a delay; hindrance; reduction in; interference with; curtailment; or prevention of a party's performance of its obligations according to the Agreement, resulting from events such as the following (this list not being exhaustive): war; piracy; natural disasters; explosions; fires; destruction of assets; labour shortages or labour disputes; supply disruptions; or compliance with a change in law.

**Full Cargo Lot** Crude Oil loaded and transported on a Vessel without any other cargo.

**General Terms & Conditions** the terms and conditions set out herein.

**ICS** International Chamber of Shipping.

**Implied Arrival Range** a range of 3 days, the first day of which shall fall wholly within the Specified Month, in which the Seller envisages the Vessel will arrive at Rotterdam.

**KYC** Know Your Customer or other due diligence checks on identity and ownership.

**Laydays** shall mean

- a) For the FOB Grades - a range of 3 days, the middle day of which is the Scheduled Day, and the Scheduled Day shall fall wholly within the Specified Month

- b) For Midland – a range of 3 days commencing 17 days prior to the first day of the Implied Arrival Range. This range can be the existing 3 day range or can be narrowed to either 1 day or a 2 day range, with the 1 day or 2 day range falling wholly within the existing 3 day range. The range and any narrowing shall be confirmed and notified by the Seller no later than 17:00 hours London time on the CIF Last Day of Nomination.

**Laytime** the time allowed to Seller for loading the Vessel determined in accordance with section 37 and the time allowed to Buyer for the discharging of the Vessel determined in accordance with section 67.

**Loading Terminal** means the port, terminal or installation at Hound Point, Mongstad, Sture, Sullom Voe, Teesport and Midland Load Ports as appropriate where the Crude Oil will be loaded on the Vessel.

**Loading Terminal Authority** the operator, authority or governing body of the Loading Terminal.

**Loading Terminal Regulations** all applicable Loading Terminal Authority, government, local, port authority regulations, restrictions and any other applicable regulations and requirements in force at the Loading Terminal and the requirements of Schedule B.

**MARPOL** the International Convention for the Prevention of Pollution from Ships, as amended from time to time.

**Midland** means crude oil loaded from the list of terminals that are currently accepted by Platts and Argus for inclusion into their respective Dated Brent assessments, the “**Midland Load Ports**” and meeting the S&P Global-Platts specification at the time of the deal, based on load port shore tank quality.

In the event that the inspection finds that the cargo does not meet the S&P Global-Platts specification at the time of the delivery, the Seller and Buyer shall discuss the verifiable evidence of a quantifiable cost or loss that has accrued to either party as a result. Buyer shall have the right to claim quantifiable cost or loss from the Seller, but Buyer may not reject the cargo.

**Nominate** make a Vessel Nomination.

**NOR** notice of readiness to load/discharge given by the master of the Vessel (or their representative) to the Seller/Buyer (or its representative) which is only valid if the Vessel has arrived at the Loading Terminal/Discharge Port (or the usual waiting place) and is in all respects ready to load/discharge the Crude Oil.

**OCIMF** Oil Companies International Marine Forum.

**Part Cargo Lot** a quantity of Crude Oil loaded and transported on the Vessel together with other cargo that is not bought or sold under the Agreement.

**Payment Security** the security (if any) for the Buyer’s payment obligation as specified in the Agreement.

**Prime Supplier** shall mean the Seller who declares to a Buyer for the first time a confirming cargo for a BFOETM cash forward contract

**Restricted Jurisdiction** a country, state, territory or region that is subject to comprehensive economic or trade restrictions under Trade Control Laws applicable to the performance of the Agreement. At the time of issuance of these General Terms & Conditions, Restricted Jurisdictions include Cuba, Crimea and Sevastopol, Iran, North Korea, and Syria.

**Restricted Party** any individual, legal person, entity or organisation that is:

- a) resident, established or registered in a Restricted Jurisdiction;
- b) classified as a US Specially Designated National or otherwise subject to blocking sanctions under Trade Control Laws;
- c) directly or indirectly owned or controlled (as these terms are interpreted under the relevant Trade Control Laws), or acting on behalf of, persons, entities or organisations described in (a) or (b); or
- d) a director, officer or employee of a legal person, entity or organisation described in (a) to (c).

**Safely Afloat** means that the Vessel will be:

- a) water-borne at all times in compliance with the port clearance requirements of the Vessel nominating party (including but not limited to underkeel clearance); and
- b) able to remain at the Berth without risk of loss or damage from wind, weather or other craft which are being properly navigated.

**Safety Data Sheet (SDS)** the document containing occupational safety and health information in relation to the Crude Oil in compliance with the laws and regulations that apply at the Loading Terminal and/or Discharge Port.

**Schedule** the schedules to these General Terms and Conditions.

**Scheduled Day** shall mean the day within the Specified Month on which, according to the Loading Terminal schedule (as amended and revised from time to time by the Loading Terminal Authority), the Cargo to be sold hereunder is intended by the Loading Terminal Authority to be made available for loading.

**Security Notice** a demand for a Letter of Credit or advance payment issued by the Seller to the Buyer.

**Shell** Shell plc and all of its Affiliates.

**SOLAS** the International Convention for the Safety of Life at Sea.

**SOFR 30-Day Average** the 30-day average of the Secured Overnight Financing Rate (SOFR) as published by the Federal Reserve Bank of New York on the first day of the late payment period.

If the SOFR 30-Day Average is negative, it will be deemed to be zero for the late payment period.

If the SOFR 30-Day Average is not published on the first day of the late payment period, the period average published on the preceding business day will be used.

If the Federal Reserve Bank of New York ceases to publish a SOFR 30-Day Average, the annual SOFR rate will be calculated by compounding in arrears the SOFR rate during the late payment period, with a five Business Day lookback. When compounding overnight SOFR, if the SOFR is negative for any day during the late payment period, the SOFR will be deemed to be zero for that day.

**Special Provisions** contract-specific provisions agreed between the parties, which together with these General Terms & Conditions and any applicable schedules form the Agreement.

**Specified Month** shall mean the Month agreed in the Special Provisions.

**Trade Control Laws** any laws concerning trade sanctions; economic sanctions; embargoes; Restricted Party lists; trade controls on the imports, export, re-export, transfer or otherwise trade of goods, services or technology; anti-boycott legislation; and any other similar regulations, rules, restrictions, orders or requirements having the force of law in relation to the above matters that are in force from time to time.

Trade Control Laws include those of the European Union; the United Kingdom; the United States of America; and any government laws applicable to a party to the Agreement.

**Typicals** a quality or characteristic often attributable to Crude Oil from a particular source.

**USD** United States Dollars.

**Vessel** the tankship or other Vessel nominated by the Seller/Buyer for the carriage of the Crude Oil under the Agreement.

**Vessel Nomination**



For the FOB Grades - details of the Vessel nominated to ship the Crude Oil. The nominated Vessel must comply with the requirements of Schedule B and the Vessel Nomination must include:

- a) a fully completed Q88 questionnaire dated no earlier than 2 days before the date of the Vessel Nomination;
- b) any other information required by the Loading Terminal Authority;
- c) full written instructions regarding the particulars and destination of the bills of lading; and
- d) other documentation that the Seller reasonably requires the Buyer to provide.

For Midland - details of the Vessel nominated to ship the Crude Oil. The nominated Vessel must comply with the requirements of Schedule B and the Vessel Nomination must include:

- a) a fully completed Q88 questionnaire dated no earlier than 2 days before the date of the Vessel Nomination;
- b) any other information required by the Discharge Port Authority;
- c) the Loading Terminal Laydays and the ETA at the Loading Terminal and Discharge Port;
- d) details of any other cargo on board or to be loaded with the Crude Oil if they are a part cargo; and
- e) other documentation that the Buyer reasonably requires the Seller to provide;

**Vetting Procedures** the procedures undertaken by a party to check the suitability and acceptability of vessels and/or facilities used in the performance of the Agreement. Vetting Procedures may consider matters including, but not limited to, safety and compliance with laws, regulations and rules.

# Part A

## Delivery

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### 1. FOB Grades

1.1 A Cargo of Brent, Forties, Ekofisk, Oseberg or Troll shall be Delivered at the Loading Terminal as a single lot in bulk FOB on board the Vessel provided by the Buyer. Notwithstanding the foregoing and always subject to Loading Terminal Authority acceptance, Buyer may take delivery of Forties on a Free in Pipe (FIP) FIP Kinneil basis and Ekofisk on a FIP Teesside basis. Except where expressly covered herein, the terms of the Agreement shall be logically amended for FIP delivery.

1.2 Delivery will be made in accordance with Part B

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### 2. Midland

2.1 A Cargo of Midland loaded at the Midland Load Ports and shall be Delivered at the Discharge Port as a single lot in bulk CIF basis Rotterdam on board the Vessel provided by the Seller.

2.2 Delivery will be made in accordance with Part C.

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## Declaration

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### 3. FOB Grades

#### *Seller's Declaration*

3.1 Seller shall declare to Buyer the grade Deliverable, the Laydays and the Cargo Reference Number in respect of the Cargo between 0900 and 1600 hours (London time), and time shall be of the essence in this respect, not later than on the FOB Last Day of Nomination. Telephone declarations through the designated BFOETM telephone lines made by 1600 hours shall be valid but must be promptly confirmed in writing by Seller.

The Prime Supplier of a Cargo must declare to Buyer, and time shall be of the essence in this respect, the grade Deliverable, the Laydays and the Cargo Reference Number in respect of the Cargo not later than 14:00 hours (London time) on the FOB Last Day of Nomination

If the FOB Last Day of Nomination is a day when the S&P Global-Platts Window is scheduled earlier than normal (i.e. 12:30 (London time) rather than 16:30 (London time)), declarations must be not later than 12:00 hours (London time) on the FOB Last Day of Nomination. In such circumstances the Prime Supplier of a Cargo must make the first declaration not later than 10:00 hours (London time) on the FOB Last Day of Nomination

The FOB Last Day of Nomination shall be One Full Month prior to the first day of the Laydays, where One Full Month is defined as the number of calendar days in the month prior to the month where the middle day of the Laydays falls.

If the day One Full Month prior to the first day of the Laydays is not a Business Day, then the Last Day of Nomination shall be the last preceding Business Day to this day.

In case the FOB Last Day of Nomination does not fall in the month prior to the month where the middle day of the Laydays falls, then the FOB Last Day of

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Nomination shall be replaced by the nearest Business Day to this day, such that this is the case.

If Seller chooses to declare to Buyer the grade Deliverable, the Laydays and the Cargo Reference Number in respect of the Cargo on any day prior to the Last Day of Nomination, then such declaration must be made between 0900 and 1700 (London time) on a Business Day.

Telephone declarations through the designated BFOETM telephone lines shall be valid but must be promptly confirmed by fax/e-mail/ICE chat from Seller. Seller agrees to make such declaration as expeditiously as possible.

Buyer shall use all reasonable efforts to ensure that appropriate facilities and sufficient authorized personnel are available for the prompt receipt of declarations.

The Cargo Reference Number declared pursuant to section 3 shall relate to a Cargo which at the time of such declaration is, according to the relevant Loading Terminal schedule, intended to be made available for loading on the Scheduled Day. However, provided that the Cargo Reference Number is validly declared as aforesaid, Seller shall not be in breach of this Agreement if the Cargo Reference Number in respect of the Cargo is not at the time of loading the same as the Cargo Reference Number previously declared provided that the Cargo Reference Number at the time of loading refers to a Cargo which at commencement of the Laydays declared pursuant to section 3 was scheduled by the Loading Terminal for loading on the Scheduled Day.

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## 4. Midland

### *Seller's Declaration*

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4.1 Seller shall declare to Buyer a cargo of Midland and the Implied Arrival Range in respect of the Cargo between 0900 and 1600 hours (London time), and time shall be of the essence in this respect, not later than on the CIF Last Day of Nomination. Telephone declarations through the designated BFOETM telephone lines made by 1600 hours shall be valid but must be promptly confirmed in writing by Seller.

The Prime Supplier of a Cargo of Midland and the Implied Arrival Range in respect of the Cargo, must declare to Buyer, and time shall be of the essence in this respect, not later than 14:00 hours (London time) on the CIF Last Day of Nomination.

If the CIF Last Day of Nomination is a day when the S&P Global-Platts Window is scheduled earlier than normal (i.e. 12:30 (London time) rather than 16:30 (London time)), declarations must be not later than 12:00 hours (London time) on the CIF Last Day of Nomination. In such circumstances the Prime Supplier of a Cargo must make the first declaration not later than 10:00 hours (London time) on the CIF Last Day of Nomination

The CIF Last Day of Nomination shall be one day & One Full Month prior to the first day of the Implied Arrival Range, where One Full Month is defined as the number of calendar days in the month prior to the month where the middle day of the Implied Arrival Range falls.

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If the day one day & One Full Month prior to the first day of the Implied Arrival Range is not a Business Day, then the CIF Last Day of Nomination shall be the last preceding Business Day to this day.

In case the CIF Last Day of Nomination does not fall in the month prior to the month where the middle day of the Implied Arrival Range falls, then the CIF Last Day of Nomination shall be replaced by the nearest Business Day to this day, such that this is the case.

If Seller chooses to declare to Buyer a Cargo of Midland and the Implied Arrival Range in respect of the Cargo on any day prior to the CIF Last Day of Nomination, then such declaration must be made between 0900 and 1700 (London time) on a Business Day.

Telephone declarations through the designated BFOETM telephone lines shall be valid but must be promptly confirmed by fax/e-mail from Seller. Seller agrees to make such declaration as expeditiously as possible.

Buyer shall use all reasonable efforts to ensure that appropriate facilities and sufficient authorized personnel are available for the prompt receipt of declarations.

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*Evidence of Laydays:*

4.2 For every Midland Cargo declared in accordance with section 4.1, the Loading Terminal Authority must publish an official document stating the official Laydays of the Midland Cargo and Seller shall provide Buyer with Evidence of this no later than 17:00 hours London time on the CIF Last Day of Nomination. Any change to the official Laydays must be agreed to by the Buyer (such agreement not to be unreasonably withheld) or be the result of a unilateral decision by the Loading Terminal Authority (i.e. forced deferrals / advancements).

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*Eligibility:*

4.3 Any cargoes declared in accordance with these terms must be eligible for the S&P Global-Platts assessment for Dated Brent.

4.4 For the avoidance of doubt, Seller will Nominate the Vessel in accordance with section 54 and is not permitted to Nominate a Vessel that has already loaded.

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*Buyer's declaration of volume:*

4.5 Buyer will declare the Cargo volume to be loaded by 17:00 hours London time on the last Business Day preceding the first day of the Laydays.

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*Freight Provisions and destination options:*

4.6 Vessel shall be Aframax only unless Buyer and Seller agree on a different vessel class

4.7 The Vessel charterparty must include destination options for NWE and MED as defined by S&P Global-Platts in the "Methodology and Specifications Guide – Crude Oil" latest update: July 2022 ([www.spglobal.com](http://www.spglobal.com)) and as amended from time to time.

4.8 In the event Buyer requests LATAM/Canada/Baltic/Med East or any other destination options to the Seller prior to the Vessel being chartered, Seller shall use reasonable efforts to add these options to the charterparty at cost. However,

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the Buyer must accept the WS charterparty rate for all destinations in the charterparty and cannot resort to the fallback formula for NWE and MED as detailed in section 6.5.

4.9 In the event that Buyer requests an alternative destination option(s) after the Vessel has been chartered, Seller shall not unreasonably reject and must pass this request onto the Vessel owner for their consideration. If the request is accepted, the option(s) shall be added to the charterparty at cost and Buyer must accept the WS charterparty rate for all destinations in the charterparty and cannot resort to the fallback formula for NWE and MED as detailed in section 6.5

*STS option:*

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4.10 A discharge STS option in a safe European STS location chosen by the Buyer must be made available to the Buyer at charterparty cost should the Buyer require it. The STS location is always subject to the approval of the Vessel owner.

*Destination Declaration:*

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4.11 Buyer must provide a destination for orders to the Seller prior to the completion of loading. Any subsequent change of destination, provided they are covered by the charterparty and not in contravention of any other provision contained in these General Terms & Conditions, must be accepted by the Seller and any costs arising from this change must be borne by the Buyer.

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## Price

### 5. FOB Grades

*Price:*

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5.1 The price shall be the price agreed in the Special Provisions, calculated in USD per Barrel net of BS&W, FOB the Loading Terminal and no gravity adjustment shall apply.

*Quality Premium:*

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5.2 The price shall be adjusted by a Quality Premium as published or referred to by S&P Global-Platts in the "Methodology and Specifications Guide - Crude Oil" latest update: July 2022 ([www.spglobal.com](http://www.spglobal.com)) and as amended from time to time.

5.3 The Quality Premium shall be that applicable for the Specified Month

*Forties de-escalator:*

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5.4 Notwithstanding the above, where a Seller Delivers a cargo of Forties Crude Oil, the price for such Cargo shall be adjusted by a de-escalation factor based on the sulphur content expressed as a percentage of the Forties Crude Oil Cargo by mass.

5.5 The de-escalator shall be applied at the rate as published or referred to by S&P Global-Platts in the "Methodology and Specifications Guide - Crude Oil" latest update: July 2022 ([www.spglobal.com](http://www.spglobal.com)) and as amended from time to time.

5.6 The sulphur discount in any sulphur-related payment should be established to four decimal places.

5.7 the de-escalator shall be that applicable for the Specified Month.

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### 6. Midland

<i>Price:</i>	6.1 The CIF Rotterdam price shall consist of the price agreed in the Special Conditions, calculated in USD per Barrel net of BS&W, with no gravity adjustment to apply plus a Quality Premium plus a Freight Escalator and freight deviation (where applicable).
<i>Quality Premium:</i>	6.2 The Quality Premium shall be the premium as published or referred to by S&P Global-Platts in the "Methodology and Specifications Guide - Crude Oil" latest update: July 2022 (www.spglobal.com) and as amended from time to time. It is noted that there is currently no applicable Quality Premium.
<i>Freight Escalator:</i>	6.3 The Freight Escalator shall be calculated as follows:  Freight <sub>BFOET&gt;Rdam</sub> (in USD per Barrel)  where Freight <sub>BFOET&gt;Rdam</sub> is $WS_{Platts\ UKC > UKC} \times FR_{BFOET > Rdam} \times 86.7kt / 700$  where $WS_{Platts\ UKC > UKC}$ is the calendar average of Platts quote Dirty UKC > UKC 80kt WS during M; and  $FR_{BFOET > Rdam}$ is the Flat rate published by Worldscale (applicable for the Specified Month) for an evenly weighted average of freight values for the four ports of Hound Point, Sture, Teesside, and Mongstad to Rotterdam; and M is the Specified Month;
<i>Freight Deviation:</i>	6.4 If Seller and Buyer have agreed upfront on the Worldscale charterparty rates for the performing vessel, then the freight deviation should be calculated at cost.  6.5 The fallback Worldscale rate to be used for freight deviation, in case of disagreement over the Worldscale rate between Seller and Buyer, will be the average over 5 consecutive quote days, starting 15 calendar days before the first day of the Laydays, of $WS_{Platts\ USGC > UKC}$ (if the declared destination is in NWE) or $WS_{Platts\ USGC > MED}$ (if the declared destination is in the MED).  Where $WS_{Platts\ USGC > UKC}$ is the Platts quote Dirty USGC > UKC 70kt WS  Where $WS_{Platts\ USGC > MED}$ is the Platts quote Dirty USGC > Mediterranean 70kt WS.

## Part B - FOB Provisions

### Delivery terms

#### 7. FOB Delivery

- 7.1 Delivery occurs when:
- a) the Crude Oil is loaded onto the Vessel; and
  - b) risk in the Crude Oil is transferred to the Buyer in accordance with section 10.1

#### 8. Incoterms

8.1 The FOB section of the Incoterms 2020 is incorporated herein.

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## 9. Conflicts in terms

9.1 If any terms conflict, the provisions of the Special Provisions will prevail over the General Terms & Conditions and the Incoterms 2020, and the provisions of the General Terms & Conditions will prevail over the Incoterms 2020.

### Order of precedence

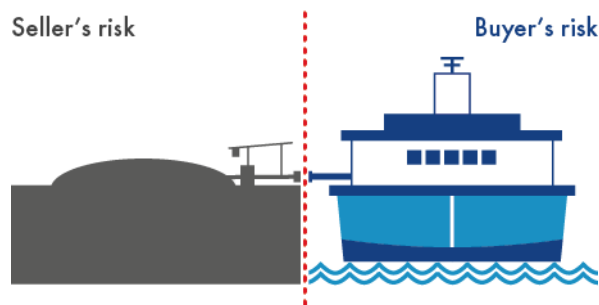


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## Risk and title

### 10. Risk and title transfer

10.1 The risk and title in the Crude Oil transfers to the Buyer as the Crude Oil passes the Vessel's permanent hose connection at the Loading Terminal.



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10.2 For FIP Delivery, the risk and title in the Crude Oil transfers to the Buyer as the Crude Oil passes the inlet flange of the receiving pipeline system at the Kerse of Kinneil (for Forties) and as the Crude Oil passes valves 1 and 2 on the pipeline into the former Phillips Imperial Petroleum Limited terminal (for Ekofisk)

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### 11. Loss or damage

11.1 The Buyer bears the risk of loss of or damage to the Crude Oil caused by the Vessel, its officers, or crew.

11.2 The Buyer is responsible to the Seller for damage to the facilities at the Loading Terminal caused by the Vessel, its officers, or crew.

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## Quality and quantity

### 12. Crude Oil quality

12.1 Unless otherwise stated in the Special Provisions, the quality of the Crude Oil Delivered will be the quality of such Crude Oil as usually made available at the time and place of Delivery.

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### 13. Quality limitations

13.1 Whether or not set out in these General Terms & Conditions or the Special Provisions, neither Typicals nor any stipulations as to the Delivery time will form part of the Crude Oil's description.

13.2 Sections 12 and 13 constitute the Seller's entire obligations regarding the description, quality, or fitness for purpose of the Crude Oil to be Delivered and all statutory or other conditions or warranties, express or implied, concerning the

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description or satisfactory quality of the Crude Oil or their fitness for any particular purpose or otherwise are excluded.

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## **14. Measurement and sampling**

14.1 The quantity and quality of the Crude Oil Delivered under the Agreement will be determined by measurement, sampling, and testing following the standard practice at the Loading Terminal at the time of Delivery and evidenced in the form of certificates. Notwithstanding section 15, such certificates will, except in cases of manifest error or fraud, be conclusive and binding on both parties for invoicing purposes only but will be without prejudice to either party's rights to make any claim regarding quantity or quality under section 17.

14.2 If a Cargo of Forties is loaded, Seller shall ensure that the quality certificate indicates the percentage sulphur content by mass. For the purposes of this section, the sulphur content of the Forties Cargo will be determined using ASTM 2622 by a mutually agreed independent inspector appointed or approved by Seller. For FIP Delivery, the relevant test shall be carried out by the independent inspector from a flow proportional in line sample taken in accordance with standard practice in force at the Kinneil facility during each day of the three-day contractual Delivery range. The sulphur content shall be determined as the average of the three relevant samples.

The results of such test shall be expressed to 3 decimal places.

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## **15. Independent inspection**

15.1 Either party may appoint, by giving written notice to the other party, an independent inspector or representative subject to any necessary agreement of the Loading Terminal Authority.

15.2 Where the parties mutually agree on the appointment, the parties will share the costs equally. If the appointment is not agreed, the appointing party will pay the costs.

15.3 Notwithstanding the above, the parties will appoint and share the costs of inspection related to determining the sulphur content of Forties Crude Oil for the purposes of section 5.5.

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## **16. Measurement**

16.1 Any individual listed quality or characteristic of the Crude Oil Delivered expressed numerically will (unless agreed otherwise) be correct to two significant figures.

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## **17. Quality or quantity claims**

### *Timeframe*

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17.1 The Buyer must notify the Seller in writing (with supporting documents) of any claims arising from:

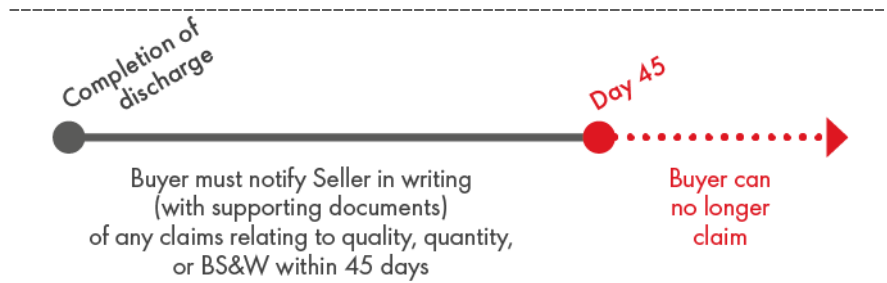
- a) any deficiency or variation in the quality or quantity of the Crude Oil;  
or
- b) excess BS&W discrepancies as described in section 17.4.

The Buyer must make this notification (fully documented) within 45 days of completion of discharge (day 1 being the date of completion of discharge).

17.2 If the Buyer fails to meet the terms of section 17.1, any liability on the part of the Seller will be extinguished.

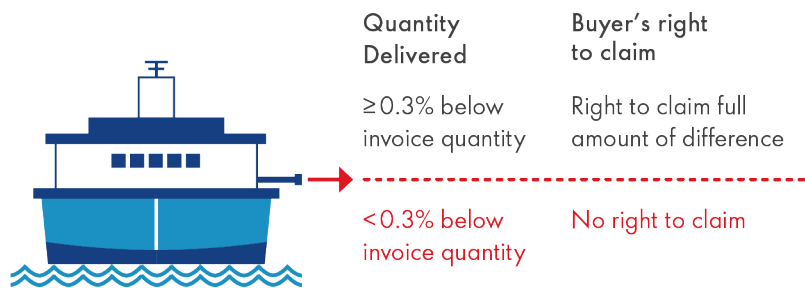
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*Minimum variance*

17.3 Where the deficiency or variation in the quantity of Crude Oil arises from the difference between the quantity Delivered and the quantity for which the Buyer has been invoiced, the Buyer may claim compensation for such deficiency provided, the quantity Delivered is 0.3% or more below the quantity stated on the invoice. To determine if this threshold is reached, any claim for BS&W (under section 17.4) and any deficiency of quantity will be aggregated. If the Buyer's claim meets the threshold, the Buyer may claim for the full amount of the difference.



*Base Sediment and Water (BS&W)*

17.4 If the Buyer is able to evidence through an independent inspector's report that the percentage of BS&W in the Crude Oil (BS&W Content) determined on loading (and relied on for producing the invoice) was inaccurate and the true BS&W Content is greater than 0.3% , the Seller will refund the Buyer for the difference between the net quantity of Crude Oil that the Buyer paid for and the net quantity of Crude Oil remaining after deduction of the BS&W as ascertained above. Claims under sections 17.3 and 17.4 may be brought separately or combined. Where the claims are brought separately, volumes claimed under 17.4 cannot also be claimed under 17.3.

17.5 The Seller's liability for excess BS&W is limited to the refund stated in section 17.4 above. The Seller is not liable for any costs or losses arising from disposing of, handling, or otherwise dealing with BS&W.

Vessel

**18. Buyer's Delivery obligation and provision of Vessel**

18.1 The Buyer will provide the Vessel(s) at the Loading Terminal.

18.2 The Buyer will take Delivery of the Crude Oil as soon as reasonably practicable. The Buyer has the option to take Delivery of the Crude Oil as a Part

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Cargo Lot on the Vessel subject to the prior agreement of the Loading Terminal Authority. The Buyer may split the Crude Oil Delivery across multiple Vessels subject to the Seller's consent and the Loading Terminal Authority's prior agreement.

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## **19. Vessel Nomination**

19.1 The Buyer will provide a Vessel Nomination in writing to the Seller:

- a) no later than 5 days before the first day of the Laydays (or earlier if required in accordance with the Loading Terminal Regulations); or
- b) if the parties enter into the Agreement after the Vessel Nomination deadline but before the first day of the Laydays, the Vessel Nomination will be provided to the Seller before the first day of the Laydays.

19.2 If the Vessel Nomination is not provided in accordance with the time limits in section 19.1, time will count in accordance with section 38, and the Laytime available to the Seller as determined in accordance with section 38.1 or 40.6 will be doubled.

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## **20. Substitution**

20.1 The Buyer may Nominate a substitute Vessel if:

- a) the Buyer gives the Seller a Vessel Nomination as soon as possible, but no later than 1 Business Day before the first day of the Laydays;
  - b) the substitute Vessel is not, without the consent of the Seller, materially different in size to the Vessel originally nominated; and
  - c) the substitute Vessel can comply with the Laydays.
- 

## **21. Rejection of nominations and vessels**

21.1 The Seller may accept or reject any Vessel nominated by the Buyer by giving notice within 1 Business Day of receipt of the Buyer's Vessel Nomination or substitution Vessel Nomination. The Seller may also reject a nominated Vessel at any time before the commencement of loading if such Vessel:

- a) is involved in any incident or more recent information regarding such Vessel becomes available to the Seller which indicates that the information relied upon by the Seller in previously accepting the Vessel was materially incorrect or incomplete; or
  - b) is not approved by the Vetting Procedures used by the Seller.
- 

## **22. Regulations and demurrage regime at the Loading Terminal**

22.1 The Vessel will be subject to all Loading Terminal Regulations.

22.2 If the Vessel does not comply with the Loading Terminal Regulations, the Seller or the Seller's supplier may refuse to berth or load the Vessel.

22.3 Subject to section 22.4, the Seller will not be liable for the consequences of rejection or delay (including demurrage) of the Vessel or other restriction suffered due to the application of the Loading Terminal Regulations to the Vessel.

22.4 The Buyer may make a written request to Seller for information regarding the Loading Terminal restrictions and the Laytime and demurrage terms that are usually applied at the Loading Terminal.

On receiving such a request, the Seller will:

- a) promptly respond to Buyer's written request for information; and
- b) provide all such information readily available to it.

The Seller will be liable for all reasonable costs and damages caused by the Seller's failure to promptly respond and provide such readily available information.

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## **23. Prompt Delivery**

23.1 Without prejudice to section 19, if the date of the Agreement is later than any of the applicable dates for notifications, Vessel Nominations, and procedures, both parties will make best efforts to complete as soon as practically possible any outstanding time-limited requirements, notifications, Vessel Nominations, and procedures.

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## Berth

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### **24. Provision of Berth**

24.1 The Seller will provide a Berth, free of charge, which the Vessel can safely reach, load and leave (fully laden).

24.2 The Seller will ensure that the Loading Terminal will comply with:

- a) the requirements of the International Ship and Port Facility Security Code (ISPS Code);
- b) the relevant amendments to Chapter XI of SOLAS; and
- c) the U.S. Maritime Transportation Security Act 2002 (MTSA) where the Loading Terminal is within the U.S.A. or U.S. territories or waters.

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### *Seller's liability*

24.3 The Seller will not be liable for:

- a) any damage to the Buyer's Vessel resulting from the use of waterways in the approach to, or departure from, the Berth designated by the Seller; or
- b) any damage to the Buyer's Vessel caused by other users of such waterways.

24.4 Provided that the Vessel complies with the requirements of the ISPS Code and MTSA as applicable, the Seller will be liable for any costs or expenses incurred by the Buyer in respect of the Vessel, including demurrage or any additional charge, fee or duty levied on the Vessel at the Loading Terminal resulting directly from:

- a) the failure of the Loading Terminal to comply with the ISPS Code or MTSA as applicable; and
- b) the Loading Terminal Authority or any relevant authority requiring the Vessel to take additional security measures or undergo additional inspections.

24.5 The Seller's liability to the Buyer under this section 24 will be limited to the payment of costs or expenses (including demurrage or any additional charge, fee or duty), to the extent that the Seller is able to recover and does recover from its supplier or other relevant third party. The Seller will use reasonable efforts to recover such costs or expenses from its supplier or any other relevant third party.

The limitation of liability set out in this section 24.5 does not apply if the Loading Terminal is operated by the Seller or an Affiliate of the Seller.

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**25. Provision of facilities**

25.1 The Seller will provide in good working order and at no expense to the Buyer, all necessary flexible hoses, connections, pipelines, and tankage facilities necessary for loading the Buyer's Vessel.

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**26. Shifting**

26.1 The Seller may shift the Vessel from one Berth to another. If the Seller shifts the Vessel from one Berth to another, the Seller will pay all costs related to such shift.

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**27. Vacation of berth**

27.1 The Vessel will vacate the Berth as soon as loading hoses have been disconnected.

27.2 If Loading Terminal documents are not ready on completion of loading, the Vessel will await documents at anchorage or use the early departure procedure.

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**28. Liability due to failure to vacate**

28.1 If the Vessel fails to vacate the Berth due to a cause within the control of the Vessel and/or the Buyer (including any technical or mechanical failure or breakdown of the Vessel for any reason), the Buyer will be liable to the Seller for:

- a) any excess Berth charge incurred by the Seller as a result of the failure to vacate the Berth; and/or
- b) any demurrage claims incurred and paid by the Seller in relation to the next vessel scheduled to load as a result of such failure to vacate the Berth. The Buyer's liability for such demurrage will be limited to the excess time taken by the Buyer's vessel to vacate the Berth.

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**29. Excess Berth utilisation charge**

29.1 If an excess Berth utilisation charge is levied on the Vessel in accordance with the Loading Terminal Regulations or a contractually agreed or otherwise established scale for any hours of Berth utilisation in excess of a specified period of hours (as the Seller may advise such scale to the Buyer from time to time), and such charge is not imposed directly on the Buyer's Vessel itself, such charge will be for the Buyer's account, except where such excess Berth utilisation is caused by the Loading Terminal, the Seller, or the Seller's supplier.

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## Arrival

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**30. Vessel ETA**

30.1 The Buyer will arrange for its Vessel to report its ETA to the Loading Terminal, with a copy to the Seller, at least 72, 48, and 24 hours before its arrival while also following the Loading Terminal's standard reporting procedures.

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**31. Failure to notify**

31.1 If the Buyer's Vessel fails to give at least 24 hours' notice before its arrival at the Loading Terminal, the Seller's Laytime will be extended by a period equal to the delay in giving such notice up to a maximum of 24 hours.

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**32. Vessel arrival**

32.2 The Buyer warrants that the master of the Vessel (or the master's representative) will tender a valid NOR to the Seller (or its representative) at the Berth or customary anchorage area for the port (or other waiting place advised by the Loading Terminal) by no later than 2400 hours (local time) on the last day of the Laydays.

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## Loading

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**33. Sufficient quantity**

33.1 The Seller will have a sufficient quantity of the Crude Oil at the Loading Terminal to enable loading to commence and continue on an uninterrupted basis.

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**34. Commencement of loading**

34.1 The Seller will commence loading at the earliest opportunity after receiving a valid NOR even if loading occurs outside the Laydays or any other period specified in the Special Provisions.

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**35. Line Flushing**

35.1 The Seller may instruct the Buyer in writing to request that the Vessel performs line flushing or line displacement operations.

35.2 If the Vessel is willing to perform such operations, the Seller agrees to indemnify and hold harmless the Buyer against any costs, loss or damage (including legal costs) which the Buyer may sustain by reason of the Vessel performing this operation in accordance with the Seller's instruction.

35.3 The indemnity given by the Seller to the Buyer shall be no less in scope than the indemnity required by the Vessel owner to comply with the request, but in all circumstances the indemnity shall be limited in value to 200% of the FOB value of the Crude Oil (determined by reference to the date of the operation if the Crude Oil is not loaded), and shall expire at 24.00 hours on the day 24 calendar months after the date of completion of the operation, unless before that time a claim under this indemnity has already been notified, in which case this indemnity remains valid until the claim pursuant to this indemnity has been finally resolved.

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**36. Loading hours**

36.1 The Seller will not be under any obligation to commence loading before 0600 hours (local time) on the first day of the Laydays (unless otherwise agreed in writing by the Seller).

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**37. Time allowed**

37.1 Except as otherwise provided in the Special Provisions or other terms applicable under sections 40.5a or b, the Seller is allowed 36 hours Laytime for loading the Vessel.

37.2 All days and holidays included unless loading on the day or holiday in question is prohibited by law or regulation at the Loading Terminal.

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**38. Time counting**

38.1 Subject to this section 38, Laytime will commence at the earlier of either:

- a) 6 hours after tender of a valid NOR to the Seller in accordance with section 32; or
- b) the commencement of loading.

38.2 If NOR is given for the Vessel before the first day of the Laydays, Laytime will commence at 0600 hours (local time) on the first day of the Laydays or on commencement of loading, whichever is the earlier.

38.3 If NOR is given for the Vessel after the last day of the Laydays, then, without prejudice to any of the Seller's other rights, Laytime will commence only on

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commencement of loading. The Seller remains obliged to load at the earliest opportunity after receipt of a valid NOR. If the Seller fails to load at the earliest opportunity after receipt of a valid NOR, Laytime will commence at that point in time.

38.4 Time will cease to run upon final disconnection of loading hoses after completion of loading of the cargo. However, time will recommence 2 hours after disconnection of hoses if the Vessel is delayed in its departure due to the Seller or the Seller's supplier and will continue until the termination of such delay.

38.5 Any delay arising out of, or in connection with, any of the following situations, where the situation (or combination of these situations) is the sole reason for the delay, will not be counted or included in calculating the time taken by the Seller to load the shipment or the time in respect of which the Seller is liable for demurrage (whether or not the Vessel is already on demurrage):

- a) awaiting tide, tugs, pilot, daylight restrictions, ice, moderation of weather or sea state before berthing;
- b) awaiting immigration, customs, or pratique;
- c) on an inward passage until the Vessel is all fast at the Berth and gangway placed securely;
- d) preparing for and handling or shifting of ballast, bilges, slops or other substances, unless concurrent with cargo operations;
- e) bunkering (the period from bunker barge all fast alongside until bunker barge away), unless concurrent with cargo operations;
- f) restrictions imposed by the owner, charterer, or master of the Vessel;
- g) any breakdown or inefficiency of the Vessel's equipment or failure to comply with the requirements of the Loading Terminal with respect to equipment aboard;
- h) cleaning and/or inspection of the Vessel's cargo tanks (without prejudice to any argument that the NOR was invalid);
- i) time spent by the Vessel complying with any of the Loading Terminal Regulations. The Seller is not entitled to rely on this exception where the time spent is concurrent with cargo operations, or the Seller is liable for the time spent pursuant to section 22.);
- j) any other delay attributable to the Vessel, the Buyer or agents of the Buyer; or
- k) any onboard strike, lockout, stoppage, or restraint of labour by the master, officers or crew members.

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## 39. Delays

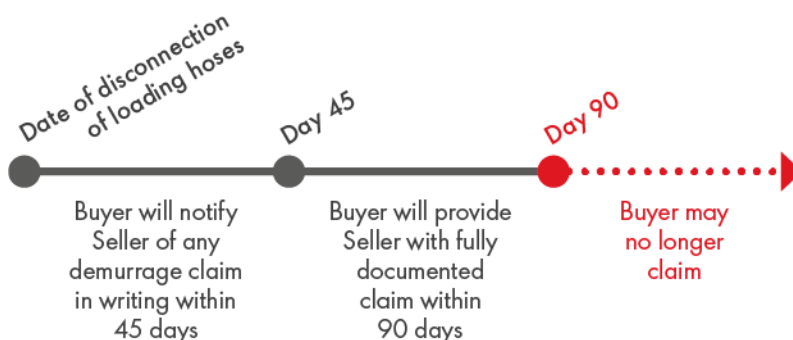
39.1 All claims by the Buyer for delays to the Vessel (that are not covered by section 40) will be limited to a claim for time lost at the Demurrage Rate.

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## 40. Demurrage

40.1 If the Seller does not load the shipment within the Laytime allowed, the Seller will pay the Buyer for excess time used at the Demurrage Rate (a claim for demurrage).

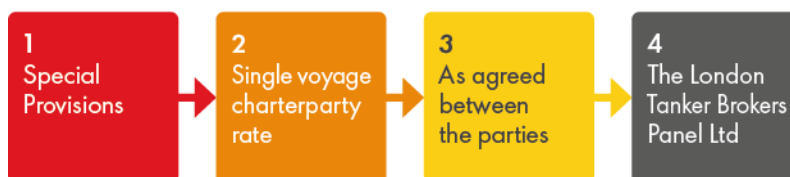
40.2 The Buyer will notify the Seller of any demurrage claim in writing within 45 days of the date of disconnection of loading hoses (with day 1 being such date). The Buyer will provide to the Seller within 90 days of the disconnection of loading hoses full supporting documentation (including, but not limited to, the time computation, NOR, Vessel's port log, statement of facts, and, where applicable, evidence of the Demurrage Rate). If the Buyer fails to give such notice or provide such documentation within the above respective time limits, then any liability of the Seller for demurrage will be extinguished. In addition, the Buyer will provide any other documentation that the Seller may reasonably require. The terms of this section 40.2 (including time limits) do not derogate from any other terms and time limits that apply to the demurrage claim in accordance with section 40.5 (a) or (b). In the event of inconsistency, the other terms and time limits that apply to the claim in accordance with section 40.5 (a) or (b) will prevail over the terms and time limits in this section 40.2.



40.3 The Demurrage Rate will be either:

- a) the rate specified in the Special Provisions;
- b) the applicable single voyage charterparty rate; or
- c) if (a) or (b) do not apply, then the rate will be as agreed between the parties, and if the parties fail to agree within 30 days upon the rate, then at the request of either party (with a copy sent to the other party of the request), such rate will be determined by The London Tanker Brokers Panel Ltd. (or its successors in title), whose decision will be final and binding and whose costs will be paid for by the referring party. The referring party will share the decision with the other party.

### Demurrage Rate order of precedence



40.4 No demurrage will accrue following a declaration of Force Majeure under the Agreement, and for so long as the state of Force Majeure continues.

40.5 The Buyer will only be entitled to recover demurrage as follows:

	<b>Situation</b>	<b>Buyer's entitlement</b>
a	The Loading Terminal has Laytime and demurrage terms that are usually applied at the Loading Terminal and the Seller operates the Loading Terminal.	Subject to section 40.6, demurrage will be calculated in accordance with the Loading Terminal's usual Laytime and demurrage terms (including time bars).
b	The Loading Terminal has Laytime and demurrage terms that are usually applied at the Loading Terminal and the Seller does not operate the Loading Terminal.	Subject to section 40.6, the amount of demurrage will be calculated in accordance with the Loading Terminal's usual Laytime and demurrage terms (including time bars) and will be limited to the amount that the Seller recovers from the Loading Terminal or its supplier.
c	Loading Terminal has no Laytime and demurrage terms that are usually applied at the Loading Terminal.	Demurrage will be calculated in accordance with the terms of the Agreement irrespective of any recovery the Seller may make from its supplier.

40.6 For the purposes of sections 40.5a and 40.5b the Seller may rely on the Laytime and demurrage terms that are usually applied at the Loading Terminal unless the Buyer has requested (in accordance with section 22.4) and the Seller has failed to provide such terms to the Buyer, in which case section 40.5c will apply. Where the Seller is entitled to rely on the Laytime and demurrage terms that are usually applied at the Loading Terminal, such terms will prevail over sections 37, 38, 40.2 and 40.4 to the extent that they conflict.

40.7 Under section 40.5b, the Seller will use reasonable endeavours to recover demurrage from the Loading Terminal or its supplier.

40.8 If the Crude Oil is co-loaded with crude oil being delivered to the Buyer by another supplier at the same Berth, the Seller will only be liable for that proportion of the demurrage equal to the ratio of the volume Delivered by the Seller to the total volume loaded onto the Vessel at that Berth.



# Part C - CIF Provisions

## Delivery terms

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### 41. CIF delivery

41.1 Delivery occurs when:

- a) the Crude Oil is loaded onto the Vessel; and
  - b) risk in the Crude Oil is transferred to the Buyer in accordance with section 44.1.
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### 42. Incoterms

42.1 The CIF section of the Incoterms 2020 is incorporated herein.

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### 43. Conflicts in terms

43.1 If any terms conflict, the provisions of the Special Provisions will prevail over the General Terms & Conditions and the Incoterms 2020, and the provisions of the General Terms & Conditions will prevail over the Incoterms 2020.

Order of precedence



## Risk and title

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### 44. Risk and title transfer

44.1 Subject to section 44.2, the risk and title in the Crude Oil will pass to the Buyer immediately after the Vessel carrying the Crude Oil leaves the waters comprising the exclusive economic zone of the United States of America (USA) or the territories of the USA.

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#### *Payment Security*

44.2 If the Buyer is to provide Payment Security, title to the Goods will not pass to the Buyer until the Payment Security is provided in accordance with the Agreement and any such security must be provided by the Buyer at least two (2) Business Days prior to the Crude Oil's arrival at the Discharge Port.

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### 45. Part Cargo Lot

45.1 In the case of Delivery as a Part Cargo Lot where the Crude Oil is not identifiable or ascertainable on board the Seller's Vessel separately from Crude Oil destined for receivers other than the Buyer, risk and title in the Crude Oil will pass from the Seller to the Buyer in accordance with section 44 and the Buyer will be an owner in common of the bulk with the other receivers, each owning a proportion of the bulk represented by their respective bills of lading to the total quantity recorded on all the bills of lading issued in respect of the bulk.

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## Quality and quantity

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### 46. Crude Oil quality

46.1 Unless otherwise stated in the Special Provisions, the quality of the Crude Oil Delivered will be the quality of such Crude Oil as usually made available at the time and place of Delivery.

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## 47. Quality limitations

47.1 Whether or not set out in these General Terms & Conditions or the Special Provisions, neither Typicals nor any stipulations as to the Delivery time will form part of the Crude Oil's description.

47.2 Sections 46 and 47 constitute the Seller's entire obligations regarding the description, quality, or fitness for purpose of the Crude Oil to be Delivered and all statutory or other conditions or warranties, express or implied, concerning the description or satisfactory quality of the Crude Oil or their fitness for any particular purpose or otherwise are excluded.

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## 48. Measurement and sampling

48.1 Except as provided in section 52, the quantity and quality of the Crude Oil Delivered under the Agreement will be determined by measurement, sampling, and testing following the standard practice at the Loading Terminal at the time of Delivery and evidenced in the form of certificates. Notwithstanding section 49, such certificates will, except in cases of manifest error or fraud, be conclusive and binding on both parties for invoicing purposes only but will be without prejudice to either party's rights to make any claim regarding quantity or quality under section 51.

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## 49. Independent inspection

49.1 Either party may appoint, by giving written notice to the other party, an independent inspector or representative subject to any necessary agreement of the Loading Terminal Authority.

49.2 Where the parties mutually agree on the appointment, the inspector's report will be made available to both parties and the parties will share the costs equally. If the appointment is not agreed, the appointing party will pay the costs.

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## 50. Measurement

50.1 Any individual listed quality or characteristic of the Crude Oil expressed numerically will (unless agreed otherwise) be correct to two significant figures.

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## 51. Quality or quantity claims

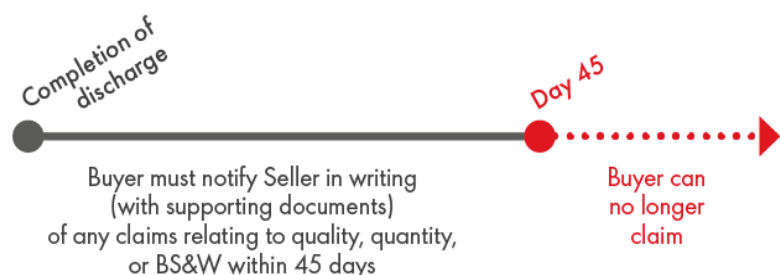
### Timeframe

51.1 The Buyer must notify the Seller in writing (with supporting documents) of any claims arising from:

- a) any deficiency or variation in the quality or quantity of the Crude Oil; or
- b) excess BS&W discrepancies as described in section 51.4.

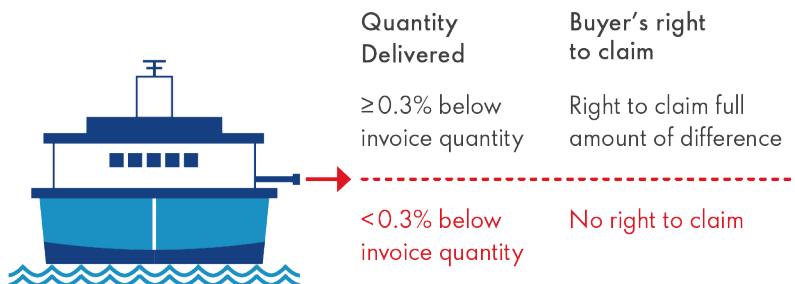
The Buyer must make this notification (fully documented) within 45 days of completion of discharge (day 1 being the date of completion of discharge).

51.2 If the Buyer fails to meet the terms of section 51.1, any liability on the part of the Seller will be extinguished.



Minimum variance

51.3 Where the deficiency or variation in the quantity of Crude Oil arises from the difference between the quantity Delivered and the quantity for which the Buyer has been invoiced, the Buyer may claim for such deficiency provided, the quantity Delivered is 0.3% or more below the quantity stated on the invoice. To determine if this threshold is reached, any claim for BS&W (under section 51.4) and any deficiency of quantity will be aggregated. If the Buyer’s claim meets the threshold, the Buyer may claim for the full amount of the difference.



Base Sediment and Water (BS&W)

51.4 If the Buyer is able to evidence through an independent inspector’s report that the percentage of BS&W in the Crude Oil (BS&W Content) determined on loading (and relied on for producing the invoice) was inaccurate and the true BS&W Content is greater than 0.3%, the Seller will refund the Buyer for the difference between the net quantity of Crude Oil that the Buyer paid for and the net quantity of Crude Oil remaining after deduction of the BS&W as ascertained above. Claims under sections 51.3 and 51.4 may be brought separately or combined. Where the claims are brought separately, volumes claimed under 51.4 cannot also be claimed under 51.3.

51.5 The Seller’s liability for excess BS&W is limited to the refund stated in section 51.4 above. The Seller is not liable for any costs or losses arising from disposing of, handling, or otherwise dealing with BS&W.

**52. Unsegregated Part Cargo Lots**

52.1 If the Crude Oil is shipped to the Buyer and a third party in unsegregated Part Cargo Lots:

- a) the quantity to be invoiced to the Buyer in respect of the parcel Delivered to it shall be

$$\text{Quantity to be invoiced to the Buyer} = \frac{\text{Total outturn quantity Delivered to Buyer}}{\text{Total outturn quantity delivered on all parcels on board the vessel}} \times \text{Total bill of lading quantity for all parcels}$$

- b) the quantity will be determined at each Discharge Port in accordance with section 52.3 – 52.9;

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- c) the quantity will be determined following completion of discharge of the relevant Part Cargo Lots;
  - d) the costs of the independent inspection will be shared equally between the parties for their respective Discharge Ports; and
  - e) the inspector's report will be made available to all parties and will, except in cases of manifest error or fraud, be conclusive and binding on both parties for invoicing purposes only but will be without prejudice to either party's rights to make any claim regarding quantity or quality under section 51.

52.2 This section 52 applies whether each party's Part Cargo Lots are delivered to the same or different Discharge Ports.

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*Quantity*

52.3 The Quantity of Crude Oil Delivered will be determined at the Discharge Port by an independent inspector jointly agreed upon by the Buyer and Seller.

52.4 The independent inspector's certificates of quantity will be made available to both parties. Such certificates will, except in cases of manifest error or fraud, be conclusive and binding on both parties for invoicing purposes only but will be without prejudice to either party's rights to make any claim regarding quantity or quality under section 51: with such claim to be based on the difference between the invoiced quantity and the quantity discharged. Where an inspector cannot be mutually agreed the invoice will be based on the Seller's inspector's report.

52.5 All charges made by the independent inspector will be shared equally between the parties.

52.6 The Buyer will ensure that any inspector has access to facilities at the Discharge Port necessary to enable the inspector to perform their duties.

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*Quantity: static shore tanks*

52.7 Where Crude Oil is discharged directly into static shore tanks (that is shore tanks to or from which no crude oil is being pumped other than the Crude Oil) the gross quantity of the Crude Oil will be determined by the reference to Discharge Port meter measurements taken or witnessed by the inspector in accordance with API MPMS Chapter 5. Meters will be proved prior to discharge by or in the presence of the inspector in accordance with API MPMS Chapter 4.

52.8 In the event that:

- a) metering facilities are not available; or
- b) in the opinion of the inspector the meters did not perform in accordance with API MPMS Chapter 5; or
- c) the meters were not proven prior to discharge in accordance with API MPMS Chapter 4,

the gross quantity of the Crude Oil will be determined by reference to shore tank gauging's taken or witnessed by the inspector in accordance with API MPMS Chapter 3.

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*Quantity: active shore tanks*

52.9 Where the Crude Oil is discharged directly into active shore tanks (that is shore tanks where crude oil is being pumped out of the tank, or into which crude

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oil other than the Crude Oil is being pumped, during the discharge of the Crude Oil) and where no correctly functioning or proven Discharge Port meters are available, the gross quantity of the Crude Oil will be determined by the inspector by reference to the Vessel's discharged figures as adjusted by its Vessel Experience Factor ("VEF") in accordance with VEF Addendum to API MPMS Chapter 17.1.

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## Vessel

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### **53. Full or Part Cargo Lots**

53.1 The Seller shall Deliver the Crude Oil in one Full Cargo Lot unless the Buyer expressly agrees to a request from the Seller to Deliver the Crude Oil as a Part Cargo Lot.

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### **54. Vessel Nomination**

54.1 The Seller will Nominate a Vessel in writing to the Buyer by the later of:

- a) on or about the time the Agreement is entered into between the parties; or
  - b) no later than 5 days before the first day of the Laydays;
- 

### **55. Substitution**

55.1 The Seller may Nominate a substitute Vessel.

55.2 The Seller must Nominate a substitute Vessel if necessary to perform its obligations under the Agreement.

55.3 If the Seller Nominates a substitute Vessel:

- a) the size of the substitute Vessel will not, without the prior written consent of the Buyer, differ materially from the size of the Vessel originally Nominated.
  - b) the quantity to be loaded will not, without the prior written consent of the Buyer, differ materially from the quantity specified in the Special Provisions.
  - c) the Seller will give the Buyer notice in writing of the name of the substitute Vessel not less than three (3) clear days before the last day of the Loading Terminal Laydays.
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### **56. Acceptance or rejection of Vessel Nominations**

56.1 The Buyer will accept or reject any Vessel Nominated by the Seller by giving notice by 17:00 hours London time on the next Business Day following receipt of the Seller's Nomination. The Buyer may also reject a Nominated Vessel at any time before the commencement of loading if such Vessel:

- a) is involved in any incident or more recent information regarding such Vessel becomes available which indicates that the information relied upon by the Buyer in previously accepting the Vessel was materially incorrect or incomplete; or
- b) is not approved by the Vetting Procedures used by the Buyer.

56.2 If the Vessel is rejected by the Buyer, the Seller must Nominate a substitute Vessel to transport the Crude Oil to the Discharge Port.

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56.3 The Buyer will not be liable for any loss or damage, direct or indirect, that the Seller may suffer as a result of the Buyer exercising its right to reject a Vessel.

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## **57. Vessel compliance with Discharge Port Regulations**

57.1 The Vessel will be subject to all Discharge Port Regulations.

57.2 If the Vessel does not comply with the Discharge Port Regulations, the Buyer may refuse to berth or discharge the Vessel.

57.3 Subject to Section 57.4, the Buyer will not be liable for the consequences of rejection or delay (including demurrage) of the Vessel or other restriction suffered due to the application of the Discharge Port Regulations.

57.4 The Seller may make a written request to the Buyer for information regarding the Discharge Port restrictions.

On receiving such a request, the Buyer will:

- a) promptly respond to the Seller's written request for information; and
- b) provide all such information readily available to it.

57.5 The Buyer will be liable for all reasonable costs and damages caused by the Buyer's failure to promptly respond or provide such readily available information.

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## **58. Loaded details**

58.1 As soon as possible after the loading has been completed, the Seller will notify the Buyer of the actual quantity of Crude Oil loaded and the latest ETA.

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# Discharge Port

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## **59. Discharge Port nomination**

*Notice periods and changes to nomination*

59.1 Buyer will nominate the Discharge Port and any subsequent changes in writing in accordance with section 4.11

*Contents of Discharge Port nomination*

59.2 The Discharge Port nomination will include:

- a) full written instructions regarding the particulars and destination of the bills of lading; and
- b) such other customary Loading Terminal documentation required by the Buyer.

*Failure to provide a complete Discharge Port nomination*

59.3 The Seller will have the right to issue its own instructions if such information is not provided by the Buyer.

59.4 The Buyer will pay for all imposts, fees, charges (including pilotage, mooring and towage expenses) and dues (including quay dues) in respect of the Vessel incurred at the Discharge Port.

59.5 The Buyer will be responsible for all costs (including but not limited to demurrage) whether arising at the Loading Terminal or Discharge Port caused by any failure by the Buyer to comply with section 59.

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## Arrival

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### **60. Vessel arrival**

60.1 The Seller warrants that the Vessel will tender a valid NOR at the Loading Terminal no later than 2400 hours (local time) on the last day of the Laydays with loading to commence as soon as reasonably practicable, even if this means loading is effected or completed outside the Laydays.

### **61. Vessel ETA**

61.1 The Seller will arrange for its Vessel to report its ETA to the Discharge Port, with a copy to the Buyer, at least 72, 48, and 24 hours before its arrival while also following the Discharge Port's standard reporting procedures.

61.2 The Seller will tell the Buyer about any changes to the ETA as soon as practicable.

## Berth

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### **62. Provision of berth**

62.1 The Buyer will provide a Berth, free of charge, which the Vessel (fully laden) can safely reach, discharge and depart.

62.2 The Buyer will ensure that the Discharge Port will comply with the requirements of the International Ship and Port Facility Security Code (ISPS Code) and the relevant amendments to Chapter XI of SOLAS and, where the Loading Terminal is within the U.S.A. or U.S. territories or waters, with the U.S. Maritime Transportation Security Act 2002 (MTSA).

#### *Buyer's liability*

62.3 The Buyer will not be liable for:

- a) any damage to the Vessel resulting from the use of waterways on the approach to and departure from the Berth; or
- b) any damage to the Vessel caused by other users of such waterways.

62.4 Provided that the Vessel complies with the requirements of the ISPS Code and MTSA as applicable, the Buyer will be liable for any costs or expenses incurred by the Seller in respect of the Vessel, including demurrage or any additional charge, fee or duty levied on the Vessel at the Discharge Port resulting directly from:

- a) the failure of the Discharge Port to comply with the ISPS Code or MTSA as applicable; and
- b) the Discharge Port Authority or any relevant authority requiring the Vessel to take additional security measures or undergo additional inspections.

62.5 The Buyer's liability to the Seller under this section 62.4 will be limited to the payment of costs or expenses (including demurrage or any additional charge, fee or duty), to the extent that the Buyer is able to recover and does recover from its receiver or other relevant third party. The Buyer will use reasonable efforts to recover such costs or expenses from its receiver or any other relevant third party. The limitation of liability set out in this section 62.4 does not apply if the Discharge Port is operated by the Buyer or an Affiliate of the Buyer.

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62.6 Without prejudice to the Buyer's obligations under Section 62.1, if the Discharge Port is specified in the Special Provisions or, otherwise, upon Seller's approval of the Buyer's Discharge Port nomination, the Seller represents and warrants to the Buyer that the Vessel can berth and discharge the contractual quantity of Crude Oil at the Discharge Port regardless of whether the contractual quantity is a Full Cargo Lot or Part Cargo Lot and irrespective of the port scheduling of the Vessel. Such representation and warranty is given by the Seller on the later of: entering into this Agreement or approving the Buyer's Discharge Port nomination.

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**63. Provision of facilities**

63.1 The Buyer will provide in good working order and at no expense to the Seller all necessary flexible hoses, connections, pipelines, and tankage facilities necessary for discharging the Vessel.

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**64. Shifting**

64.1 Buyer may shift the Vessel from one Berth to another provided the other Berth is acceptable under the Seller's Vetting Procedures, and the Buyer will pay all costs related to such shifting.

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Discharge

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**65. Discharge**

65.1 The Buyer will arrange for the Vessel to be discharged as expeditiously as possible.

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**66. Pumping rate**

66.1 The Seller warrants that the Vessel is capable of discharging its full cargo within 24 hours or will maintain 100 PSI at the ship's manifold, provided shore facilities permit discharge within such time or at such pressure. Time lost as a result of the Vessel being unable to discharge the cargo at the rate or pressure stated above will not count as Laytime or time on demurrage.

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**67. Time allowed**

67.1 Except as otherwise provided, 36 hours of Laytime is allowed to the Buyer for discharging the Vessel:

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

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**68. Time counting**

68.1 Subject to this section 68, Laytime will commence at the earlier of either:

- a) 6 hours after tender of a valid NOR to the Buyer or its representative by the master of the Vessel (or the master's representative) at the customary anchorage area for the port (or other waiting area advised by the Discharge Port) or Berth; or
- b) on commencement of discharge.

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*Disconnection of hoses*

68.2 Time will cease to run upon final disconnection of discharging hoses after completion of discharge of the Crude Oil. However, time will recommence 2 hours after disconnection of hoses if the Vessel is delayed in its departure due to the Buyer's or the Buyer's receiver's purposes and will continue until the termination of such delay.

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68.3 Any delay arising out of or in connection with any of the following situations, where the situation (or combination of these situations) is the sole reason for the delay, will not be counted or included in calculating the time taken by the Buyer to discharge the Crude Oil or the time in respect of which the Buyer is liable for demurrage (whether or not the Vessel is already on demurrage) unless any or all of these delays are a direct result of an initial delay or delays caused to the Vessel for Buyers account:

- a) awaiting tide, tugs, pilot, daylight restrictions, ice, moderation of weather or sea state before berthing.
- b) awaiting immigration, customs, or pratique.
- c) on an inward passage until the Vessel is all fast at the Berth and gangway placed securely.
- d) preparing for and handling or shifting of ballast, bilges, slops or other substances, unless concurrent with cargo operations.
- e) bunkering (the period from bunker barge all fast alongside until bunker barge away), unless concurrent with cargo operations.
- f) restrictions imposed by the owner, charterer, or master of the Vessel.
- g) any breakdown or inefficiency of the Vessel's equipment or failure to comply with the requirements of the Discharge Port with respect to equipment aboard.
- h) time spent by the Vessel complying with Discharge Port Regulations. The Buyer is not entitled to rely on this exception where the time spent is concurrent with cargo operations, or the Buyer is liable for the time spent pursuant to section 57.
- i) any other delay attributable to the Vessel, the Seller or agents of the Seller; or
- j) any onboard strike, lockout, stoppage, or restraint of labour by the master, officers or crew members.

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## 69. Delays

69.1 All claims by the Seller to the Buyer for delays to the Vessel (that are not covered by section 70) will be limited to a claim for time lost at the Demurrage Rate.

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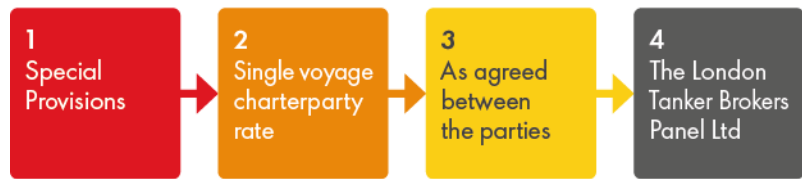
## 70. Demurrage

70.1 The Demurrage Rate will be either:

- a) the rate specified in the Special Provisions; or
- b) the applicable single voyage charterparty rate; or
- c) if (a) or (b) do not apply, then the rate will be as agreed between the parties, and if the parties fail to agree on the rate within 30 days, then at the request of either party (with a copy of the request sent to the other party), such rate will be determined by The London Tanker Brokers Panel Ltd. (or its successors in title), whose decision will be final and binding

and whose costs will be paid for by the referring party. The referring party will share the decision with the other party.

#### Demurrage Rate order of precedence

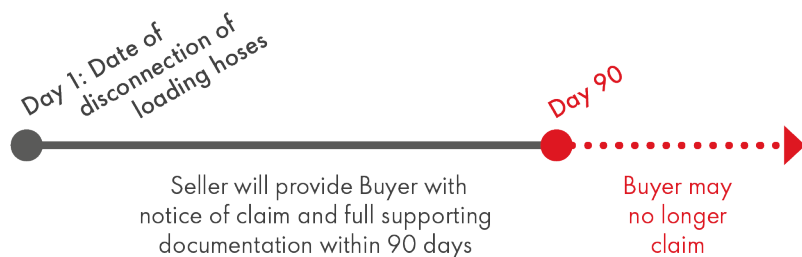


70.2 If the Buyer does not discharge the Crude Oil within the Laytime allowed, the Buyer will pay the Seller for excess time used at the Demurrage Rate (a claim for demurrage).

70.3 If Crude Oil is co-discharged to another buyer or receiver (as applicable) at the same time as the Crude Oil being discharged, the Buyer will only be liable for that proportion of the demurrage equal to the ratio of the volume discharged to the Buyer to the total volume discharged at the Berth.

70.4 The Buyer's liability for demurrage is not excused by the provisions of section 87.

70.5 The Seller will notify the Buyer of any demurrage claim in writing within 90 days of the date of disconnection of discharging hoses (with day 1 being date of disconnection). The Seller will provide to the Buyer full supporting documentation (including, but not limited to, the time computation, NOR, Vessel's port log, statement of facts, and, where applicable, evidence of the Demurrage Rate). If the Seller fails to give such notice and provide such documentation within the above respective time limits, then any liability of the Buyer for demurrage will be extinguished. In addition, the Seller will provide any other documentation that the Buyer may reasonably require.



## 71. Crude Oil washing

71.1 Where concurrent with other discharging operations, time spent cargo stripping and Crude Oil washing will count in the usual way for purposes of calculating Laytime and demurrage. If cargo stripping and Crude Oil washing is not concurrent with other discharging operations, then:

- a) cargo stripping is limited to a maximum of 3 (three) hours and will count against Laytime, or if the Vessel is on demurrage, for demurrage; and
- b) time used for Crude Oil washing to comply with MARPOL regulations will not count against Laytime, or if the Vessel is on demurrage, for demurrage.

## **72. CIF Deliveries**

72.1 Seller will procure and pay for insurance against marine risks for the full value of the Crude Oil plus 10% ("CIF Marine Insurance").

72.2 The CIF Marine Insurance will operate from the time risk passes to the Buyer until the Crude Oil pass the Vessel's permanent hose connection at the Discharge Port. The benefit of the CIF Marine Insurance will pass to the Buyer with the passing of risk in the Crude Oil.

72.3 The CIF Marine Insurance will be in accordance with the provisions of a Marine Cargo Insurance Policy subject to Institute Cargo Clauses (A) and if applicable the Norwegian Cargo Clauses (A).

72.4 The Seller will procure and pay for insurance against war, strikes, riots and civil commotions risks in respect of the delivery of the Crude Oil ("War and SRCC Insurance") at the current London Market rate on the date the Vessel sails from the Loading Terminal

72.5 The War and SRCC Insurance will be subject to Institute War Clauses (Cargo) and Institute Strikes Clauses (Cargo) current on the date the Vessel sails from the Loading Terminal.

72.6 The premium payable for the War and SRCCC Insurance will be in addition to the purchase price for the Crude Oil.

72.7 If requested by the Buyer, the Seller will provide the Buyer with the original certificate of insurance or insurance company's cover note.

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## **73. Additional Vessel insurance and expenses**

73.1 The Buyer will pay the Seller for additional insurance premiums and other expenses incurred by the Seller in accordance with the terms of the relevant charterparty in performance of the Agreement, including for:

- a) insurance, including war risk insurance, for the Vessel's hull and machinery
- b) protection and indemnity or cargo insurances;
- c) crew bonuses; and
- d) security services for the Vessel.

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## **74. Seller's right to refuse to direct the Vessel**

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

- a) to direct the Vessel to transit or to proceed to or to remain in waters: (i) that would involve the Vessel in a breach of any Institute Navigating Limits (if applicable) or, in the Seller's opinion, a risk to its safety or a risk of ice damage; or (ii) where there is war (de facto or de jure) or threat thereof; or (iii) which, in the Seller's reasonably held opinion, would involve abnormal delay; or
- b) 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.

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74.2 If the Seller agrees to direct the Vessel to undertake or to complete the voyage referred to in section 74.1, the Buyer will reimburse the Seller, in addition to the price payable under the Agreement, for costs incurred by the Seller in respect of any additional insurance premia (including those referred to in section 73) and 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 owners' insurance and any other costs and/or expenses incurred by the Seller.

## Charterparty conditions

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### **75. Charterparty conditions in bills of lading**

75.1 The Seller may arrange that the bill of lading incorporates charterparty conditions normally in use for vessels.

75.2 Without prejudice to the generality of section 75.1, such charterparty conditions will be deemed to include the following provisions:

- a) the Crude Oil will be pumped out of the Vessel at the Vessel's expense;
- b) if, at any time after loading but before discharge has started, import of the Crude Oil at the nominated Discharge Port becomes prohibited under the laws, regulations, rules, directives or guidelines of the country in which the Crude Oil were produced (or any relevant agency of that country), the Crude Oil will be discharged at an alternative Discharge Port nominated by the Buyer. The alternative Discharge Port will be one that is not subject to such prohibitions or restrictions, and that is acceptable to the Seller. The Seller will not unreasonably withhold their acceptance of the alternative Discharge Port.

75.3 If any prohibition or restriction referred to in Section 75.2 becomes applicable, the alternative Discharge Port will be deemed to be the Discharge Port stipulated under this Agreement. Any extra expenses involved in the Vessel reaching such alternative Discharge Port and/or in the discharge of the Crude Oil will be for the Buyer's account.

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### **76. Indemnities**

76.1 Where the Buyer, by written instruction, specifically requests that the Seller discharge a quantity of Crude Oil:

- a) without bills of lading being available for presentation to the Vessel's master at the Discharge Port; and/or
- b) at a Discharge Port other than that named in the bill of lading; and/or
- c) that is different from the bill of lading quantity.
- d) and where the Seller procures discharge of the Crude Oil in accordance with such request, the Buyer will indemnify and hold the Seller harmless against any liability, loss, damage,

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delay or expense (including legal costs) that the Seller may sustain as a result of complying with the Buyer's request.

76.2 Where the Buyer, by written instruction, specifically requests that the Seller:

- a) co-mingle different grades of cargo belonging to the Buyer; and/or
- b) breach the Vessel's natural segregation; and/or
- c) dope the cargo by introducing additives after loading; and/or
- d) add dye to the cargo after loading; and/or
- e) perform on-board blending of the cargo; and/or
- f) carry additives/dye in drums on deck; and/or
- g) carry out such other cargo operation as the Buyer may reasonably require;
- h) and where the Seller procures the performance of the requested activity in accordance with such request, the Buyer will indemnify and hold the Seller harmless against any liability, loss, damage, delay or expense (including legal costs) that the Seller may sustain in complying with the Buyer's request.

76.3 The Seller's compliance with any Buyer's request under sections 76.1 or 76.2 is at the Seller's discretion and subject to:

- a) the Vessel being capable of performing such operations; and
- b) the agreement of the master of the Vessel.

76.4 The indemnity given by the Buyer to the Seller will be no less in scope than the indemnity required by the Vessel owner to comply with the Buyer's request.

76.5 The indemnities given under this section 76 will be limited in value to an amount equal to the price of the Crude Oil multiplied by 2 and will automatically cancel after two years from the date of the bill of lading for the Crude Oil if no claim has been brought under the indemnities prior to that time.

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## **77. Freight and demurrage**

77.1 Without prejudice to the Buyer's obligations under Section 70, the Seller will settle freight and demurrage due to the shipowners.

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## Part D – Other Provisions

### Payment obligation

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#### 78 Payment obligation

78.1 The Buyer will pay the full amount for the Crude Oil without any discount, deduction, withholding, offset or counterclaim upon receipt of:

- a) the Seller's invoice; and
- b) i) in respect of Vessel Delivery, a full set of original clean bills of lading issued or endorsed to the order of the Buyer or Buyer's bank.
- ii) in respect of FIP Delivery, a copy of the certificates of quantity and quality (or equivalent documents) evidencing the transfer.

78.2 If the documents referred to in section 78.1 b) i) are not available on or before the payment due date, the Buyer will pay the Seller upon presentation of:

- a) the Seller's invoice (provisional invoice acceptable where the provisions of section 81 apply); and
- b) the Seller's letter of indemnity (in the format set out in Schedule A):
  - i) signed by Seller (at its sole discretion); and
  - ii) if so requested by the Buyer, counter-signed by a bank acceptable to the Buyer provided that the Buyer can show reasonable grounds to believe that the financial condition of the Seller has deteriorated materially between the date of the Agreement and date of presentation of the Seller's letter of indemnity (a PDF is acceptable).

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#### 79 Negative price event

79.1 The parties recognise volatility in the relevant markets may result in a negative price for the Crude Oil resulting from the application of the price during the relevant period.

79.2 In the event of a negative price in these circumstances, the parties agree there will automatically be a price floor of zero, meaning that the Buyer will pay nothing for the Crude Oil and the Seller will not be required to pay the Buyer to receive the Crude Oil. This price floor will be applied to the price of the physical commodity only before including the pricing impact of freight charges, insurance, or any other ancillary costs.

79.3 The Buyer and the Seller accept that, notwithstanding any negative price or the price floor of zero, the Agreement remains valid and valuable consideration has been given and received based on the mutual covenants and undertakings of the parties.

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### Invoice

#### 80 Seller's invoice

80.1 The Seller will prepare the invoice based on the certificate(s) of quantity and quality (if applicable) issued in accordance with section 14 or section 48 as applicable.

80.2 The Seller's invoice will be in full compliance with any tax requirements of the relevant VAT/GST regime of the country where the Loading Terminal and

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Discharge Port is located and shall be delivered in such a method that complies with such tax requirements.

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## **81 Provisional invoice**

### *Provisional invoice preparation*

81.1 Where payment will be made in advance, or where the applicable pricing mechanism does not allow for the preparation of a final invoice prior to the payment due date, the Seller may issue a provisional invoice.

The provisional invoice will, unless otherwise agreed between the parties, be based upon:

- a) the pricing information available to the Seller at the time it issues such provisional invoice; and
- b) the loaded / transfer quantity (as stated on the certificate of quantity) where known at the time of preparation of the provisional invoice, or if not known, the maximum contractual quantity specified in the Special Provisions.

### *Provisional invoice payment*

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81.2 The Buyer will make payment upon receipt of:

- a) a provisional invoice; and
- b) for Vessel Delivery (where loading has already occurred) the bills of lading or Seller's letter of indemnity as provided in section 78.

### *Final invoice*

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81.3 The Seller will prepare a final invoice as soon as practicable after all the relevant pricing information becomes available to the Seller.

81.4 The parties will pay any balance due under the final invoice within 3 New York banking days of receipt of the invoice.

81.5 Unless otherwise agreed in the Special Provisions, no interest will be due on the difference between the provisional and final invoice.

### *Repayment of cash in advance*

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81.6 Where the Buyer has paid the Seller in advance and Delivery is not made (including when caused by Force Majeure), the Seller shall repay the advance payment to the Buyer. The Seller will pay the Buyer on or before 3 New York banking days after the demand is received by the Seller.

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## Payment method and due date

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### **82 Payment method and currency**

82.1 The Buyer will pay the Seller in USD by wire transfer of same-day funds, quoting the Seller's invoice number and the Buyer's name, to the Seller's bank, account name, and account number specified in the Special Provisions or as otherwise notified by the Seller in writing.

82.2 Payment is made when funds are received by the Seller.

82.3 Notwithstanding the currency of payment in the Agreement, it is a condition of the Agreement that the payment for the Crude Oil at the contract price, and any other payment envisaged hereunder, can be freely made and received in USD via standard banking channels processing to or through the United States of America.

### **83 Payment due date**

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83.1 The Buyer will pay for the Crude Oil on the payment due date specified in the Special Provisions or Security Notice. If there is no payment due date specified in

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respect of the Crude Oil, the Buyer will pay for the Crude Oil on or before 30 calendar days after the bill of lading date (bill of lading date = day zero).

83.2 All documents for payment for the Crude Oil will be delivered to the Buyer no later than 3 New York banking days prior to the payment due date.

83.3 If the documents for payment for the Crude Oil are not delivered to the Buyer in accordance with section 83.2, the Buyer will pay the Seller no later than 3 New York banking days after receiving the documents for payment.

83.4 The parties will pay for all other amounts (other than the price for the Crude Oil) due under the Agreement on the date specified in the relevant invoice. If there is no payment due date specified in the relevant invoice in respect of other amounts due, payment will be due on or before 30 calendar days after the bill of lading date (bill of lading date = day zero) or 3 New York banking days after the date the invoice is received, whichever is later.

83.5 Any payment due on a Sunday or bank holiday Monday in New York will be made on the first New York banking day following. Any payment due on a Saturday or any other bank holiday in New York, will be made on the last preceding banking day in New York.

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*Late Payments*

83.6 Provided the Seller has complied with section 83.3, any amount not paid on the payment due date will bear interest from the payment due date up to and excluding the date payment is made in full at the rate of 3% above the SOFR 30-Day Average.

83.7 Section 83.6 is not an agreement by the Seller to extend credit to the Buyer.

83.8 Any interest payable to the Seller will be engrossed for withholding tax, if any, such that the net amount received by the Seller after the deduction of any withholding tax shall be equal to the full amount of interest due.

*Buyer's right to delay if different bank account*

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83.9 If, less than 10 Business Days before the payment due date, the Seller asks for payment to be made to a bank account that is different to that which has previously been accepted for settlement, the Buyer has the right to delay payment without incurring interest if, and to the extent that, such delay is necessary to establish the validity of the requested change and conduct KYC checks on the bank.

*Non-compliance with obligation to pay for the Crude Oil*

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83.10 If the Buyer fails to pay for the Crude Oil in accordance with the applicable payment obligations (including providing acceptable Payment Security as detailed in section 84), the Seller may, without any liability whatsoever for any cost, loss, or damage (including liabilities to third parties) incurred by the Buyer, immediately:

- a) terminate the Agreement and claim damages; or
- b) without prejudice to the right to terminate the Agreement, suspend or cancel Delivery of all or any supplies of Crude Oil.

83.11 The Buyer will be liable for all costs, losses, and damages incurred by the Seller due to the Buyer's breach, including but not limited to any demurrage payable by the Seller regarding the Vessel or other vessels waiting at the Loading Terminal, or Discharge Port as applicable.

83.12 Termination under section 83.10 will be without prejudice to any right of action or claim accrued on or before the date of termination.



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83.13 The Seller's rights under this section 83 are only in relation to non-payment for the Crude Oil.

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## Security

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### **84 Security for payment**

84.1 For the purposes of this section 84, Letter of Credit refers to either the documentary letter of credit or standby letter of credit as applicable.

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#### *Issuer*

84.2 Where Payment Security is required in the form of a Letter of Credit, the Buyer (as applicant) will cause the Letter of Credit to be issued (and confirmed if required by Seller) at the Buyer's cost, with or confirmed by bank acceptable to the Seller ("Security Bank") in terms specified in this section 84.

84.3 The Security Bank must remain acceptable to the Seller, or the Seller will be entitled to demand a re-issue of the Letter of Credit at the Buyer's cost.

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#### *Amount*

84.4 The Letter of Credit will be sufficient to cover the contractual mean value of the Crude Oil at the price specified in the Special Provisions plus 15 percent and an additional amount to cover escalation in duties, including VAT/GST, if appropriate.

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#### *Form*

84.5 The Buyer will cause the Letter of Credit to be advised or confirmed in writing by the Security Bank to the Seller in a form acceptable to the Seller.

84.6 All Letters of Credit will be governed by English Law, with any dispute to be resolved in the English Courts exclusively.

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#### *Timing*

84.7 The Letter of Credit will be so advised or confirmed by no later than the date/time:

- a) as specified in the Special Provisions; or
- b) as specified in the Security Notice; or
- c) where the date/time is not specified in the Special Provisions or the Seller's Security Notice, by not later than 1600 hours (London time) on the 10th day prior to the first day of the Laydays.

84.8 If the date of the Agreement is later than any of the dates for issuing and/or confirming the Letter of Credit specified in the Special Provisions or this Section, then the Buyer will make best efforts to issue or confirm the Letter of Credit as soon as practicably possible and never later than 1200 hours (London time) on the day immediately before the first day of the Laydays.

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#### *Location*

84.9 Pursuant to such Letter of Credit, the Seller will present the documents referred to in the Letter of Credit at the counter of the Security Bank or its correspondent bank in London.

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#### *Costs*

84.10 The Buyer will be responsible for all costs related to the Letter of Credit.

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#### *Terms*

84.11 The Letter of Credit will not amend the provisions of the Agreement unless the Seller and the Buyer expressly agree in writing to such amendment.

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*Extension*

84.12 If the loading of the Vessel will not take place within the period for such loading referred to in the Letter of Credit, the Buyer will either obtain an extension of such period for loading or provide a new Letter of Credit in terms acceptable to the Seller, failing which the Seller can suspend loading and, for the FOB Grades, time shall cease counting under section 38 until loading resumes.

*Security Notice*

84.13 If Payment Security is not provided for in the Special Provisions, and the Seller has reasonable grounds to:

- a) believe that the financial condition of the Buyer has deteriorated between the date of the Agreement and the date that a demand under this section is made; or
- b) anticipate that the Buyer's ability to make payment may be adversely affected by sanctions or geopolitical events,

the Seller will be entitled to demand that payment will be made either:

- i) by means of a Letter of Credit; or
- ii) by advance payment in accordance with section 81.

84.14 If the Seller wishes to make such a demand, they must do so in a Security Notice and give the Buyer notice of not less than 2 Business Days in which to provide the Payment Security. The Buyer will choose whether to make payment by Letter of Credit or advance payment and, subject to this notice requirement, arrange the same by the time stated in the Security Notice.

## Taxes and duties

### **85 VAT/GST and similar tax**

85.1 The price of the Crude Oil is exclusive of Value Added Tax (VAT), Goods and Services Tax (GST), or any similar tax.

*Tax invoice*

85.2 If VAT, GST, or any similar tax is payable under the applicable rules at the Loading Terminal, the Seller will issue a valid tax invoice setting out the VAT, GST, or similar tax that is payable ("Tax Invoice").

*Payment*

85.3 The Buyer will pay the applicable VAT, GST, or similar tax:

- a) to the Seller in addition to the price specified in the Special Provisions; and
- b) in the invoicing currency for the Crude Oil (where necessary, converted from the value in the local currency at the appropriate exchange rate prevailing at the date of the relevant tax point).

*Zero-rated Crude Oil*

85.4 Where the Crude Oil can be zero-rated for VAT, GST, or similar tax, the Buyer will provide evidence that this is the case (Evidence of Zero-Rating) as set out in the following table:

Type of sale	Time period	Evidence of Zero-Rating
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All sales (where zero rating can apply)	Within 30 days of the date of completion of loading	Evidence satisfactory to the relevant authorities to allow the zero rating of the Crude Oil, including, but not limited to evidence of where the Crude Oil has been discharged
Additional requirement where Loading Terminal and Discharge Port are in EU member states only	Before transfer of title in the Crude Oil to the Buyer	A valid VAT registration number issued by an EU state other than the EU state in which the Loading Terminal is situated

85.5 Where the Buyer has provided valid Evidence of Zero-Rating in respect of the Crude Oil, the Seller will issue a valid Tax Invoice in respect of the Crude Oil that is zero rated for the applicable zero-rated taxes.

*Absence of or deficiency in Evidence of Zero-Rating*

85.6 If the Buyer fails to provide Evidence of Zero-Rating as set out in section 85.4, or there is any deficiency in the Evidence of Zero-Rating provided by the Buyer, the Seller will be entitled to issue a further tax Invoice for the amount of any VAT, GST, or similar tax payable on the Crude Oil (inclusive of duty if appropriate) together with any penalties and/or interest at the rate stipulated under the applicable tax rules.

*Seller's indemnity*

85.7 The Buyer will indemnify the Seller in respect of any costs, penalties and interest incurred by the Seller as a result of the Buyer's failure to pay, or delay in paying, any VAT, GST, or similar tax in accordance with the Agreement.

*Reimbursement*

85.8 If the Seller subsequently obtains a credit or repayment from the authorities of any VAT, GST, or similar tax paid by the Buyer in respect of the Crude Oil, the Seller will reimburse the Buyer with the net amount so credited or repaid less any costs, penalties and interest. The Seller will use all reasonable efforts, at the cost of the Buyer, to obtain such credit or repayment.

**86 Other tax, duties, etc.**

*Responsibilities*

86.1 This section 86 applies in respect of any taxes, duties, imposts, fees, charges, and dues of every description ("Taxes and Duties") that are not VAT, GST or any similar tax as described in section 85, and are:

- a) imposed or levied on the Crude Oil by any government, local authority, or port authority; or
- b) imposed or levied on the export, delivery, transportation, ownership, sale, or use of the Crude Oil by any government, local authority, or port authority.

86.2 The Taxes and Duties are for the account of the Buyer and Seller as follows:

Moment or trigger	Taxes and Duties are for account of
The Taxes and Duties arise at any stage before risk in the Crude Oil has passed to the Buyer.	Seller's account
The Taxes and Duties arise at any stage after risk in the Crude Oil has passed to the Buyer.	Buyer's account
The Taxes and Duties arise from, or are connected with the Buyer's Vessel at the Loading Terminal and the Discharge Port.	Buyer's account
The Taxes and Duties arise from or are connected with, the Seller's Vessel at the Loading Terminal.	Seller's account
The Taxes and Duties arise from or are connected with, the Seller's Vessel at the Discharge Port.	Buyer's account

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*Import duty preference regime*

86.3 If an import duty preference regime is available for the Crude Oil by virtue of a Free Trade Agreement, the Buyer can instruct the Seller that such a regime applies. For such an instruction to be valid, the Buyer must provide the Seller with the instruction prior to the Vessel's departure from the Loading Terminal.

86.4 Provided the Buyer provides a valid instruction that an import duty preference regime is available, the Seller will provide the applicable Qualifying Origin Certificate to the Buyer or its representative at the Discharge Port at or before the time of discharge.

86.5 A Qualifying Origin Certificate is:

- a) a document generally available and valid in the country of loading that attests to the preferential origin of the Crude Oil: or
- b) where the form of certificate is provided by the Buyer, such certificate as may be accepted and executed by the relevant body or authority required to execute it in accordance with the applicable Free Trade Agreement.

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*Crude Oil moving between the EU and the UK*

86.6 If the Goods are of EU or UK origin, the Seller will provide the Buyer with an origin statement in accordance with Annex 7 (formerly Annex ORIG-4) of the Trade and Cooperation Agreement (TCA) between the European Union and the United Kingdom.

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# Force Majeure

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## **87 No liability for failure to perform due to Force Majeure**

87.1 Neither party will be responsible or liable for a failure to perform any of its obligations (in whole or in part) under the Agreement if and to the extent that party proves that the failure was due to Force Majeure.

87.2 In respect of FOB Deliveries, the Seller will not be liable for demurrage that accrues following a valid declaration of Force Majeure.

87.3 In respect of CIF Deliveries, the Buyer will be liable for demurrage that accrues following a valid declaration of Force Majeure.

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## **88 Accrued payment obligations**

88.1 Force Majeure will not relieve a party from any accrued payment obligation(s) under the Agreement, whether in respect of: price; demurrage (accrued prior to Force Majeure); or any other financial obligation whatsoever.

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## **89 Notice**

89.1 If a party wishes to be relieved of any of its obligations under the Agreement due to Force Majeure, that party (the "Relying Party") will promptly give notice in writing to the other party (the "Other Party").

89.2 The notice will set out in as much detail as possible:

- a) the party's intention to rely on these Force Majeure provisions; and
- b) the Force Majeure and its effect on the Relying Party's ability to perform its obligations; and
- c) the relief the Relying Party seeks.

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## **90 Mitigation efforts**

90.1 The Relying Party will use reasonable endeavours to mitigate and overcome the effects of Force Majeure.

90.2 When and if possible, the Relying Party will provide the other party with updates on the extent and expected duration of the state of Force Majeure.

90.3 Delay or failure to comply with the notice requirements in section 89 will not deprive the Relying Party of the right to claim relief but may make the Relying Party liable in damages to the other party for loss(es) that could have otherwise reasonably been avoided.

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## **91 Relief**

91.1 The appropriate relief under this section will be as shown in the following table:

<b>Force Majeure's effect on Relying Party's ability to perform its obligations</b>	<b>Relief</b>
Impossible to perform obligations	Termination of the affected delivery obligation(s) without either party being liable for damages, penalties, or other contractual sanctions.

	Delays, hinders, reduces or interferes with ability to perform obligations	<p>Immediate postponement of the affected obligation(s), without liability for damages, penalties, or other contractual sanctions, for a period until the earliest of:</p> <p>a) such time as the state of Force Majeure ceases; or</p> <p>b) termination of the affected delivery obligation(s) by the party entitled to do so in accordance with the following:</p> <p>(i) on written notice by the Other Party at any time after midnight local time on the last day of the Laydays; or</p> <p>(ii) on written notice by either party at any time after midnight local time on the day falling seven (7) days after the last day of the Laydays.</p>
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**92 Seller’s obligations**

92.1 If the Relying Party is the Seller, it will not be obliged to purchase from other suppliers to make good any shortages or deficiency of delivery resulting from Force Majeure.

**93 Frustration**

93.1 Delay or failure to comply with the notice requirements in section 89 will not deprive the Relying Party of the right to claim relief but may make the Relying Party liable in damages to the Other Party for loss(es) that could have otherwise reasonably been avoided.

93.2 Nothing in these Force Majeure sections 87 to 93 will be taken to limit or prevent the operation of the Common Law doctrine of frustration.

Insolvency

**94 Termination or suspension for insolvency**

94.1 Notwithstanding anything to the contrary express or implied elsewhere in the Agreement and without prejudice to its other rights, either party may immediately terminate the Agreement or suspend delivery until further notice in the following circumstances:

- a) a liquidator (other than for the purpose of amalgamation or reconstruction), administrator, trustee in bankruptcy, receiver or receiver and manager is appointed in respect of the assets and/or undertaking of the other party; or
- b) an appointment similar to that described in section 94.1a is made under any applicable law; or
- c) the other party enters into an arrangement or composition with its creditors; or

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- d) an arrangement or composition similar to that described in section 94.1c is made under any applicable law; or
  - e) a party has reason to anticipate an appointment, arrangement or composition similar to that described in sections 94.1a to 94.1d.

94.2 The party wishing to terminate the Agreement or suspend delivery for the circumstances described in section 94.1, will notify the other party in writing.

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## Limitation of liabilities

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### **95 Excluded liabilities**

95.1 The exclusions and limitations of liability set out in this section 95 will not apply in respect of indemnities provided pursuant to sections 35, 76 and 85 or if, and to the extent, expressly stated otherwise in the Special Provisions.

95.2 Neither party will be liable to the other party in respect of any actual or expected:

- a) loss of profits; or
- b) losses resulting from business interruption, plant shut-down, or reduced production; or
- c) loss of use; or
- d) loss of contracts; or
- e) loss of business opportunity; or
- f) loss of goodwill; or
- g) exemplary, moral or punitive damages.

95.3 The losses referred to in section 95.2a to 95.2g include both direct and indirect losses.

95.4 Neither party will be liable to the other party for, or in respect of, any special, indirect or consequential loss, of any type.

95.5 References to "liability" under this section 95 include liability for any negligent act or omission under the Agreement or in connection with it, or liability in contract, tort, breach of statutory duty or otherwise.

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### **96 Survival of limitations of liability**

96.1 The exclusions and limitations of liability will survive the termination or expiry of the Agreement

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### **97 Time bar**

97.1 For any Dispute, valid legal proceedings must be commenced in accordance with section 102 (or in accordance with the Special Provisions) within one year of the date the Crude Oil were Delivered (or should have been Delivered if not Delivered).

97.2 Any Dispute not protected by the commencement of valid legal proceedings within the applicable period set out in section 97.1 is time barred and any liability or alleged liability of the other party will be fully and finally extinguished.

97.3 For the avoidance of doubt, section 97.1 does not derogate from any other provisions requiring compliance with a given time period (including, but not limited to, any claims arising under sections 17, 40, 51 and 70). The time period specified

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in any other provisions is an additional requirement to that in section 97.1 and any such provisions will remain in full force and effect.

97.4 This section 97 does not apply in respect of matters arising from the indemnities provided pursuant to sections 35, 76 and 85 or in respect of taxes and duties that are subject to the time limits prescribed by applicable law.

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## Applicable law

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### **98 Governing law**

98.1 The construction, validity and performance of the Agreement and any Dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual Disputes or claims) will be exclusively governed by English law to the exclusion of any other law, which may be imputed in accordance with choice of law rules applicable in any jurisdiction.

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### **99 UN Convention**

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

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### **100 Third party rights**

100.1 No provision of the Agreement is intended to, or does, confer a benefit or remedy on any third party.

100.2 No person, company or other legal entity who is not a party to the Agreement will have or be able to acquire any rights in relation to the Agreement, whether by virtue of the Contracts (Rights of Third Parties) Act 1999 or otherwise.

100.3 The parties may rescind or vary the Agreement, whether in whole or in part, without the consent of any third party.

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### **101 Sovereign immunity**

101.1 Each party warrants that it has entered into the Agreement in a purely commercial capacity and that, with respect to the Agreement, it is in all respects subject to civil and commercial law.

101.2 Each party irrevocably, unconditionally, and to the fullest extent permitted by law waives any rights of sovereign immunity that it may now have or to which it may later become entitled in respect of its position, or any property, and/or assets (present or subsequently acquired and wherever located) belonging to it. Such rights of sovereign immunity, whether arising from litigation or arbitration or any other method of dispute resolution, include, but are not limited to, immunity from: service of process; jurisdiction; suit; judgment; set-off; counterclaim; attachment; interim relief; enforcement; or execution.

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## Dispute resolution

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### **102 Arbitration**

102.1 Any Dispute will be referred to arbitration in accordance with the terms of sections 102-107 as set out as in the following table:

<b>Claim or counterclaim amount, excluding interest and costs</b>	<b>Arbitration proceedings</b>
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Neither claim nor counterclaim exceed USD 100,000	LMAA Small Claims Procedure - section 105
Claim above USD100,000 up to USD 1 million.	LMAA terms - section 104
Claims above USD 1 million	London Court of International Arbitration (LCIA) - section 103

102.2 The following will apply to any arbitration under the Agreement (excluding LMAA Small Claims Procedure):

- a) The arbitration will be conducted before a panel of three arbitrators, unless the parties agree on the appointment of a sole arbitrator (the "Tribunal").
- b) Each party will nominate one arbitrator. The two arbitrators nominated by or on behalf of the parties will nominate the third arbitrator, who will act as chairperson of the Tribunal.
- c) The chairperson will be an English-qualified lawyer, a King's Counsel or an ex-Court Judge of England.
- d) The seat of arbitration will be London, England.
- e) The language of the arbitration will be English.
- f) The parties waive any rights to any kind of punitive damages and the Tribunal will not award such damages.
- g) The arbitration award will be in writing.

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### **103 London Court of International Arbitration (LCIA)**

103.1 Where a party's claim figure, excluding interest and costs (irrespective of any notified or anticipated counterclaims and valued at the time when the arbitration proceedings are commenced), is for an amount exceeding USD 1 million, the arbitration (including any counterclaim) will be conducted in accordance with the rules of the London Court of International Arbitration (LCIA) current at the time arbitration proceedings are commenced and such rules are deemed incorporated into this Agreement.

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### **104 London Maritime Arbitrators Association (LMAA) arbitration**

104.1 Where a party's claim figure, excluding interest and costs (irrespective of any notified or anticipated counterclaims and valued at the time when the arbitration proceedings are commenced), is for an amount of USD1 million or less, the arbitration (including any counterclaims) will be conducted in accordance with the London Maritime Arbitrators Association (LMAA) terms current at the time when the arbitration proceedings are commenced and such LMAA terms are deemed incorporated into this Agreement.

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### **105 London Maritime Arbitrators Association (LMAA) Small Claims Procedure**

105.1 In cases where neither the claim nor any counterclaim exceeds the sum of USD 100,000 excluding interest and costs (with this limit applying separately to claims and counterclaims and not as an aggregate figure), the arbitration will be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.

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## **106 Awards**

106.1 For any award rendered under LMAA arbitration pursuant to sections 104 and 105, the award will be final and binding on the parties without any appeal to the Courts and the parties agree to carry out an arbitration award without delay.

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## **107 Enforcement, interlocutory and interim action**

107.1 Any award or judgement given pursuant to sections 102-107, or the Special Provisions may be enforced in the courts of any country.

107.2 Nothing in the Agreement will prohibit a party from pursuing arrest, attachment and/or other conservatory, interlocutory or interim relief in any court with competent jurisdiction in relation to the Crude Oil or the Vessel.

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## Health, safety and environment

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### **108 Safety Data Sheet (SDS)**

108.1 The Seller will provide the Buyer with the following for the Crude Oil:

- a) a copy of the current Safety Data Sheet (SDS); and
- b) any other information relating to health, safety and environmental data in compliance with the requirements of any applicable laws, rules or regulations.

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### **109 Buyer's responsibilities**

For the purposes of this section, supplies has the same meaning as supply set out in Section 46 of the UK Consumer Protection Act 1987.

109.1 The Buyer will provide its employees; agents; contractors; customers and other persons it supplies the Crude Oil to with either a copy of the SDS provided by the Seller or a comparable SDS and any other information relating to health, safety and environmental data for the Crude Oil.

109.2 The Buyer will be responsible for any consequences that result from the use of an SDS.

109.3 The Buyer will provide a copy of the SDS to all persons responsible for the management of health, safety and environment matters within its own organisation.

109.4 The Buyer will provide its employees with appropriate information and training to enable the employees to handle and use the Crude Oil in a manner that does not endanger the employees' health or safety.

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### **110 Liability**

110.1 To the extent permissible by law, the Seller will not be responsible for any loss, damage or injury resulting from any inherent hazards in the Crude Oil.

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## Facilitation payments and Anti-corruption

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### **111 Facilitation payments and Anti-corruption**

111.1 Each party represents, warrants, and covenants that in connection with the Agreement and the business resulting therefrom:

- a) it is aware of and will comply with Anti-Corruption Laws;
- b) whether directly or indirectly, it has not made, offered, authorised, or accepted and will not make, offer, authorise, or accept any payment, gift, promise, or other advantage, to or for the use or benefit of:

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- i) any government official or any officer or employee of a government or any department, agency or instrumentality of any government;
  - ii) any officer or employee of a public international organization;
  - iii) any person acting in an official capacity for or on behalf of any government or department, agency, or instrumentality of such government or of any public international organization;
  - iv) any political party or official thereof, or any candidate for political office;
  - v) any director, officer, employee or agent/representative of an actual or prospective counterparty, supplier or customer of Buyer or Seller;
  - vi) any other person, individual or entity at the suggestion, request or direction or for the benefit of any of the above-described persons and entities, or
  - vii) any other person,
- in each case, where that payment, gift, promise, or other advantage would contravene or otherwise violate the Anti-Corruption Laws;
- c) it has maintained and will maintain adequate written policies, procedures and internal controls to comply with Anti-Corruption Laws;
  - d) in the event a party becomes aware it has breached an obligation in this section 111.1, it will promptly notify the other party, subject to the preservation of legal privilege (if applicable), and/or the requirements of any relevant authority having jurisdiction over such alleged breach;
  - e) it has used and will use reasonable efforts to require any subcontractors, agents, or any other third parties to also comply with the foregoing requirements in this section 111.1;
  - f) only a party (and not its Affiliates or a third party) shall make payments to the other party, except with the prior written consent of all parties; and
  - g) it will provide information (which unless publicly available will include documentary evidence) in support of the other/requesting party's ongoing KYC process requirements, about its ownership, officers, and corporate structure (including any changes thereto).

111.2 Without limitation to any other available remedies, either party may terminate the Agreement forthwith, upon written notice to the other party at any time if, in its reasonable judgement and supported by credible evidence, the other party is in breach of, or its subcontractors, agents, or other third parties are in breach of, any of the above representations, warranties or covenants in this section.

111.3 Nothing in the Agreement shall require a party to perform any part of the Agreement or take any actions if, by doing so, the party would not comply with the Anti-Corruption Laws. The obligations in section 111.1(d) and this section 111.3 will survive the termination or expiry of the Agreement.

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# Sanctions and Trade Controls

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## **112 Sanctions and trade controls**

Notwithstanding anything to the contrary elsewhere in the Agreement:

112.1 Nothing in the Agreement is intended, and nothing herein will be interpreted or construed, to induce or require either party hereto to act in any manner (including failing to take any actions in connection with a transaction) that is inconsistent with, penalised or prohibited under any Trade Control Laws or that would otherwise expose such party to a risk of being added to a Restricted Party list or otherwise becoming the target of any national, regional or multilateral trade or economic sanctions under Trade Control Laws.

112.2 Neither party will be obliged to perform any obligation otherwise required by the Agreement (including without limitation an obligation to:

- a) perform, deliver, accept, sell, purchase, pay or receive monies to, from, or through a person or entity, or
- b) engage in any other acts) if this would be in violation of, inconsistent with, or place such party at risk of punitive measures under any Trade Control Laws.

112.3 The Buyer will not directly or indirectly export, transfer, divert, trade, ship, import, transport, store, sell or deliver any of the Crude Oil to be supplied under the Agreement to, or for end-use by, a Restricted Jurisdiction or a Restricted Party (or both) unless agreed by the Parties in writing and the Seller will not source or purchase any of the Crude Oil to be Delivered to the Buyer under the Agreement from a Restricted Party or a Restricted Jurisdiction. In addition, the Buyer has used or will use reasonable endeavours to impose or require the imposition of these restrictions on any of its direct or indirect resale customers.

112.4 Where any performance by a party would be in violation of, inconsistent with, or place such party at risk of punitive measures under the Trade Control Laws, or where a party becomes a Restricted Party, the party unable to perform or the party not designated as a Restricted Party (the "Affected Party") will, as soon as reasonably practicable give written notice to the other party of its inability to perform. Once such notice has been given, the Affected Party will be entitled:

- a) to immediately suspend the affected obligation (whether payment or performance) until such time as the Affected Party may lawfully and without the risk of punitive measures under any Trade Control Laws discharge such obligation; and/or
  - b) where the inability to discharge the obligation continues (or is reasonably expected to continue) until the end of the contractual time for discharge thereof, to a full release from the affected obligation, provided that where the relevant obligation relates to payment for Crude Oil that has already been Delivered or any other payment hereunder, the affected payment obligation will remain suspended (without prejudice to the accrual of any interest on an outstanding payment amount) until such time as the Affected Party may lawfully and without the risk of punitive measures under any Trade Control Laws resume payment; and/or
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- c) where the obligation affected is acceptance of the vessel, to require the nominating party to nominate an alternative vessel;

in each case without any liability whatsoever (including but not limited to any damages for breach of contract, penalties, costs, fees and expenses) provided that at the time the Agreement was concluded the performance would not have been, or it would not have been reasonably apparent to the Affected Party that performance would be, in violation of, inconsistent with or have placed the Affected Party at risk of punitive measures under the Trade Control Laws.

112.5 Nothing in this section will be taken to limit or prevent the operation, where available under the governing law of the Agreement, of any doctrine analogous to the English Common Law doctrine of frustration.

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## Data privacy

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### 113 Data privacy

113.1 The parties may provide each other with information related to an identified or identifiable individual ("Personal Data") and will process the Personal Data in accordance with applicable data protection laws. This includes ensuring they comply with all obligations to ensure the lawful transfer of Personal Data, and the Parties agree to cooperate with one another in this regard.

113.2 Each party is a data controller in respect of the Personal Data.

113.3 Prior to sharing any Personal Data, the parties will enter into an appropriate controller-to-controller data privacy agreement which that satisfies the sending party's legal requirements, including for cross border transfers.

113.4 The parties may not process, sell, retain, use or disclose the Personal Data for any purpose other than for the specific purpose specified in the Agreement, or as required or permitted by applicable data protection laws. The Agreement is evidence that the parties understand this condition and will comply with it.

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## Book-out

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### 114 Book-out

114.1 If after the date on which this Agreement is entered into it is found that the transaction which is the subject of this Agreement forms part of a series of transactions which can be shown by any party to any of such transactions to form a continuous circle of such transactions ("the circler"), the parties hereto hereby express willingness to consider entering into any book-out agreement (as defined in section 114.2 below) that may reasonably be proposed by any party to any of the transactions in the circle provided always that each party involved in the circle has given or gives a similar undertaking, it being always understood that each party hereto retains all rights to decline to enter any such book-out agreement in its sole and unfettered discretion and without any obligation to give any reasons therefor.

114.2 For the purpose of section 114.1 above, a book-out agreement shall mean an agreement between all parties to the circler in question pursuant to which each party in the circler agrees to forego the receiving or making of physical delivery of Crude Oil and to discharge its relevant contracts of purchase and sale in consideration of each other party in the circler undertaking to make payment to or to receive payment from, as the case may be, its supplier and its customer of such

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sums as shall be agreed between each supplier in the circlet and its customer. In determining the sums so payable Buyer and Seller agree that the following shall apply in any such book-out agreement:

- a) there shall be a deemed delivery quantity of the Nominal Volume;
- b) there shall be a deemed bill of lading date of either the 15th day of the Specified Month or, if the Seller's declaration of the Laydays/Implied Arrival Range has been made pursuant to the Agreement, the middle Day of the Laydays; and
- c) discounting, if agreed, shall be based on the SOFR 30-Day Average dollar rate current on the date on which such book-out agreement is formally proposed by one party in the circlet to all the other parties in the circlet.

114.3 The provisions relating to the method of payment in the book-out agreement shall, unless otherwise specifically agreed between the parties to the agreement, be as set out in the payment provisions hereof if the sum payable is to be paid by Buyer to Seller. If, however, such sum is to be paid by Seller to Buyer payment shall, unless otherwise agreed, be in accordance with such payment provisions as would usually be found in any sales by Buyer to Seller under sales contracts between them.

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## Notices and communications

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### 115 Method of notice

115.1 The parties will give all notices and communications between the parties in writing using one of the following methods:

- a) a nationally recognised, next-day courier service;
- b) first-class registered post or first-class certified mail, with postage paid; or
- c) email.

115.2 Any notices of assignment, termination, legal, or arbitration proceedings can be sent by email first but must then be followed immediately with a hard copy sent by courier, first-class registered post, or first-class certified mail.

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### 116 Address and contact details for notices

116.1 Notices and communications will be addressed to either:

- a) the party's address as specified in the Special Provisions; or
- b) the address that a party has notified to be that party's address for this purpose.

116.2 If a party wishes to change its contact or address specified for notices, it will notify the other party in writing immediately.

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### 117 Receipt of notice

117.1 A notice given under the Agreement will be effective from the point in time shown in the following table:

How notice was sent	Date notice effective
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First-class post within UK		Next Business Day after notice was posted
Airmail		Fifth Business Day after notice was posted
Courier	delivered on Business Day before 17:00 hours local time	Same Business Day
	delivered any other time	Next Business Day
Email	sent on Business Day before 17:00 hours local time	Same Business Day
	sent any other time	Next Business Day

117.2 Email messages are only valid if actually received and the sender bears the risk of failure in transmission.

## Assignment

### 118 Consent

118.1 Neither party may assign any rights or obligations under the Agreement without the prior written consent of the other party. Such consent will not be unreasonably withheld or delayed.

118.2 Despite section 118.1, the Seller may assign all or a portion of its rights to receive and obtain payment under the Agreement in connection with any finance, securitisation, insurance, or bank funding arrangements, without the Buyer's consent providing that:

- a) such assignment does not contravene any applicable law, regulation, or decree binding upon the Buyer; and
- b) the assignee passes any compliance, including KYC, checks required by the Buyer.

### 119 Continuing responsibility

119.1 If a party assigns any rights granted by the Agreement, the assigning party nevertheless continues to be responsible for the performance of the Agreement.

## Change in corporate circumstances

### 120 Change in corporate circumstances

120.1 If a party is subject to a change in corporate circumstances during the term of the Agreement, that party (the "Changed Party") will provide the other party with notice of such change together with all necessary documentation reasonably requested by the other party necessary for it to complete its KYC process and requirements.

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120.2 The Changed Party will provide such information with the following applicable minimum prior notice period:

Type of change	Minimum prior notice period
Name change	14 days
Merger, acquisition or reorganisation	60 days

120.3 The other party will not be liable for either of the following when caused by the Changed Party's failure to comply with this section 120:

- a) any reasonable delays in processing any invoice(s) submitted by the Changed Party under the terms of the Agreement; and
- b) any interest that may accrue in respect of the late payment of any invoice(s).

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## Confidentiality

### **121 Non-disclosure**

121.1 Except as provided in section 122.1, neither Party will disclose details of the Agreement to any third party without the prior written consent of the other party.

### **122 Permitted disclosure**

122.1 A party (the "Disclosing Party") may disclose details of the Agreement without the other party's prior written consent if such disclosure:

- a) is required by law; or
- b) is required by any securities exchange, regulatory body, governmental body, or fiscal authority that has jurisdiction over the Disclosing Party, wherever situated, and whether or not the requirement has the force of law; or
- c) is of details that are or were already in the public domain other than through the fault or action of the Disclosing Party; or
- d) is to an Affiliate, or that party's own professional advisers; or
- e) is in connection with any Dispute, legal or arbitration proceedings relating to a Dispute.

In the case of d) and e) above, the Disclosing Party will cause all parties in receipt of the disclosed information to be bound by the same obligations of confidentiality as contained in the Agreement.

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### **123 Recording, retaining and monitoring communications**

123.1 Either party may, to the extent permitted or required by law, record, monitor and retain electronic transmissions, including telephone conversations, email and instant messaging between the parties' respective representatives in connection with the Agreement or other commercial matters between the parties.

123.2 A copy of a record will be available on request for a period of up to seven years. Telephone calls may be recorded without the use of a warning message.



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## Trademarks

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### **124 Trademarks**

124.1 Nothing in the Agreement, whether express or implied, confers on either party any right to apply or use any trademark owned by the other party or any of its Affiliates in relation to the Crude Oil.

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## Miscellaneous provisions

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### **125 Severability**

125.1 If a court of competent jurisdiction declares any part of the Agreement illegal, unenforceable, or invalid, or if either party's compliance with any ruling or resolution of the United Nations the European Union, or any other Competent Authority, has a like or similar effect, the remainder of the Agreement will continue to be valid and enforceable.

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### **126 Survival of terms**

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

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### **127 Consents**

127.1 Each party will be responsible for obtaining all consents, authorisations, approvals and assurances necessary to enable it to comply with its obligations under the Agreement.

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### **128 Modifications**

128.1 The Agreement can only be modified if such modifications are mutually agreed by the parties and the parties have exchanged a written notice of the modification.

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### **129 Waiver**

129.1 Any waiver will only be effective where given in writing by the waiving party and apply only to the matter, non-compliance, or breach to which it expressly relates. Such waiver will not apply to any subsequent or other matter, non-compliance, or breach.

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### **130 Electronic documentation**

130.1 If the Special Provisions specify that certain transactions, documents or communications may be issued, signed or transmitted electronically ("eDoc"), such eDocs will satisfy any applicable requirement of law, contract, custom or practice for the transaction, document or communication to be in writing, signed, and/or sealed.

130.2 The parties agree not to contend that any eDoc (including any eDoc converted to paper) is not:

- a) in writing;
  - b) equivalent to an original paper document signed by hand; or
  - c) sealed.
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**131 Entire Agreement**

131.1 The Agreement constitutes the entire agreement between the parties with respect to the matters set out in the Special Provisions and supersedes all prior agreements relating to such matters, whether oral or written.

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**132 Warranties**

132.1 Each party warrants that it has relied exclusively on its own knowledge, judgement and expertise, and has not entered into the Agreement in reliance upon any representations in connection with the Agreement made by or on behalf of the other party, whether written or oral.

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**133 Warranty of title**

133.1 The Seller warrants to the Buyer that, at the time title in the Crude Oil passes to the Buyer as provided in the Agreement, the Seller has unencumbered title to the Crude Oil and has the right to sell the Crude Oil to the Buyer.

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# Schedules

## Schedule A: Seller's letter of indemnity

The Seller's letter of indemnity will use the wording and format shown here.

### Letter of indemnity

We refer to the following Agreement (the "Agreement") between us:

Agreement reference: [REF]

Agreement date: [DATE]

Vessel: [VESSEL]

Bill of lading date: [LADING DATE]

Crude Oil: [QUANTITY] of [GRADE]

Invoice Amount due: [USD AMOUNT]

### Representation and warranty

In consideration of:

- 1) you paying the full invoiced amount for the Crude Oil in accordance with the Agreement, as detailed in the Seller's valid tax commercial invoice (or provisional invoice where expressly provided for in the terms of the Agreement) of [USDAMOUNT]; and
- 2) making payment when due of any subsequent shortfall as set out on any final invoice; and
- 3) having agreed to accept delivery of the Crude Oil without having been provided with the 3/3 clean original bills of lading issued or endorsed to the order of the Buyer [or the Buyer's bank] ("the Documents"),

we represent and warrant all of the following:

- a) the Documents exist and are valid;
- b) we are entitled to possession of the Documents;
- c) we were entitled to possession of the Crude Oil;
- d) we had good title to the Crude Oil;
- e) as provided in the Agreement, title in the Crude Oil will pass to you free of all liens, charges or encumbrances; and
- f) you will have the benefit of the warranty without prejudice to any other warranty.

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

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

Our liability as set out above will remain in full force and effect unless and until we provide you with the Documents.

We agree to provide the Documents to you promptly when we have them.

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

Our liability under this letter of indemnity is limited to 200% of the invoice value of the Crude Oil and shall terminate at 24.00 hours on the day 24 calendar months after the date of discharge, unless before that time a claim under this indemnity has already been notified, in which case this Letter of Indemnity remains valid until the claim pursuant to this indemnity has been finally resolved.

This indemnity will be governed by and construed in accordance with the law, jurisdiction, and dispute resolution terms of the Agreement which are hereby incorporated into this indemnity.

Signed by: [NAME] [If desired by Seller at its sole discretion]

Position: [POSITION]

Authorised representative of: [COMPANY NAME]

[SIGNATURE]

Countersignature *[Countersignature if requested by the Buyer]*

We confirm that [FULL NAME OF SELLER] is our customer.

We jointly and severally agree to be bound by the provisions of this letter of indemnity.

Signed by: [NAME]

Position: [POSITION]

Authorised representative of: [BANK NAME]

[SIGNATURE]

## Schedule B: Vessel requirements

B1	<b>ITOPF</b>	B1.1 Each Vessel must be owned by, or demise chartered to, a member of ITOFF.
B2	<b>International Ship and Port Facility Security Code and the relevant amendments to Chapter XI of SOLAS (ISPS Code)</b>	B2.1 The Vessel must comply with the requirements of the ISPS Code, including the requirement to submit a Declaration of Security (DoS) to the appropriate authorities prior to arrival at the Loading Terminal or Discharge Terminal.
B3	<b>U.S. Maritime Transportation Security Act 2002 (MTSA)</b>	B3.1 Where the Loading Terminal or Discharge Port is within the U.S.A., a U.S. territory or U.S. waters, the Vessel must comply with the requirements of the MTSA, including the requirement to submit a Declaration of Security (DoS) to the appropriate authorities prior to arrival at the Loading Terminal or Discharge Port.
B4	<b>Civil Liability Convention for Oil Pollution Damage 1992 and any applicable protocols (CLC) and International Convention on Civil Liability for Bunker Oil Pollution Damage 2001 (Bunker Convention)</b>	B4.1 The Vessel will: <ul style="list-style-type: none"> <li>a) carry on board certificate(s) as required by the CLC or the Bunker Convention (as applicable); and</li> <li>b) have in place insurance cover for oil pollution no less than the highest scope and amount available under the rules of P&amp;I Clubs entered into the International Group of P&amp;I Clubs. (At the time of publication this is standard oil pollution cover of USD1,000 million.)</li> </ul>
B5	<b>International Management Code for the Safe Operations of Ships and for Pollution Prevention (ISM)</b>	B5.1 The Vessel will have a valid ISM certificate on board at all times. B5.2 The Vessel owners will comply with the requirements of the ISM before and during the voyage.
B6	<b>International Safety Guide for Oil Tankers and Terminals (ISGOTT)</b>  <b>International Safety Guide for Inland Navigation Tank-Barges and Terminals (ISGINTT)</b>	B6.1 The Vessel will be manned, operated and maintained to fully comply with the standards set out in ISGOTT or ISGINTT as applicable.
B7	<b>International Maritime Organisation (IMO)</b>	B7.1 The Vessel will be manned, operated and maintained to fully comply with applicable IMO recommendations.
B8	<b>OCIMF Guidelines for the Control of Drugs and Alcohol On-board Ship</b>	B8.1 The Vessel will have effective policies and procedures in place and be operated to fully comply with current OCIMF Guidelines for the Control of Drugs and Alcohol On-board Ship.
B9	<b>International Convention for the Prevention of Pollution from Ships, as amended from time to time (MARPOL)</b>	B9.1 The Vessel will comply fully with MARPOL 73/78, as amended from time to time and all other applicable regulations.
B10	<b>Port clearance regulations</b>	B10.1 The Vessel will comply with port clearance regulations at the Loading Terminal and the Discharge Port.
B11	<b>British Chamber of Shipping Code of Practice, March 1993, as amended from time to time (BCS Code of Practice)</b>	B11.1 Where the Loading Terminal and/or Discharge Port is located within the United Kingdom, the Vessel will observe the BCS Code of Practice relating to, among other things, recommendations as to routes to be taken in certain sensitive locations in UK waters.

B12 <b>Maritime Traffic Schemes</b>	B12.1 The Vessel will comply with: all regulations and recommendations contained in any Maritime Traffic Schemes applicable to the voyages required for the Agreement.
B13 <b>Closed Operations Mode</b>	<p>B13.1 The following definitions apply to this section:</p> <p><b>“Volatile”</b>: a liquid from which gas evaporates rapidly. Includes any naturally volatile Crude Oil or any Crude Oil being carried at a temperature that is higher than the flash point of the Crude Oil minus 10 degrees Celsius.</p> <p><b>“Toxic”</b>: a substance that would be harmful should it be inhaled absorbed or ingested. Includes all Crude Oil that give off vapours containing substances with recommended exposure limits.</p> <p><b>“Noxious”</b>: harmful to personnel or the environment.</p> <p><b>“Closed Operations Mode”</b> means that:</p> <ul style="list-style-type: none"> <li>a) tank apertures are closed; and</li> <li>b) vapours are only emitted by means of a dedicated venting system designed to disperse vapour clear of working areas and possible ignition sources.</li> </ul> <p>B13.2. The Vessel will operate in Closed Operations Mode when transferring Crude Oil or conducting ballasting operations that involve Volatile, Toxic or Noxious substances.</p>
B14 <b>Inert Gas Systems</b>	<p>B14.1 If required by the Seller’s or Buyer’s Vetting Procedures, the Crude Oil must be carried in a Vessel that is fitted with an Inert Gas System (IGS). Such IGS must be in good order and operative, and the cargo tanks must be inert.</p> <p>B14.2 If the Vessel fails to comply with section B14.1, the following will apply until the Vessel does comply:</p> <ul style="list-style-type: none"> <li>a) the Vessel will not be permitted to berth or to load Crude Oil;</li> <li>b) any NOR given will not be effective; and</li> <li>c) Laytime will not start until commencement of loading/discharge as applicable.</li> </ul>
B15 <b>Compliance</b>	<p>B15.1 The Vessel:</p> <ul style="list-style-type: none"> <li>a) will not be owned, controlled, or managed by a Restricted Party; and</li> <li>b) will not have called in or at a Restricted Jurisdiction within 180 days prior to the Vessel Nomination.</li> </ul> <p>B15.2 The Vessel will have acted consistently with SOLAS at all times.</p> <p>B15.3 The Vessel will have operated the Vessel’s Automatic Identification System (AIS) in accordance with the Guidelines at all times. This includes, but is not limited to: not having manipulated; knowingly switched off; or otherwise disabled the Vessel’s AIS, other than in accordance with the Guidelines. The Vessel will continue to operate the Vessel’s AIS in accordance with the Guidelines.</p> <p><b>“Guidelines”</b>: the IMO Revised Guidelines for the Onboard Operational use of Shipborne Automatic Identification Systems, Resolution A.1106(29).</p> <p><b>“AIS”</b>: an automatic identification system fitted to the Vessel in accordance with SOLAS Chapter V, Regulation 19.2.</p>