

**SCHEDULE 2**

**SELLER'S GENERAL TERMS AND CONDITIONS FOR  
FREE ON BOARD ("FOB")  
SALES AND PURCHASES OF CRUDE OIL**

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## **1. INTRODUCTION**

The General Terms and Conditions detailed herein are for use by the Seller in support of specific Free on Board (FOB) sale and purchase agreements for Oil. Where there is a conflict or discrepancy between these General Terms and Conditions and any Specific Agreement for a particular contract then the terms set out in the Specific Agreement shall prevail.

## **2. METHOD OF DELIVERY**

- 2.1 The Oil shall be delivered in bulk by the Seller FOB to the Buyer at the Delivery Point to the Accepted Vessel. Unless otherwise provided in the Specific Agreement, delivery shall be given and taken in full cargo lots. Buyer may take delivery in part cargo lots subject to the prior agreement of the Seller and the Loading Terminal operator.
- 2.2 If there is any inconsistency or conflict between Incoterms and the Agreement, the terms of the Agreement shall prevail.

## **3. RISK AND TITLE**

- 3.1 The Seller hereby expressly warrants that it has marketable title, free and clear of any liens or encumbrances to the Oil sold and delivered hereunder, and that the Seller has full right and authority to transfer such title and effect delivery of such Oil to the Buyer.
- 3.2 Risk in (including without limitation risk of loss or evaporation of, or damage to, the Oil) and title to the Oil delivered by the Seller, and all liabilities with respect thereto, shall pass from the Seller to the Buyer as soon as the Oil passes the Delivery Point at the Loading Terminal.
- 3.3 The Parties agree that the transfer of risk in and title to the Oil is not conditional upon delivery of the Bills of Lading or any other documentation.
- 3.4 Any loss of or damage to the Oil during loading if caused by the Accepted Vessel or her officers or her crew, shall be for the account of the Buyer.

## **4. QUANTITY, QUALITY, MEASUREMENT AND SAMPLING**

### **4.1 Quantity**

- 4.1.1 Unless stated otherwise in the Specific Agreement, the Seller shall sell and deliver to the Buyer, and the Buyer shall purchase and take from the Seller, FOB at the Delivery Point, the amount of Oil sold under the Specific Agreement evenly, month by month within the monthly quantity and limits stipulated in the Specific Agreement, and the invoice quantity shall be the Bill of Lading ("BL") quantity (i.e. the quantity of Oil stipulated as having been loaded in the BL). The Seller shall have the right, at its own discretion, to issue one or more BLs to Buyer or its assignee for the Oil sold under the Specific Agreement.
- 4.1.2 The quantities of Oil to be delivered by the Seller during any month may:
  - a) at the option of the Buyer be decreased by up to 5% only; or
  - b) at the option of the Buyer be increased by up to 5% only. This option is subject to operational and inventory constraints of the Seller; or

- c) at the request of the Buyer, be increased beyond 5% without limitation but subject to the Seller's agreement in advance for each specific lifting.
- 4.1.3 Any such additional quantity in 4.1.2(c) shall be considered as an increase in the Contract Volume to be purchased by the Buyer, and shall not be used to adjust or reduce the Buyer's future contractual entitlements without the Seller's consent. However, if requested by the Buyer and at the Seller's sole discretion, such additional quantity shall be considered as a pre-lifting of future entitlements and not as an increase in the Contract Volume.
- 4.1.4 The Buyer undertakes to use reasonable endeavours to lift the Oil purchased evenly (on an approximate basis) month by month within the limits stipulated in 4.1.2.

#### **4.2 Quality**

- 4.2.1 The quality of the Oil shall be as made available by the Seller to the Buyer at the time and place of loading.
- 4.2.2 Except as stated in the Specific Agreement, the Seller gives no warranties, express or implied, with respect to the quality or specifications of the Oil sold. All statutory or other conditions or warranties, express or implied, with respect to the description or satisfactory quality of the Oil or its fitness or suitability for any particular purpose or otherwise are hereby excluded, except to the extent that exclusion thereof is not permitted or enforceable by operation of law.
- 4.2.3 For the avoidance of doubt and without limiting the scope of Clause 4.2.1 and 4.2.2 above, Parties expressly agree and acknowledge that the Buyer shall not have any right to reject the Oil as a result of any claimed defect or deficiency in the quality of Oil being supplied, except if such Oil would create a material adverse effect on the Accepted Vessel, or its crew's health or safety.

#### **4.3 Measurement, Sampling and Testing**

- 4.3.1 The Seller shall supply, operate and maintain, or cause to be supplied, operated and maintained, all devices required for collecting samples and for determining the quantity, quality and composition of the delivered Oil and all other measurement or testing devices that are necessary to perform the measurement and testing.
- 4.3.2 Measurement of the quantities and the taking of samples for the purposes of determining the compliance of the Oil with the quality and quantity provisions of the Specific Agreement (if any) shall be carried out by the Seller in accordance with good standard practice customary at the Loading Terminal at the time of loading. The quantity as measured shall be adjusted to volume at sixty degrees (60) Fahrenheit in accordance with ASTM-IP Petroleum Measurement Tables and further detailed in the Load Port Authority Regulations and the Terminal Regulations and/or Procedures and such adjusted volume, after deduction of water and sediment if any, shall be the quantity loaded and shall be entered in the BL. The maximum allowable quantity of water and sediment shall not exceed 0.5% by volume. The certificates of quality and quantity (or such other equivalent documents as may be issued at the Loading Terminal) of the Oil comprising the shipment shall be based on the measurements of the Seller taken in accordance with this Clause 4.3, shall be issued by the Loading Terminal operator in accordance with such standard practice, and shall be used for invoicing purposes except in the case of manifest error or fraud, but shall be without prejudice to the rights of either Party to make any claim pursuant to Clauses 4.5 and/or 15. The BL shall determine the quantity of Oil delivered in conformity with

measurements at the Load Port and shall be considered final and binding on both Parties.

- 4.3.3 The quantity of the Oil shall be determined at the Loading Terminal based upon the Seller's measurements taken in accordance with Clause 4.3.1 and 4.3.2. If there is a conflict in the measurements, the following shall be the order of precedence:
  - a) Meter readings or combined meter readings;
  - b) Manual or automatic (if verifiable) shore tank measurements; and
  - c) Vessel figures adjusted for the Accepted Vessel's experience factor (VEF).
- 4.3.4 Samples for the determination of quality of the Oil shall be taken according to the Terminal Regulations and/or Procedures. Samples from the automatic, flow-proportional, in-line sampler shall take precedence over any other type of sample.
- 4.3.5 The Seller shall arrange for the samples to be retained in a sealed condition by the Loading Terminal operator or other authorised representative, for at least sixty (60) days from the BL date of the Oil, or longer if there is a dispute filed within sixty (60) days per Clause 4.5. The Buyer shall have the right to receive a representative sample of a minimum of one litre of the Oil loaded, and such sample shall be placed on-board the Accepted Vessel. The Buyer has the right to witness the sampling and validate the seals.
- 4.3.6 The Buyer's representative at the Load Port shall be entitled to participate in checking procedures and calculations, and together with the Seller's representative agree upon the quantity loaded and stated in the BL.

#### **4.4 Independent Inspection**

- 4.4.1 The Buyer shall have the right, at its sole cost and expense, to appoint an Independent Inspector to measure and/or witness the measurement of the quality and quantity of Oil loaded at the Delivery Point, subject to any necessary prior agreement of the Loading Terminal operator having been obtained. The Independent Inspector shall also be entitled to take measurements on board the Vessel in accordance with Clause 4.4.2.
- 4.4.2 The Independent Inspector shall be entitled to take representative samples from the Accepted Vessel and upon his request to receive a sample from the automatic, flow-proportional, in-line sampler. The Buyer shall use reasonable endeavours to arrange for such samples to be retained in a sealed condition for at least sixty (60) days from the BL date of the Oil. Both the Buyer and the Seller shall have the right to receive such samples and to witness the sampling and validate the seals. Such samples shall not take precedence in relation to any measurements taken and certificates issued by the Seller or the Loading Terminal operator respectively, pursuant to Clauses 4.3.1 and 4.3.2 but may be used by either Party to support a claim pursuant to Clause 4.5 and/or Clause 15.
- 4.4.3 Should there be a difference between any of the findings of the Independent Inspector and the Seller pursuant to Clause 4.3.1, then the Independent Inspector must highlight this to the Parties as soon as possible. The Parties agree that any certificates of quality and quantity issued by the Independent Inspector to the Buyer regarding the loading of Oil at the Delivery Point are for information purposes only and shall not take precedence over any measurements taken or certificates issued by the Seller or the

Loading Terminal operator respectively pursuant to Clauses 4.3.1 and 4.3.2, but may be used by either Party to support a claim pursuant to Clause 4.5 and/or Clause 15.

#### **4.5 Disputes and Claims**

- 4.5.1 Notice of claim as to any apparent defect in quantity or quality, in the case of the Buyer, or any apparent excess in the quantity, in the case of the Seller, with respect to the Oil shall be made in writing to the Seller or the Buyer, as the case may be, immediately after the apparent defect or excess is discovered. Any such complaint of deficiency of quantity or quality or excess in quantity shall be admissible only if notified in writing to the Seller or the Buyer, as the case may be, within sixty (60) days of the BL date and accompanied by evidence supporting the complaint. If the Seller or the Buyer, as the case may be, receives no formal notification as to the claim within the sixty (60) day period, the claim shall be deemed waived.
- 4.5.2 No claim shall be admitted in respect of any deficiency of quantity where the difference between (i) the loaded quantity as determined by the Independent Inspector and the Seller or (ii) the loaded and discharged quantity; is equal to or less than 0.5% of the BL quantity.
- 4.5.3 Subject to Clause 4.5.1 (and for the avoidance of doubt, without limiting the scope of Clause 4.2.1 and 4.2.2 above) in case of a dispute arising over the quality of the Oil delivered, the Buyer and the Seller will refer to the analysis of the samples of Oil delivered to be carried out independently by the Parties. This analysis will be binding for both Parties if found in agreement with each other, and within the reproducibility of ASTM and IP methods. Should this analysis prove different, the remaining samples shall be analysed by a third laboratory, to be agreed on by the Buyer and the Seller. The result of this analysis shall be final and the cost thereof shall be borne by the Party losing the claim. No claim submitted by the Buyer for one lot of Oil shall be regarded as a reason for rejecting any other lot of Oil to be delivered under this Agreement.
- 4.5.4 Subject to Clauses 4.5.1 and 4.5.2 (and for the avoidance of doubt, without limiting the scope of Clause 4.2.1 and 4.2.2 above), in the event of a dispute between the Parties over the quantity of the Oil, if such dispute cannot be mutually resolved by the Parties within one hundred and twenty (120) days of either Party notifying the other of the existence of such dispute, either Party may refer the matter for determination by an Expert pursuant to Clause 15.

#### **5. VESSEL NOMINATION PROCEDURES**

- 5.1 The Accepted Vessel shall arrive and tender Notice of Readiness to load the Oil at the Delivery Point within the Accepted Date Range (as nominated and determined in accordance with the remaining provisions of this Clause 5 (*Vessel Nomination Procedures*)).
- 5.2 The Buyer shall nominate to the Seller in writing no later than twenty eight (28) days prior to each month in which Oil is to be sold and purchased and, in any event, pursuant to the Load Port Authority Regulations and/or the Terminal Regulations and/or Procedures then in effect, a Vessel which complies with the Load Port Authority Regulations and the Terminal Regulations and/or Procedures. The nomination (which shall include a lifting program) shall specify, for safety, environmental, security, and operational issues, as a minimum:
  - 5.2.1 Vessel name, IMO Number, date built, flag, full crew list and the agent at the Loading

Terminal (or “to be nominated” i.e. “**TBN**”);

5.2.2 Vessel details including size, summer deadweight, overall length, beam, draught and capacity (or TBN) and any further specifications required by the Loading Terminal operator or Load Port Authority;

5.2.3 The estimated time of arrival (**ETA**) at the Load Port for each Vessel: This shall be subject to a two (2) day loading date range. During such date range the Vessel shall arrive and tender Notice of Readiness to load in the Load Port;

5.2.4 The approximate quantity of Oil to be loaded;

5.2.5 Details of any cargo on board if loading a part-cargo;

5.2.6 The three (3) previous cargoes, load ports and Discharge Ports plus any other destinations of the Vessel during this period;

5.2.7 The destination of the Oil, both interim and final destination, shall be specified if applicable;

5.2.8 Detailed and specific instructions and information needed by the Seller and/or the Seller’s representatives to issue all documents required in connection with the shipments of the Oil;

5.2.9 Such other data and information as the Seller or the Load Port Authority or Loading Terminal operator may reasonably require;

5.2.10 Whether the Vessel was in dry dock at the last port that the Vessel visited; and

5.2.11 Full written instructions regarding the particulars and destination of the Bills of Lading and such other documentation which may be required. The Seller shall use reasonable endeavours to arrange for the instructions to be carried out, but the Seller shall not be required to follow any instruction that is inconsistent with the Load Port Authority Regulations and/or the Terminal Regulations and/or Procedures in force from time to time or any provision, express or implied, in the Agreement.

5.3 Should any of the above information not be available such as if a specific Vessel cannot be identified, then the Buyer shall provide such outstanding information as soon as available and in any event the earlier of (i) ten (10) days prior to the first day of the Accepted Date Range or (ii) the last day for naming a Vessel if stated under the Terminal Regulations and/or Procedures.

5.4 The Buyer’s Vessel nomination shall not be effective (and the Seller has no obligation to deliver Oil in respect thereof) unless it is received by the Seller not later than ten (10) days prior to the Accepted Date Range. Notwithstanding the foregoing, if the nomination is received by the Seller after such tenth (10th) day and the Seller (acting in its absolute discretion) accepts such nomination, it shall be effective but, subject to the provisions of Clauses 5.5.3, 5.10, 5.14, 6.3.8 and 6.3.9. Laytime shall not commence until such time as the Accepted Vessel has actually commenced loading.

5.5 Notwithstanding anything to the contrary expressed or implied elsewhere in the Agreement, the Seller shall have the right:

5.5.1 to accept any nomination made by the Buyer pursuant to Clause 5.2 and the Vessel named by the Buyer in such nomination accepted by the Seller shall be the “**Accepted**

**Vessel**", the quantity specified shall be the "**Accepted Quantity**" and the date range specified therein shall be the "**Accepted Date Range**" subject to approval by the Load Port Authority;

- 5.5.2 to reject any nomination made by the Buyer pursuant to Clause 5.2 on any reasonable grounds;
- 5.5.3 to reject an Accepted Vessel in question prior to arrival at the Load Port, notwithstanding any prior acceptance of such Vessel (whether named in the Specific Agreement or nominated pursuant to Clause 5.2 or Clause 5.3 or substituted pursuant to Clause 5.8), on any reasonable grounds including but not limited to if such Vessel is involved in any incident or more recent information regarding such Vessel becomes available to the Seller at any time after such prior acceptance. In such event, the Buyer shall nominate another Vessel to the Seller within two (2) days of the Seller's rejection of the originally nominated Vessel.

5.6 The Seller shall give notice of acceptance or rejection of any nomination made by the Buyer in accordance with Clause 5.2 or Clause 5.3, within three (3) days of receipt of the nomination. In case of rejection, the Buyer shall promptly nominate an alternative Vessel or alternate date range for the Seller's acceptance or rejection. In the case of the second nomination being rejected, the Buyer and Seller shall agree an alternative solution, but this in no way reduces the Buyer's obligation to lift the monthly quantity during the relevant month. Should the Seller not reject, but instead require alterations to the proposed nomination and advise the Buyer accordingly within the three (3) day period stipulated above, the Buyer shall be deemed to have agreed to these alterations unless the Buyer advises the Seller otherwise within seven (7) days stating details of such adjusted nomination and the Seller's reconsideration and decision in respect thereto, shall be final and binding on both Parties. The Buyer or its representative shall notify the Seller or its representative of any change or changes in the ETA in accordance with Clause 6.1.1, but the Accepted Date Range shall be revised only with the Seller's written agreement. The giving or withholding of such agreement shall be at the Seller's sole discretion.

5.7 If the Specific Agreement is concluded on a date later than any of the dates for nomination and/or notification, then the Parties shall endeavour to complete all procedures which should have been accomplished within twenty four (24) hours of concluding the Specific Agreement.

5.8 The Buyer may, if necessary to perform its obligations under the Agreement and with the Seller's written agreement, substitute another Vessel for the Accepted Vessel provided that:

- 5.8.1 the size of the substitute Vessel, its carrying capacity and the quantity and quality of Oil to be loaded shall not, without the prior written consent of the Seller at its sole discretion, differ materially from the size and carrying capacity of the Accepted Vessel previously named and the quantity and quality of Oil specified in the previous nomination;
- 5.8.2 the Laytime which would have applied in respect of the previously Accepted Vessel shall apply to the substitute Vessel;
- 5.8.3 the Buyer shall give to the Seller written notice of such substitution (together with the information specified in Clause 5.2 in respect of the substitute Vessel) no later than five (5) days prior to the first day of the Accepted Date Range of the previously Accepted Vessel; and

- 5.8.4 the substitute Vessel is accepted by the Seller and the Loading Port Authority pursuant to the provisions of this Clause 5.
- 5.9 The Buyer shall be liable, defend, indemnify and hold the Seller harmless for all costs associated with any delays to the Accepted Vessel or in loading Oil under the Agreement due to the information required to be provided by the Buyer pursuant to this Clause 5 not being provided by the specified time or date in Clause 5.3 or due to failure to comply with the nomination procedures herein, and any delays caused by lack of information or due to failure to comply with the nomination procedures herein shall not count against Laytime or, if the Accepted Vessel is on demurrage, as time on demurrage. The Buyer undertakes to pay for and settle such claims on notification without delay pursuant to Article 9.5 and irrespective of whether the matter is referred to arbitration or not.
- 5.10 Notwithstanding any prior acceptance of a Vessel by the Seller, if at any time prior to the passing of title and risk in the Oil the Accepted Vessel ceases to be in every way fit, ready to load, handle, carry, discharge or be suitable for operations at the Load Port:
  - 5.10.1 the Seller shall have the right not to berth the Accepted Vessel and any demurrage resulting shall not be for the account of the Seller; and
  - 5.10.2 the Buyer shall be obliged to replace such Accepted Vessel with another Vessel that is in every way fit, ready to load, handle, carry, discharge and suitable for operations at the Load Port and which complies with the other requirements of this Clause 5.
- 5.11 The Buyer shall make itself familiar with the Vessel size limitations and restrictions at the Delivery Point and its approaches, such as restrictions in deadweight and displacement tonnage, length overall, loaded draught, tides, under keel clearance and other limitations currently in effect. The Buyer shall keep itself informed of any changes in the mentioned restrictions which may occur from time to time, and shall not nominate Vessels with specifications exceeding such limitations.
- 5.12 The Buyer must be fully familiar with and shall comply with the Terminal Regulations and/or Procedures at the Delivery Point, as then currently in effect, and the Seller shall provide to the Buyer all relevant and readily available information, if requested.
- 5.13 The Buyer represents, warrants and undertakes that:
  - 5.13.1 it will not nominate a Vessel that does not comply with the Terminal Regulations and/or Procedures or the Load Port Authority Regulations, including but not limited to Vessel draught, overall length, beam, deadweight and age;
  - 5.13.2 at the time of loading, the Accepted Vessel shall have a full and competent professional crew, officers and master, and be operated and maintained to fully comply with the latest ISGOTT, IMO recommendations, and OCIMF Guidelines for the Control of Drugs and Alcohol On-board Ship;
  - 5.13.3 the Accepted Vessel shall be fully compliant with the ISM Code and the ISPS Code and the Buyer shall provide any necessary documentation to the Seller if so requested;
  - 5.13.4 it is familiar with, and shall cause the Accepted Vessel to comply with, the Terminal Regulations and/or Procedures and the Load Port Authority Regulations, including but not limited to any security regulations and safety and emergency procedures;
  - 5.13.5 the Accepted Vessel shall be owned or demise chartered by a member of the ITOPF, and carries on board a valid certificate of insurance as described in the International

Convention on Civil Liability for Oil Pollution Damage (CLC) 1992 (or equivalent for the carriage or cargoes hereunder not covered by the CLC) and has in place insurance cover for oil pollution no less in scope and amounts than is available under the rules of Protection and Indemnity (P&I) Clubs entered into among the International Group of P&I Clubs. The P&I Insurance will include full coverage against liability for cargo loss/damage and coverage against liability for pollution for an amount not less than US Dollars One Billion (US\$1,000,000,000) per incident (or higher if the P&I Club minimum rises). The Buyer shall promptly furnish to the Seller proper evidence of such P&I Insurance upon nominating the Vessel or at any time during the term of the Agreement;

- 5.13.6 the Accepted Vessel has on board all the appropriate certificates of financial responsibility, including P&I Insurance, regarding Oil pollution for the voyage; and
- 5.13.7 without prejudice to any of the foregoing, the Buyer shall procure that each Accepted Vessel shall, at the time of loading:
  - a) comply with all applicable regulations, legislation and directions of governmental, local and port authorities (including the Loading Terminal) regarding health, safety, security, environmental and operational matters, and shall conform in all respects to all relevant international regulations and agreements; and
  - b) have hull, machinery, boilers, tanks, equipment and facilities which are in good order and condition, in every way fit for the service required and fit to load and carry the Oil specified in the Specific Agreement.

- 5.14 Should the Buyer or the Accepted Vessel not comply with the provisions of this Clause 5 or be unable to perform properly or fail to load the Accepted Quantity, the Seller (or Seller's Delegates) may refuse to berth or load or continue to load the Accepted Vessel and shall be under no obligation to supply the Oil which would otherwise have been deliverable to the Buyer on such Accepted Vessel, and the Seller may sell or otherwise dispose of any such Oil as the Seller may in its absolute discretion determine and pursue its remedies as per Clause 17.5.
- 5.15 A Vessel nominated by Buyer and confirmed by Seller cannot be cancelled or amended by Buyer without Seller's written agreement. Should Buyer fail to present the nominated Vessel or its substitute in the Loading Port within the loading date range allocated to that Vessel in accordance with the above nomination procedure, Buyer shall be liable, defend, indemnify and hold the Seller harmless for all costs and Buyer undertakes to pay for and settle such claims on notification without delay pursuant to Article 9.5 and irrespective of whether the matter is referred to arbitration or not.

## **6. LOADING CONDITIONS, ARRIVAL, LAYTIME AND VESSEL SHIFTING**

### **6.1 Notice Procedures**

- 6.1.1 The Buyer shall ensure that the Loading Terminal operator and Load Port Authority (as applicable) are notified of the estimated time of arrival (ETA) for the Accepted Vessel at seven (7) days, seventy two (72) hours, forty eight (48) hours, twenty four (24) hours and twelve (12) hours in advance of arrival, with notification of variations in excess of four (4) hours within the last twenty four (24) hours, plus any intervals as required by the Seller, the Seller's representatives or the Loading Terminal operator and the Load Port Authority (as applicable). On arrival, the Buyer shall confirm the

exact time that the Accepted Vessel arrived.

- 6.1.2 The Accepted Vessel shall submit a Declaration of Security (“DoS”) to the appropriate authorities prior to berthing at the Load Port when required.
- 6.1.3 Upon arrival of the Accepted Vessel at the customary anchorage or pilot boarding position for the Loading Terminal and the Delivery Point, the master of the Accepted Vessel or his local representative shall give the Seller or the Seller’s local representative at the Loading Terminal a Notice of Readiness. Such Notice of Readiness shall not be given outside of the Loading Terminal’s ordinary business hours and until after the Accepted Vessel has received all clearance required by the customs and other local government authorities and is in all respects ready to load.
- 6.1.4 Each Accepted Vessel must be fitted with an inert gas system (“IGS”) and will not be permitted to berth or to load or discharge Oil unless the IGS is in good order, operative and the cargo tanks inerted. If a Vessel arrives with the IGS inoperative, the Accepted Vessel will not be berthed until the IGS is operative and the cargo tanks inerted and until that time NOR shall not be given, or if given shall not be effective, and Laytime shall not commence until commencement of loading.
- 6.1.5 The Buyer shall ensure that prior to midnight (local time at the Loading Terminal) on the last day of the Accepted Date Range, the Accepted Vessel is ready to load the Accepted Quantity of Oil, provided that it has arrived at the Loading Terminal (or customary waiting place) and completed all formalities and requirements of the Agreement including the tendering of the NOR.
- 6.1.6 The tendering of NOR by the Accepted Vessel obliges the Buyer to receive the Oil as soon as is practicable for the Seller, even if this means that loading is outside of the Accepted Date Range.

## 6.2 Loading Conditions

- 6.2.1 The Seller shall provide, or cause to be provided, a safe Berth for the Accepted Vessel which the Accepted Vessel can safely reach and leave and where it can always lie and load whilst always safely afloat. The Seller shall maintain in good working order all necessary flexible hoses, connections, pipelines, storage and accommodation for loading of the Accepted Vessel. A Berth in the Loading Port will be provided to Accepted Vessels which have arrived and tendered Notice of Readiness within the Accepted Date Range on a “first come first served” basis.
- 6.2.2 The Seller has the right to instruct the Accepted Vessel to shift Berths, with all costs, including but not limited to towage, pilotage, additional agency fees and demurrage for the Seller’s account if such shifting is for the Seller’s purposes. Without limitation, shifts made for the following reasons shall be deemed not to be “for the Seller’s purposes”:
  - a) if the Specific Agreement states that a Berth shift is required;
  - b) if it is customary for the Loading Terminal and Load Port (as applicable) or customary for the particular quantity and/or combination of Oil that is to be loaded;
  - c) as a result of Force Majeure;
  - d) for safety reasons attributable to the Accepted Vessel;

- e) due to a problem with the Accepted Vessel; or
- f) for the Accepted Vessel taking on bunkers.

6.2.3 The Buyer is responsible for all costs related to shifting or berthing other than any shift that is specifically for the Seller's purposes.

6.2.4 The Seller shall not be liable for any loss or damage, nor be obliged to commence or continue loading should the Accepted Vessel exceed the length, draught or other dimensions as previously advised by the Buyer and so ascertained for the Loading Terminal or approach.

6.2.5 The Buyer shall be responsible for ensuring that the Accepted Vessel's cargo tanks are at the acceptable temperature to receive the Oil and that the Accepted Vessel can heat/chill the Oil within the acceptable temperature range (as set out in the Specific Agreement or in accordance with standard industry practice if not stated.)

6.2.6 The Buyer shall be responsible for any excess Berth utilisation costs related to the Accepted Vessel in the event that the Seller incurs any costs due to any delay or failure of equipment or crew of the Buyer or the Accepted Vessel which are not charged directly to the Buyer or the Accepted Vessel by the Loading Terminal. The Buyer shall reimburse these costs to the Seller within seven (7) days of demand by the Seller.

6.2.7 As soon as the loading hoses have been disconnected the Accepted Vessel shall vacate the Berth, subject to safety considerations and documentation. Early Departure Procedure ("EDP") if provided in the Load Port's procedures shall be applied in all cases where possible at the Buyer's option.

The Buyer shall defend, indemnify and hold the Seller harmless in respect of any direct costs, losses, damages and expenses that the Seller incurs due to the Accepted Vessel not vacating the Berth promptly following disconnection of the loading hoses, including, without limitation, wharfage and demurrage of the next Vessel awaiting to berth, provided the delay in vacating the Berth is due to the Buyer or the Accepted Vessel. The Buyer shall reimburse these costs to the Seller within seven (7) days of the Seller's request.

6.2.8 The Buyer shall not be obliged to pay to the Seller the amounts described in Clauses 6.2.6 and 6.2.7 if and to the extent that any such excess Berth utilisation costs or delay in the Accepted Vessel vacating the Berth is due solely to any circumstances for which the Seller is or will be liable to pay (and for which the Seller will not be relieved from paying) demurrage to the Buyer pursuant to the Agreement.

6.2.9 The Accepted Vessel should carry all adaptors and reducers/cross connections necessary to match the shore connections. The Loading Terminal operator, Load Port Authority, Seller and/or the Seller's Delegates may refuse to berth or load the Accepted Vessel in the event of non-compliance with the foregoing and all delays and expenses of the Seller and Buyer due to such non-compliance shall be for the Buyer's account.

6.2.10 Accepted Vessels which have Toxic, noxious or Volatile cargoes must load, discharge and operate at all times in closed operations mode, i.e. have all tank apertures closed for cargo transfer and ballasting, with vapours emitted only through a dedicated and safe venting system. Where appropriate the Seller shall provide vapour return lines capable of receiving all vapours and the Buyer shall return the Accepted Vessel's

displaced vapour to the shore system of the Seller.

- 6.2.11 The Buyer shall defend, indemnify and hold the Seller harmless against any direct costs, losses, damages and expenses incurred as a result of claims made against the Seller in connection with or arising from the loading and delivery of Crude Oil. The Seller shall, however, use reasonable endeavours to mitigate such claims.
- 6.2.12 SELLER shall give to the Master of each Accepted Vessel the following documents in a sealed envelope on completing of the loading, subject to the provisions of EDP:
  - a: Certificate of Quantity and Quality
  - b: Bill of Lading
  - c: Cargo Manifest
  - d: Certificate of Origin and Authenticity
  - e: Ship's Ullage Report
  - f: Port Time Sheet
  - g: Discharge Certificate Forms (Blank)
  - h: Master's Receipt for Documents
  - i: Master's Receipt for Sample

### **6.3 Laytime**

- 6.3.1 Subject to the provisions of the Agreement, Laytime shall commence as set out in this Clause 6.3.
- 6.3.2 If the Accepted Vessel arrives at the Delivery Point and tenders proper NOR within the Accepted Date Range allocated to such Accepted Vessel pursuant to Clause 6, Laytime shall commence six (6) hours after such proper NOR is tendered or when the Accepted Vessel is all fast in the Berth, whichever occurs later.
- 6.3.3 A Vessel arriving in the Load Port before the first day of the Accepted Date Range allocated to that Vessel, shall, always at the discretion of the Seller, be given a loading berth as soon as possible but without commitment or obligation to the Seller and Laytime shall count from commencement of loading.
- 6.3.4 If NOR is tendered for the Accepted Vessel after the last day of the Accepted Date Range, the Seller shall determine (in its absolute discretion) whether to accept the Accepted Vessel for loading and if the Seller does accept the Accepted Vessel for loading, Laytime shall commence only upon commencement of loading.
- 6.3.5 Laytime allowed for loading the Accepted Quantity shall be forty two (42) running hours, subject to Clauses 6.3.6, 6.3.7 and 6.3.8, or as set out in any Specific Agreement. The Accepted Quantity shall, for the purposes of calculating Laytime and Demurrage, constitute a full cargo.
- 6.3.6 Should the Accepted Vessel not give at least twenty four (24) hours notice prior to arriving at the Loading Terminal and tendering NOR, Laytime shall be extended by the period of the delay in giving such notice, subject to such extension of time being a

maximum of twenty four (24) hours.

6.3.7 Loading shall be completed and Laytime, or demurrage if on demurrage, shall cease upon disconnection of the cargo hoses which shall be effected promptly upon completion of loading. Should the disconnection of hoses be delayed for any reason not attributable to the Seller, the time taken to disconnect shall not count against Laytime, or if on demurrage as demurrage.

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

- a) on an inward passage moving from the waiting place to the loading place until the Accepted Vessel is securely moored at the Berth with its gangway (or equivalent) in place;
- b) prevented from loading or continuing to load by the Load Port Authority or the Loading Terminal operator, or the Accepted Vessel refuses to load or to continue loading;
- c) delayed as a result of the Buyer or the Accepted Vessel or the master, crew owner or operator of the Accepted Vessel preventing, obstructing or delaying loading, including (but not limited to) as a result of their failure to comply with the Terminal Regulations and/or Procedures or the Load Port Authority Regulations, fully or partly;
- d) preparing to handle, or is handling ballast, draining pumps and pipes or bunkering, discharging slops or Vessel generated waste, unless concurrent with normal operations such that no time is lost;
- e) cleaning and inspecting the cargo tanks;
- f) inefficient or has any fault or failure including breakdown, repairs and maintenance;
- g) in such a condition (including the facilities of the Vessel) that it does not permit loading within the forty two (42) hours. In such case, sufficient time shall be added to permit the loading of the Vessel, and the Buyer shall pay the Seller for any delay to other Vessels and all other cost and expenses incurred;
- h) delayed in berthing and using more than six (6) hours for that purpose after having given Notice of Readiness, and the reason for such delay is beyond the control of the Seller, or after disconnection of hoses or release of the Accepted Vessel, caused by conditions not reasonably within the Loading Terminal operator's or Load Port Authority's control, including but not limited to awaiting tide, tugs, pilot, bad weather or sea conditions, daylight, immigration, customs or pratique and/or channel blockage – unless any or all of these delays are directly caused by the Seller's requirement to shift Berth for the Seller's purposes as per Clause 6.2.2;
- i) delayed due to a labour dispute, strike, lock-out, picketing, go-slow, work to rule, stoppage or restraint of labour;
- j) delayed due to an escape or risk of escape of Oil on or from the Accepted Vessel that could create serious danger and/or pollution damage;
- k) complying with the law of the jurisdiction of the Load Port and/or published or

posted Terminal Regulations and/or Procedures or Load Port Authority Regulations and/or the regulations, guides, recommendations, guidelines and/or codes referred to in Clause 5.13, any of which causes an interruption or delay of operations;

- l) subject to delay in or suspension of loading ordered by the Seller, the Load Port Authority or the Loading Terminal operator, because of the Buyer's material failure to comply with the requirements of the Agreement in respect of payment, health and safety, and/or any other terms and conditions of a material nature;
- m) subject to any other delay reasonably attributable or allocated to the Accepted Vessel, the Buyer or representatives of the Buyer (including as set out in Clauses 5.4 and 6.3.6); and/or
- n) delayed at the Load Port resulting directly from the Accepted Vessel being required by the Load Port Authority or any other relevant authority to take any action or any special or additional ballast water measures, to undergo additional inspections or sampling by virtue of the Accepted Vessel's failure to exchange ballast prior to arrival in the GCC Special Area or to treat existing ballast water in line with the IMO Ballast Water Convention or the Load Port Authority Regulations or the Terminal Regulations and/or Procedures.

6.3.9 Time shall not count against Laytime, or if on demurrage as demurrage, if the Seller is prevented, delayed or hindered in bringing the Oil to the Delivery Point or timely loading Oil as a result of Force Majeure.

#### **6.4 Compliance with Regulations**

- 6.4.1 The Seller shall use reasonable endeavours to ensure that the Load Port and Loading Terminal complies with the requirements of the International Ship and Port Facility Security Code and the relevant amendments to Chapter XI of SOLAS (ISPS Code).
- 6.4.2 The Buyer shall ensure that the Accepted Vessel complies with the requirements of the International Ship and Port Facility Security Code and the relevant amendments to Chapter XI of SOLAS (ISPS Code). The Buyer shall procure that the masters of Vessels nominated by the Buyer will observe and act in conformity with: (i) the rules and conditions for the use of the Load Port; (ii) safety rules and other governmental regulations; and (iii) anti-pollution regulations within recognised international standards as published by the International Chamber of Commerce and Inter-Governmental Consultative Organisation. Any costs or expenses of non-compliance under this Article shall be for the account of the Buyer.
- 6.4.3 Any costs or expenses in respect of the Accepted Vessel including demurrage or any additional charge, fee or duty levied on the Accepted Vessel at the Load Port and actually incurred by the Buyer resulting directly from the failure of the Load Port or Loading Terminal to comply with the ISPS Code, shall be for the account of the Seller, including but not limited to the time required or costs incurred by the Accepted Vessel in taking any action or any special or additional security measures required by the ISPS Code.
- 6.4.4 The Seller's liability to the Buyer under the Agreement for any costs, losses or expenses incurred by the Accepted Vessel, the charterers or the Accepted Vessel owners resulting from the failure of the Load Port or Loading Terminal to comply with the ISPS Code shall be limited to the payment of demurrage and direct costs actually incurred by the Buyer. Buyer shall demand these costs within thirty (30) days

of BL date providing reasonable evidence of such costs. The Seller shall reimburse these costs to the Buyer within twenty (20) days of demand by the Buyer. Any dispute shall be resolved in accordance with Clause 15.

- 6.4.5 The Buyer shall have the right to refuse to use the Berth without liability should the Loading Terminal or operations not meet the minimum standards as defined by the ISGOTT and the OCIMF Ship to Ship Transfer Guide. In such event the Buyer and the Seller shall negotiate in good faith to agree an alternative solution, provided always, that such negotiations shall be without prejudice to the Seller's obligation to deliver, and the Buyer's obligation to receive, the Oil under the Agreement.
- 6.4.6 The Buyer shall procure that disposal of dirty ballast, bilges, slops or other substances by the Accepted Vessel shall be in accordance with MARPOL 73/78, including updates, and in any event prohibited within the Loading Terminal and the Load Port.
- 6.4.7 The Seller shall have the right to refuse to berth, reduce or prohibit ballast discharging operations, without liability, should the Buyer or Accepted Vessel not meet the minimum standards as defined by the Load Port Authority ballast water treatment or exchange requirements for the prevention of alien or evasive species being introduced to Qatari waters.

## **7. DEMURRAGE**

- 7.1 Subject to the provisions of the Agreement (including Clauses 6.3.8 and 6.3.9), if the time taken to load the Accepted Vessel exceeds the Laytime allowance due to no fault of the Buyer, the Seller shall pay the Buyer demurrage in the same currency as is prescribed for payment of the Oil delivered under the Agreement for the time used for loading in excess of the allowed Laytime. The Buyer shall not be entitled to claim any demurrages if the Vessel arrives after the Accepted Date Range or if the Buyer does not comply with nominations procedures as laid out above.
- 7.2 The Buyer shall be deemed to have waived any claim relating to demurrage and the Seller shall be discharged and released from all liability for payment of demurrage if the Buyer's fully documented claim for demurrage has not been received by the Seller within sixty (60) days from the date of the BL from which the claim for demurrage arises. Full supporting documentation shall include, but not be limited to:
  - 7.2.1 clear calculation of any claim;
  - 7.2.2 the demurrage rate, if any, as specified in the Specific Agreement;
  - 7.2.3 the Accepted Vessel's port and pumping logs, signed by the master of the Accepted Vessel;
  - 7.2.4 a copy of the relevant sections of the charter party (if the demurrage rate has not been specified in the Specific Agreement and is specified in the charter party) and/or related third party invoice;
  - 7.2.5 NOR documents;
  - 7.2.6 the loading/Laytime statement;
  - 7.2.7 the Buyer's invoice; and
  - 7.2.8 details of the Buyer's bank account into which any demurrage payment should be

made.

- 7.3 Should any of the supporting documents be unavailable within the timeframe stipulated, then the Buyer shall notify the Seller of the claim within the sixty (60) day period and the Buyer shall provide as much supporting documentation and detail as is available including an estimate of the total amount of the claim. Such submission shall satisfy the conditions for receipt of a claim, provided that all supporting documentation is submitted to the Seller within one hundred (100) days of the NOR having been served.
- 7.4 The appropriate demurrage rate per day, or pro rata for part of a day, shall be determined as below:
  - 7.4.1 the rate, if any, as specified in the Specific Agreement; or
  - 7.4.2 where no rate is specified in the Specific Agreement, the rate of demurrage shall be calculated for the actual cargo size as per the chartering rate payable by the Buyer for the Vessel at the date of BL, provided such demurrage rate does not exceed Worldscale 100, in which case Worldscale 100 shall apply; or
  - 7.4.3 if there is no charter party or chartering agreement for the tanker, demurrage shall be paid in accordance with the average freight rate assessment ("AFRA") effective on the date of BL, provided such demurrage rate does not exceed Worldscale 100, in which case Worldscale 100 shall apply. If AFRA rates cease to be published or cease to be representative, the Seller and the Buyer shall consult in good faith in order to establish an alternative method of assessment.
- 7.5 Should the Buyer be receiving Oil or any other product from another party at the same Berth, the demurrage liability of the Seller shall be limited to that proportion of the total demurrage due, equal to the ratio of:
  - a) the quantity of Oil purchased by the Buyer from the Seller: to
  - b) the sum of the quantity of Oil purchased by the Buyer from the Seller and the quantity of Oil or other such product received by the Buyer from another such party which is loaded on the Accepted Vessel at the Load Port concerned.
- 7.6 Should all or part of the demurrage payable by the Seller be due to the occurrence of any of the following events, then provided that neither Party has given notice pursuant to Clause 14 that such event constitutes Force Majeure, the rate of demurrage payable shall be reduced to fifty percent (50%) of the full rate, for the affected period:
  - 7.6.1 explosion or fire in or near the Loading Terminal or Load Port;
  - 7.6.2 breakdown of machinery or equipment affecting the supply of Oil;
  - 7.6.3 revolution, war, riot, civil unrest, arrest or restraint of rulers;
  - 7.6.4 weather and/or sea conditions including, but not limited to, sandstorms, fog, mist, heavy rain, storm, wind and waves; or
  - 7.6.5 delay to the Accepted Vessel at the Load Port resulting directly from the Accepted Vessel being required by the Load Port Authority or any other relevant authority to take any action or any special or additional security measures or to undergo additional inspections by virtue of the Accepted Vessel's previous ports of call, except where a) the Parties have agreed otherwise or b) the Accepted Vessel has failed to comply with

the requirements of the International Ship and Port Facility Security Code and the relevant amendments to Chapter XI of SOLAS (ISPS Code) or with the Load Port Authority Regulations or the Terminal Regulations and/or Procedures; or

- 7.7 The Seller's liability for demurrage shall not exceed the amount actually paid by the Buyer in respect of the delay incurred in loading the Accepted Vessel. The Seller has the right to carry out an independent audit of the Buyer's documentation relating to the claim for up to three (3) years after the BL date (or NOR to load if no BL) relating to the claim. All costs related to such audit shall be for the Seller's account.
- 7.8 All undisputed payments in respect of demurrage shall be paid by the Seller to the Buyer within thirty (30) days of the date of the Buyer's valid and complete claim (the date of the invoice equals day one (1)) and shall otherwise comply with the provisions on payment in Clause 9.
- 7.9 The Buyer's claim for demurrage, as described in this Clause 7, shall be the Buyer's sole remedy for the time used to load the Oil in excess of the allowed Laytime.

## **8 PRICE and PRICE REVIEW**

### **8.1 Price**

- 8.1.1 Buyer shall pay Seller for the Oil at the Official Selling Price.
- 8.1.2 Until further written notice from the Seller, the price of Oil shall be established and declared by Seller and notified to Buyer each month on the basis of the Official Selling Price for the month of the BL.
- 8.1.3 The Official Selling Price (without any adjustment for API gravity) shall be applicable to all shipments of Qatar Oil sold and purchased hereunder for the month of the BL date.
- 8.1.4 The basis for establishing the Official Selling Price and related matters may be changed by the Government of Qatar to reflect any future decision by OPEC member countries.

### **8.2 Price Review and Phase Out Procedure**

- 8.2.1 The price of Oil under this Agreement may be reviewed at the request of either Party by submitting a written notice to the other Party requesting the price review and stating the basis for the request.
- 8.2.3 Should either Party request a review of price in accordance with paragraph 8.2.1 above, and the Parties fail to agree within a review period of 20 days from the date of such request, then either Party can serve written notice of phase-out, and the Agreement shall remain in full force and effect at the prices and on the conditions prevailing before the request was made for a phase-out period of 90 days counting from the date that such notice of phase-out has been received, and thereafter this Agreement shall terminate, unless during such phase-out period the parties mutually agree otherwise.

**9. PAYMENT**

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

9.1.1 the Seller's invoice;

9.1.2 a full set of original Bills of Lading issued or endorsed to the Buyer (and the Seller's invoice shall be based on the quality and quantity set out in such BL); and

9.1.3 original certificates of quality and quantity issued at the Loading Terminal in accordance with Clause 4.

9.2 Should any or all of the supporting documents not be available or provided by the Seller, the Buyer shall pay the Seller against receipt of the Seller's invoice and a Letter of Indemnity, executed by the Seller. The Letter of Indemnity shall be valid until the earlier of (a) the end of three (3) years from its date of issue and (b) provision by the Seller of the missing documentation.

9.3 The price of the Oil shall be as specified under the Agreement and shall, unless otherwise agreed between the Seller and the Buyer, be in US Dollars. Unit prices (i.e. US Dollars per Barrel) shall be declared to two (2) decimal places. Invoices shall be rounded up to the nearest whole amount without decimals if the figure immediately coming after the decimal point is five (5) or greater than five (5). If the figure after the decimal point is less than five (5), then the invoice amount shall be rounded down to the nearest whole number without decimals.

9.4 At least seven (7) days before the Due Date, the Seller shall provide the Buyer with the invoice and supporting documentation along with written notice of the Seller's bank details into which payment must be made quoting the Buyer's name and the invoice number. The Seller may submit the invoice and supporting documentation in the form of originals, facsimile or secure electronic submission or as specified in the Specific Agreement. Payment shall be made in the manner specified in the Specific Agreement.

9.5 Unless otherwise agreed, any other payment including losses, damages, costs, expenses or charges which arise under the terms of the Agreement shall be made against presentation of the Seller's invoice and shall be for settlement by the Buyer within thirty (30) days of receipt of the invoice.

9.6 Should the final price for the Oil not be known at the time of invoicing, the Seller shall prepare a provisional invoice based upon the BL quantity and quality of the Oil and the pricing information available at the time and the Buyer shall make payment against this provisional invoice. The Seller shall prepare a final invoice as soon as practicable after the final price is known by Seller and the Due Date for payment of the balance due by either Party shall be ten (10) days from the Buyer receives the final invoice.

9.7 If the Due Date falls on a Saturday or banking holiday in New York City other than a Monday, payment will be effected on the preceding Banking Day in New York City. If the Due Date falls on a Sunday or Monday banking holiday in New York City, payment will be effected on the following Banking Day in New York City.

9.8 Where the currency of the Specific Agreement is the US Dollar, the Seller shall have the option, by giving at least seven (7) days' notice to the Buyer before the Due Date to invoice and/or demand payment in a currency other than US Dollars provided that:

- 9.8.1 Where the option to invoice or demand payment in a currency other than US Dollars is exercised by the Seller, the rate of exchange from US Dollars to the chosen currency shall be the mid rate of exchange quoted at 1500 hours on Tokyo Fix (Reuters code: TKFE) (or if no rate is quoted at such time, the first rate quoted immediately thereafter) published on Reuters on the second Banking Day (as defined below) before the Due Date. Should Reuters not publish such rate of exchange for such day, then the rate of exchange shall be the last rate of exchange published by Reuters immediately before such second Banking Day;
- 9.8.2 Should Reuters either not quote or cease to quote for the currency in question, then the published rate of JP Morgan Chase Bank for the FOREX shall be used. In the event that this rate is also not available, Seller and Buyer shall consult and agree an appropriate exchange rate prior to any payment in a currency other than US Dollars.
- 9.9 Should the Accepted Vessel fail to tender NOR before the end of the Accepted Date Range (except when the failure or delay to tender NOR has been wholly and directly caused by an act or omission of Seller), or the completion of loading is delayed by the Buyer or the Accepted Vessel, the Seller shall have the right, for invoicing purposes, to deem the date of delivery to be the last day of the Accepted Date Range, and the applicable pricing terms and Due Date shall reflect the deemed date of delivery rather than that shown on the BL.
- 9.10 Payment for the Oil shall be made by the Buyer in full and free of all charges without deduction, withholding, set-off, condition or counterclaim in immediately available funds as specified in the Specific Agreement or as otherwise notified in writing by the Seller pursuant to Clause 9.4.
- 9.11 Should any payment for the Oil not be received by the Due Date or any other monies due to the Seller for any reason whatsoever not be received by the dates specified in the Agreement, the Seller shall have the right to charge the Buyer interest on the amount overdue at LIBOR plus four percent (+4%). The interest shall be calculated daily until the date of actual payment based upon a three hundred and sixty (360) day year.
- 9.12 The charging of interest by the Seller does not signify an acceptance of late payment and shall not be construed as an indication of any willingness on the part of the Seller to provide extended credit as a matter of course and shall be without prejudice to any rights and remedies which the Seller may have for late or delayed payment under the Agreement or otherwise. The Buyer shall defend, indemnify and hold the Seller harmless for any direct costs incurred by the Seller related to the late or non-payment by the Buyer. Such costs may include but not be limited to legal fees and debt collection agency fees.
- 9.13 In the event of a disagreement concerning any invoice or statement, the Buyer shall make provisional payment of the total amount stated in such invoice or statement on or before the Due Date and shall notify the Seller within thirty (30) days of the date of the relevant invoice of the reason for such disagreement (or where the reason for disagreement concerns a deficiency in quantity or quality, within the period specified in Clause 4.5.1) and the amount that is in dispute.
- 9.14 An invoice or statement may be modified by the Seller upon notification by the Seller to the Buyer that a modification is justified and the justification for such modification.
- 9.15 Any dispute concerning any invoice or statement shall be resolved through the procedures described in Clause 4.5 or the dispute resolution procedures set forth in Clause 15 as applicable. Following resolution of any dispute regarding amounts set forth

in an invoice or statement, a Party to whom an amount is owed shall be paid such amount by the other Party together with interest accrued thereon at an annual rate equal to LIBOR (calculated on the basis of a 360-day year) in respect of each day from and including the Due Date for such invoice or statement until and including the date upon which the amount so due is actually received by the relevant Party in immediately available funds.

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

**10. TAXES, DUTIES, OTHER CHARGES AND COSTS**

10.1 The Seller shall obtain all necessary approvals, licenses and permits necessary for export, and be recorded as the exporter.

10.2 The Seller shall be liable for all costs imposed or levied on the Oil prior to risk and title to the Oil passing to the Buyer, including but not limited to all taxes, duties, imposts, charges, fees and dues.

10.3 The Buyer shall be liable for all costs imposed or levied on the Oil (whether paid in Qatar or elsewhere), after taking risk and title, including but not limited to all taxes, duties, imposts, charges, fees and dues, and, in the case of taxes only, even if the tax laws are amended and such changes are applied retroactively, after the passing of risk and title to the Oil to the Buyer has taken place.

10.4 The Buyer shall be liable for all costs imposed or levied on the Accepted Vessel whether paid in Qatar or elsewhere, including but not limited to all taxes, duties, imposts, charges, pilotage, mooring fees, port dues, quay dues, agency fees and tonnage expenses except for those incurred specifically relating to shifting Berth for the Seller's purposes in accordance with Clause 6.2.2.

10.5 Should Value Added Tax (VAT), Mineral Oil Tax (MOT), Excise Duty (ED) or other tax or duty be applicable from the sale of the Oil or the transfer of risk and title therein (which, without limitation, may be levied depending on the destination of, use of and/or documentation of the Oil), the Seller shall invoice the Buyer for these unless the Buyer can prove to the Seller that the purchase of the Oil is exempt therefrom, in which case the Buyer shall provide proof of such exemption (including but not limited to the destination and use of the Oil) satisfactory to the Seller. The Buyer shall defend, indemnify and hold harmless the Seller against all costs, penalties and interest associated with the payment or recovery of any taxes and/or duties where the documentation provided by the Buyer relating to the tax or duty fails to comply with the necessary requirements, including but not limited to timelines, and any circumstance of fraud or misrepresentation.

10.6 The Seller shall use its reasonable endeavours to ensure that the correct tax or duty is payable on the sale of the Oil and mitigate unnecessary costs and charges to the Buyer.

10.7 Should taxes and/or duties which are payable by or on behalf of the Buyer be subsequently recoverable by the Seller, the Seller shall inform the Buyer and then the Seller shall use its reasonable endeavours, at the Buyer's expense and cost, to obtain a credit or repayment in respect of such taxes and/or duties. If the Seller succeeds at recovering any repayment, the Seller shall pay it to the Buyer within seven (7) days of

receiving the credit or repayment, after first deducting any costs, charges and taxes incurred by Seller associated with such credit or repayment.

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

**11. WITHHOLDING**

11.1 All payments under or in connection with this Agreement shall be made without any deduction or set off and free and clear of and without deduction for or on account of any taxes and withholdings of any nature now or hereafter imposed by any governmental authority save as required by applicable law.

11.2 If a Party to this Agreement is compelled by applicable law to make any deduction or withhold any sums, it will pay to the receiving Party such additional amounts as are necessary to ensure receipt by the receiving Party of the full amount which that Party would have received but for the deduction or withholding.

**12. FINANCIAL SECURITY**

12.1 Unless provided otherwise in the Specific Agreement, Buyer shall establish an irrevocable bank letter of credit in favour of Seller in a format acceptable to the Seller (substantially in the form of Appendix 2 and as advised from time to time), and same to be confirmed by a bank operating in Qatar that is acceptable to the Seller, and shall cover the value of the respective shipments plus ten (10) percent.

The letter of credit shall be received by Seller at least fifteen (15) days before the first day of the Accepted Date Range and shall be irrevocable, transferable, in United States Dollars, be valid for seventy five (75) days, and contain price and payment terms as stipulated in Clause 9 of this Contract. The letter of credit shall also contain provisions allowing the value to be automatically adjusted for OSP fluctuations. The letter of credit issuing bank and confirming bank shall not be the same bank or branches of the same bank.

12.1.2 The letter of credit shall be payable to Seller promptly thirty (30) days from the date of the BL. If due date falls on a Saturday or banking holiday in New York City other than a Monday, payment will be effected on the preceding Banking Day. If due date falls on a Sunday or Monday banking holiday in New York City, payment will be effected on the following Banking Day. Seller shall present to the Bank the following documents as applicable:

- a: Certificate of quantity and quality
- b: Commercial invoices
- c: Bill of Lading
- d: Ship's Ullage Report
- e: Certificate of Origin

12.1.3 Buyer shall bear all and any expenses and bank charges (whether paid in Qatar or otherwise) for establishing the letters of credit including all costs and expenses for their confirmation, extension and agreed alterations thereto.

12.2 Seller shall have the right to request the Buyer to submit in English (i) audited financial statements of Buyer and/or its parent company for the past three (3) years and (ii) unaudited quarterly financial statements if audited financial statements are not yet available.

12.3 The Seller shall have the right in its sole discretion at any time to require the Buyer to provide the following additional financial security for the anticipated value of the Oil and/or costs associated with the purchase of the Oil in such amount as may be reasonably determined by the Seller (acting in its sole discretion). Such security may include, but not be limited to:

- 12.3.1 payment for the Oil in advance of loading
- 12.3.2 making a cash deposit against potential non Oil liabilities
- 12.3.3 provision of a bank performance bond in a format and from a bank operating in Qatar and acceptable to the Seller;
- 12.3.4 provision of a parent company guarantee in a format and substance acceptable to the Seller (in the format of Appendix 2, Part 2).

12.4 Should loading be delayed and if the Seller so requests, the Buyer shall provide either new financial security or an extension of the validity of the existing financial security to cover the circumstances. Such financial security shall be subject to the same conditions as this Clause 12.

12.5 All costs and charges associated with providing financial security in accordance with this Clause 12 are for the Buyer's account and there shall be no discount for early payment.

12.6 Unless otherwise specified by the Seller, the security shall be received by the Seller within Seller's office hours on the fifteenth (15th) day prior to the first (1st) day of the Accepted Date Range for the loading of the Oil.

12.7 The Buyer's failure to provide any financial security within the time prescribed by the Seller shall be a breach of condition by the Buyer, which shall give the Seller the absolute right to either terminate the Agreement, or without prejudice to the right to terminate, suspend in whole or in part the supply of Oil under the Specific Agreement, in either case without any liability of the Seller to the Buyer.

12.8 The Buyer shall be liable for all losses suffered by the Seller as a result of the Buyer's breach.

12.9 The Seller's right to terminate the Agreement pursuant to this Clause 12 shall be without prejudice to any right of action or claim accrued on or before the date of termination.

**13. DESTINATION**

13.1 The Buyer shall request permission from the Seller should it wish to change the intended destination of the Oil previously advised at the time of nomination in accordance with Clause 5.2.7 and the Seller may grant or refuse such consent in its sole discretion.

- 13.2 The Seller shall have the right to appoint a representative to verify and/or witness the discharge of the Oil sold under the Agreement for up to three (3) years after the BL date. This shall include verification of any relevant documentation and the investigation of the discharge by an independent expert and all costs in this regard shall be for the Seller's account.
- 13.3 The Buyer shall provide written evidence to the Seller, within two (2) Working Days, of the details of discharge, including but not limited to, the quantity and date of discharge, and the Discharge Port and terminal for each cargo or part cargo.
- 13.4 The Buyer shall provide to the Seller an original certificate of discharge for each delivery of Oil. The Seller shall provide blank certificates of discharge that shall be completed and signed by the master of the Accepted Vessel and attested by an official seal and signature of the customs authorities or local chamber of commerce responsible for the Discharge Port. Should the Seller's certificate of discharge not be available at the time of loading then the Seller shall accept a certificate of discharge prepared on headed paper by the Accepted Vessel's agents and attested by an official seal and signature of the customs authorities or local chamber of commerce responsible for the Discharge Port. If the customs authorities or local chamber of commerce responsible for the Discharge Port refuses to attest the certificate of discharge, the certificate of discharge shall be signed only by the Buyer, who shall certify such refusal took place.
- 13.5 The certificate of discharge shall clearly state the Accepted Vessel's name and agent, Discharge Port, date, quality and quantity of discharge, consignee, plus the Load Port, the date of loading and quality and quantity loaded. Should there be any trans-shipment, lightering or ship-to-ship transfer then the documentation must reflect the final destination and details of the operations, logistics and facilities used. Furthermore, the Buyer shall notify the Seller upon completion of discharge particulars for each cargo if more than one (1) Discharge Port is used.
- 13.6 The Buyer shall ensure that the Seller receives the completed certificate of discharge within two (2) months of the BL date, and should any detail not be available then the Buyer must formally advise the missing information to the Seller in writing.
- 13.7 The Seller may, in its sole discretion, either cancel or suspend in whole or in part the supply of Oil under the Agreement or any other agreement between the Buyer and the Seller as a result of Buyer's violation of this Clause 13 without any liability of the Seller to the Buyer.
- 13.8 It is an express condition of the Agreement that the Oil purchased shall not be sold, supplied, imported or exported (by the Buyer or others), directly or indirectly and irrespective of means, to any destination or counterparty that is:
  - 13.8.1 at the relevant time prohibited under the laws of the country in which the Oil was produced;
  - 13.8.2 in violation of any code, decree, directive, rule, regulation or guideline issued or applied by the government (or any agency thereof) of the producing country; or
  - 13.8.3 prohibited by the conditions under which the Seller has purchased the Oil and advised to the Buyer in the Specific Agreement.
- 13.9 The Seller undertakes to advise the Buyer of any sale and/or delivery restrictions and updates of changes to such restrictions. However it is the express responsibility of the Buyer to keep itself informed of any sale and/or delivery restrictions and ensure

compliance. Should the Buyer have, or could have, difficulty in complying with the above due to any conflicting law, policy, demand or request from another government or agency thereof, then the Buyer shall advise the Seller immediately and the Parties shall jointly review the implications thereof. The Seller may at its sole discretion either cancel or suspend in whole or in part the supply of Oil under the Agreement as a result of Buyer's violation of Clause 13 without any liability of the Seller to the Buyer.

13.10 Notwithstanding anything to the contrary, nothing in the Agreement is intended to, nor should be interpreted to, induce or require either Party or any other person to act (or be prevented from acting) in any way that is prohibited by, penalised under, or inconsistent with, any applicable laws, regulations or requirements relating to anti-trust or competition law, foreign trade or export controls, embargoes or international boycotts of any type.

#### **14. FORCE MAJEURE**

14.1 No failure, delay or omission by either Party to fulfil any of its obligations under the Agreement, in whole or in part, shall give rise to any claim against such Party or be deemed to be a breach of the Agreement by such Party if and to the extent such failure, delay or omission arises from events that are beyond the reasonable control of the affected Party to avoid, prevent or overcome, (each an event of "Force Majeure"). However, a Party's respective obligations concerning payment and the provision of security and documentation shall not be considered Force Majeure. Subject to the foregoing, such events shall include, but not be limited to:

- 14.1.1 the refusal of the producing country's government (or any agency thereof) to sell or allow the sale of the requested volume of Oil to the Seller or the Seller's supplier;
- 14.1.2 the election of the producing country's government (or any agency thereof) to take royalty Oil in kind;
- 14.1.3 compliance by the Seller or the Seller's supplier with contractual obligations to the producing country's government (or any agency thereof);
- 14.1.4 compliance with laws, regulations, orders, guidelines, requests, or the like of any government (or any agency thereof), or international organisation;
- 14.1.5 the restriction on production of Oil by reason of the imposition by any government or person purporting to act under governmental authority of conditions or requirements which in the reasonable judgment of the Seller or the Seller's supplier make it necessary to cease or reduce the production of said Oil;
- 14.1.6 expropriation, nationalisation, confiscation, allocation, or requisitioning of Oil by an act of a government (or any agency thereof);
- 14.1.7 war (declared or undeclared), embargoes, blockades, acts of the public enemy, pirates, assailing thieves or other belligerents, civil unrest, riots or disorders, terrorism, sabotage, revolutions or insurrections;
- 14.1.8 fires, explosions, lightning, maritime peril, collisions, strandings, storms, sea state, landslides, earthquakes, floods, disease, pestilence, and other actions of the elements;
- 14.1.9 strikes, lockouts or other labour difficulties (whether or not involving employees of the Seller, the Seller's supplier, the Seller's agents or the Buyer);

- 14.1.10 disruption or breakdown of Oil production, storage, transportation or loading facilities, equipment, labour or materials;
- 14.1.11 closing or restrictions on the use of harbours, pipelines or any applicable Loading Port;
- 14.1.12 any change in the characteristics of the Oil before it is loaded which would result in the Oil creating a material adverse effect on the Accepted Vessel, or its crew's health or safety;
- 14.1.13 any interruption in Seller's source of supply; and/or
- 14.1.14 any other cause whether or not of the same class or kind that is beyond the reasonable control of the affected Party to avoid, prevent or overcome.

14.2 Notwithstanding the above, where a delay occurs or is anticipated to occur due to Force Majeure, the Party affected shall give prompt notice to the other Party in writing thereof and give full details of the cause and an estimate of the impact and duration of the delay and shall endeavour to remedy the delay with all reasonable dispatch. Upon cessation of the event of Force Majeure, the Party affected shall promptly resume performance of its obligations and keep the other Party updated on the progress made in such efforts.

14.3 During any period that delivery by the Seller of the Oil sold under the Agreement is affected by Force Majeure, the Seller may, to the extent possible, maintain delivery of the Oil during the Accepted Date Range. In the event that the Oil sold under the Agreement is affected by Force Majeure, the Seller may, subject to the Buyer's agreement, advance or postpone delivery of the Oil until such time when delivery can take place without delaying or interfering with the loading of other Vessels, which at the time the Force Majeure occurred were scheduled to load before or after the Accepted Vessel.

14.4 During any period that the Seller is unable to obtain sufficient Oil to meet its obligations under the Agreement due to Force Majeure, the Parties shall jointly review and negotiate an acceptable outcome to mitigate the consequences, however:

- 14.4.1 subject to Clause 14.6, neither Party may unilaterally cancel or terminate the Agreement, nor extend the Agreement to make up for time or Oil lost;
- 14.4.2 the Seller shall be entitled to allocate its available supplies of Oil from any source at its sole and absolute discretion;
- 14.4.3 the Seller shall not be obliged to purchase Oil to supply the shortfall;
- 14.4.4 the Buyer shall be free to purchase any Oil from other parties; and
- 14.4.5 the shortfall quantity of Oil not supplied by the Seller to the Buyer shall be deducted from the quantity required to be delivered under the Specific Agreement.

14.5 The Parties' performance under the Agreement shall be resumed as soon as is practicable after the Force Majeure event and its effects have been remedied.

14.6 If by reason of Force Majeure the fulfilment by either Party of any terms and conditions of the Agreement is delayed for a period exceeding three (3) consecutive months, either Party shall have the right to terminate the Agreement by giving not less than thirty (30) days' written notice thereof.

- 14.7 Nothing contained in this Clause 14 shall relieve the Buyer of its obligations to pay in full for all Oil sold and delivered hereunder or to make any other payment (including under any indemnity) which has become due and payable under the Agreement prior to or during the occurrence of any Force Majeure.
- 14.8 The Party affected by the Force Majeure shall use its reasonable endeavours to mitigate, rectify and overcome the effects of any Force Majeure Event and to minimise the effect on the other Party.
- 14.9 No Party shall be excused as a result of Force Majeure with respect to such Party from making timely payment of any monies due and payable under this Agreement.
- 14.10 Any period during which performance of any obligation, other than a payment obligation, is prevented or hindered due to the occurrence of an event or circumstance of Force Majeure shall be added to the period or periods set out in this Agreement for the performance of such obligation. Notwithstanding the foregoing, the term of the Agreement as set out in the Specific Agreement shall not be extended in any circumstances.

## **15. LAW AND SETTLEMENT OF DISPUTES**

### **15.1 Governing Law**

This Agreement is governed by and shall be construed and interpreted in accordance with the laws of the State of Qatar.

### **15.2 Mutual Agreement**

The Parties shall act in good faith and use all reasonable endeavours to settle any claim, dispute or difference of whatever nature arising under, out of or in connection with the Agreement (including a claim, dispute or difference regarding its existence, termination or validity arising out of or in connection with the Agreement) (a “**Dispute**”) amicably through negotiations and other constructive discussions within one hundred and twenty (120) days of notification of such Dispute by either Party as follows:

- 15.2.1 the claimant shall communicate to the other Party the nature of its claim or position in the Dispute; within fourteen (14) days of such communication, the Party to which the claim or Dispute has been submitted shall accept or refuse such claim or agree or refuse to settle such Dispute;
- 15.2.2. should the Dispute not be settled, then representatives and/or senior management from each Party shall meet within twenty eight (28) days of the initial communication of the claim or Dispute and use all reasonable endeavours to settle it;
- 15.2.3 the Parties shall advise each other in writing of the outcome of the meeting within the following fourteen (14) days; and
- 15.2.4 further meetings and/or investigation shall be conducted as soon as practicable after the initial meeting in order to expedite amicable resolution of the Dispute within the one hundred and twenty (120) days referenced in Clause 15.2

### **15.3 Arbitration**

Without prejudice to Clauses 15.2 and 15.4, any Dispute that the Parties are unable to

resolve by mutual agreement pursuant to Clause 15.2 within one hundred and twenty (120) days of notification of such Dispute by either Party, shall be exclusively and finally settled as follows:

- 15.3.1 If a Party considers that a dispute exists which it has not been possible to settle by mutual agreement, it may give notice to the other Party and such dispute shall be resolved by arbitration. Arbitration shall be conducted in accordance with the Rules of Arbitration of the International Chamber of Commerce (the “Rules”) as in force on the date that a Party notifies the other Party that it wishes to commence arbitration proceedings, except as modified by the provisions of this Clause 15 (Law and Settlement of Disputes). The administering body shall be the International Chamber of Commerce.
- 15.3.2 Any arbitration initiated under this Clause 15 shall be conducted by a tribunal of three (3) arbitrators. Each Party will nominate an arbitrator. The third arbitrator (who will be the chairman of the arbitration tribunal) shall be appointed by the two (2) arbitrators nominated by the Parties.
- 15.3.3 The place of arbitration shall be London, England.
- 15.3.4 The arbitration shall be conducted in English, and all arbitrators shall be fluent in the English language.
- 15.3.5 The arbitration tribunal shall decide all questions strictly in accordance with the terms of the Agreement and shall give effect to the same. The arbitration tribunal’s decision shall be in writing and shall be confidential. The arbitration tribunal shall make such order for costs as it sees fit in its sole discretion.
- 15.3.6 Without prejudice to the arbitration provisions herein, either Party may apply to judicial authorities for interim or conservatory relief and protection against actual or threatened breach of this Agreement, or use of confidential information including the remedies of injunction, specific performance, and other equitable remedies. The arbitrators’ mandate shall continue until registration of the award.
- 15.3.7 The Parties agree that the arbitrators’ award shall be final and binding upon the Parties, and that the Parties shall give effect to and comply with any such award. The Parties agree to exclude and waive any appeal right to any court which would otherwise have jurisdiction in the dispute or out of the award. Any Party may, however, make an application to any court having jurisdiction for registration of the award, for the arbitral award to be recognized and enforced, including enforcement of any award granting interlocutory relief, against any Party and for the obtaining of any evidence (whether by discovery of documents, interrogatories, affidavits, or testimony of witnesses, or whatever) which the arbitrators direct shall be admitted in the arbitral proceedings.
- 15.3.8 Notwithstanding the other provisions of this Clause 15, any Dispute may be referred for settlement to an alternative dispute resolution mechanism, if all the parties to the Dispute agree that such alternative is more appropriate to the circumstances.
- 15.3.9 The arbitrators may, upon the request of a party who is not a Party, add such requesting party to the arbitration at any time.
- 15.3.10 The Parties agree that if a Dispute which is or is to be referred to arbitration hereunder:

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

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

#### 15.4 **Experts**

- 15.4.1 Should any term or area of the Agreement require the assistance of an expert including Clause 4.5.4 [Quantity of Oil], or the Parties mutually agree to the assistance of an expert, the Party requesting the appointment of the expert shall give notice to the other Party giving details of the question proposed to be determined by the expert. The Parties shall jointly appoint the expert and determine his terms of engagement.
- 15.4.2 If, within fourteen (14) days from the service of the above notice, the Parties have failed to appoint the expert, then the expert shall be appointed by the International Centre for Expertise in accordance with the provisions for the appointment of experts under the Rules of Expertise of the International Chamber of Commerce.
- 15.4.3 The Expert appointed pursuant to these provisions (the “**Expert**”) shall be qualified by education, training, and experience to determine the question in dispute. No Expert shall be appointed who is or at any time has been an employee or agent of the Seller or the Buyer, or who has an interest (financial or otherwise) which conflicts or may conflict with the Expert’s impartiality versus the Parties.
- 15.4.4 The Expert shall be instructed, as soon as possible after his appointment, to fix a reasonable time and place (or method) for receiving submissions and information from the Parties and the Expert may make such other inquiries and require such other evidence as may be necessary for determining the issue in question. The Expert shall be instructed to render his decision within one month of his appointment, with a possible extension of fourteen (14) days if justified by specific circumstances, such as delays in the Parties’ provision of pertinent information.
- 15.4.5 Each Party shall provide all necessary information and evidence for the Expert to perform his required function.
- 15.4.6 The Expert shall not act as an arbitrator, and shall render his decision only as an expert. No law relating to arbitration shall apply to such Expert, his determination, or the procedure by which he reaches his decision.
- 15.4.7 The Expert’s decision shall be made in writing, contain the reasons for such decision, and shall be final and binding on the Parties, except in the case of fraud, manifest error, conflict of interest, or corruption.
- 15.4.8 Each Party shall bear the costs and expenses of all counsel, witnesses, and others retained by it for the purposes of an Expert decision; however, the Parties shall share the costs of the Expert equally.

## **15.5   Miscellaneous**

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

## **16.   TERMINATION AND SUSPENSION**

- 16.1 The Agreement may be terminated or suspended upon sixty (60) days written notice, without prejudice to any right of action or claim accrued to that date, by either Party in the event of a material breach by the other Party unless (other than in the case of Clauses 16.1.5, 16.1.6 and 16.1.7 below, in which case termination shall be effective immediately), the failure is remedied within such sixty (60) day notice period. Such material breach shall include, without limitation, the following:
  - 16.1.1 the Buyer fails to nominate a Vessel in accordance with the Agreement;
  - 16.1.2 the Buyer fails to make payments by the Due Date or fails to raise financial security if required by the Seller as per Clause 12;

- 16.1.3 the Buyer fails to take delivery of the Oil in accordance with the Agreement;
- 16.1.4 the Seller fails to make delivery of the Oil in accordance with the Agreement;
- 16.1.5 the Buyer fails to comply with the destination requirements as per Clause 13;
- 16.1.6 either Party goes into liquidation or enters into an arrangement of composition with its creditors or suffers a like insolvency event;
- 16.1.7 either Party fails to comply with the Ethical Standards requirements as per Clause 20.

16.2 The Agreement may also be terminated by either Party:

- 16.2.1 upon extended Force Majeure as per Clause 14.6; or
- 16.2.2 in accordance with Clause 8.2.3.

## **17. LIABILITY**

- 17.1 Notwithstanding any other provision in this Agreement, neither the Buyer nor the Seller shall be liable under any circumstances for indirect, special, punitive, or consequential damages in relation to the performance (or non-performance) of the Agreement, including but not limited to loss of anticipated profits, goodwill, reputation, contracts or opportunities. For the avoidance of doubt, the foregoing principles shall also apply to any indemnity given pursuant to the Agreement (including any Letter of Indemnity).
- 17.2 Without prejudice to Clauses 4.5.1 and 4.5.2 (and for the avoidance of doubt, without limiting the scope of Clause 4.2.1 and 4.2.2 above) should there be any claim hereunder against the Seller (with respect to the quality and/or quantity of the Oil supplied, and/or any delay and/or failure in the supply of the Oil), then the Seller's liability shall be limited to the following direct costs and expenses:
  - 17.2.1 deadfreight charges for any amounts by which the quantities of Oil actually delivered are less than ninety percent (90%) of the Accepted Quantity (such deficiency in quantity below ninety percent (90%) of the Accepted Quantity to be referred hereinafter to as the "**Shortfall Amount**");
  - 17.2.2 additional freight costs and agents fees for the Shortfall Amount if the Buyer has to travel to another destination to load the Shortfall Amount, including but not limited to Load Port demurrage;
  - 17.2.3 any amount by which the price of the replacement cargo of Oil for the Shortfall Amount (including brokerage if applicable) exceeds the price that the Buyer would have paid for the Seller's cargo of Oil; and
  - 17.2.4 should the replacement cargo purchased by the Buyer be at a lower price than would have been paid to the Seller under the Specific Agreement then the difference shall be deducted from the Buyer's claim.

In any event, or combination of events, the Seller's liability shall be limited to the value of the BL quantity (or Accepted Quantity if no BL) of the Oil specified for the specific delivery in the Agreement.

- 17.3 Any claim or dispute by either Party shall be deemed waived unless the claiming Party notifies the other Party in writing within the period(s) defined in the Agreement, and in

the absence of any such express period, within sixty (60) days of the BL, or the last day of the Accepted Date Range for loading if there is no BL, providing as much supporting documentation and detail as is available, including an estimate of the total claim.

- 17.4 The Buyer shall defend, indemnify, and hold the Seller harmless against any loss, damage or injury resulting from any risk or event that occurs after title to the Oil has been transferred to the Buyer, including, without limitation, from the handling, transportation or use of the Oil sold under the Agreement.
- 17.5 Without prejudice to any other remedy that may be available to the Seller, if the Buyer fails to take delivery of the Oil in accordance with the terms of the Agreement without the prior written consent of the Seller, the Seller reserves the right to pursue disposal of the cargo via any other means. The Seller will, if reasonably or commercially feasible, advise the Buyer promptly in writing before any action is taken. If taken, this action will not relieve the Buyer of any remaining obligations to receive specific quantities of Oil or any other obligations under the Agreement. Further, the Buyer will be liable to the Seller for:
  - 17.5.1 any difference in price between the purchase price payable under the Agreement for such cargo of Oil and, if less, the actual price at which the cargo was actually sold;
  - 17.5.2 reasonable freight costs (if any) and agents fees in arranging a new buyer (freight costs only if Seller has to arrange for delivery at another destination); costs and damages incurred on account of delays to other vessels; and
  - 17.5.3 any and all other direct costs, losses, damages, expenses and liabilities incurred by the Seller as a result of the Buyer's failure to accept delivery of the Oil.
- 17.6 Each Party shall use all reasonable endeavours to mitigate any and all costs, losses, damages and expenses that could be claimed against the other Party.
- 17.7 Notwithstanding any contrary provision in the Agreement, neither Party limits or excludes its liability in respect of any costs, losses, damages, expenses or liability caused by its Gross Negligence, Wilful Misconduct, any fraud or any statutory or other liability which cannot be excluded under applicable law.
- 17.8 The Buyer acknowledges that the Oil sold by the Seller may have been purchased or procured by the Seller from producing entities in the State of Qatar (the "**Producing Entities**"). Subject to Clauses 17.1 and 17.7 the Buyer hereby agrees to be responsible to compensate the Producing Entities for any costs, losses damages, expenses and liabilities suffered by the Producing Entities as a result of any breach of the Agreement by the Buyer and further agrees to defend, indemnify, and hold harmless the Seller and the Producing Entities in respect of any such costs, losses, damages, expenses and liabilities. The Buyer's liability and indemnity covered in this Clause 17.8 shall be capped, per incident, at the value of the BL quantity (or Accepted Quantity if no BL) of the Oil under the Agreement. For the avoidance of doubt, nothing in this Clause 17.8 shall be construed to apply to the Buyer's obligations under Clause 5.13 or 17.4 or the sub-Clauses thereto. For clarification, nothing in this Clause 17.8 shall render the Buyer liable for consequential and indirect losses/damages (including, without limitation, loss of production).
- 17.9 Notwithstanding any contrary provision in the Agreement, except for claims or disputes related to the payment for the Oil or interests for late payment thereof, neither Party shall be liable to the other Party for unrelated claims or disputes which are USD one thousand (1,000) or less; each Party hereby waives any right to recover any amounts for such

claims or disputes. Claims or disputes shall be deemed unrelated if they do not arise from the same cargo and BL and the same facts or circumstances that give rise to the claim or dispute.

17.10 This Clause 17 shall remain effective after the expiry and/or termination of the Agreement.

**18. THIRD PARTY RIGHTS AND ASSIGNMENT**

18.1 The Agreement has been entered into for the sole benefit of the Seller (the Seller to include the Producing Entities to the extent set out in Clause 17.8) and the Buyer.

18.2 Nothing in the Agreement, express or implied, is intended to create or confer upon any person (other than the Parties, the Producing Entities and their respective successors and permitted assignees) any rights, remedies, third party status or obligations, beneficiary status or liabilities under or by reason of the Agreement. For the avoidance of doubt, the Producing Entities shall be entitled to the benefit of the Agreement to the extent set out in Clause 17.8.

18.3 Subject to Clauses 9.16 and 18.4, neither Party has the right to assign, transfer or otherwise dispose of its rights and obligations under the Agreement, in whole or in part, without the prior consent in writing of the other Party, which consent shall not be unreasonably withheld or delayed. Upon such consent the assignee shall assume all rights and obligations and shall be subject to all terms and conditions of the Agreement as if such assignee were a Party to the Agreement initially. However, whenever an assignment, transfer or other disposal is made, the assigning Party shall remain jointly and severally responsible with the assignee for the full performance of their obligations under the Agreement.

18.4 The Seller may, in its absolute discretion, assign, transfer or otherwise dispose of its interests in the Agreement to any entity that is wholly owned and/or controlled (directly or indirectly) by the government of the State of Qatar provided that such entity (i) is subject to the laws of Qatar and (ii) shall undertake in writing to succeed to and assume all of the rights and obligations of the Seller, and that the rights of the Buyer are not diminished by such assignment, transfer or disposal. The Seller shall not be obliged to remain jointly and severally responsible for the performance of such entity's obligations following any such assignment, transfer or disposal.

**19. HEALTH, SAFETY AND ENVIRONMENT**

19.1 The Buyer shall ensure that it, its agents, contractors and its respective employees take care and attention for the proper and safe handling, storage, transportation, use and/or disposal of the Oil sold under the Agreement, including, but not limited to, the provision of appropriate equipment, information and training to staff, contractors and agents.

19.2 Each Party shall comply with all legislation, permits and consents applicable at and in the Load Port, as well as all international treaties and regulations signed by the country supplying the Oil, the Terminal Regulations and/or Procedures and the Load Port Authority Regulations.

19.3 The Seller shall be responsible for procuring and maintaining all permits and consents necessary for the performance of its obligations under the Agreement and the Buyer shall be responsible for procuring and maintaining all permits and consents necessary for the performance of its obligations under the Agreement.

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

## **20. ETHICAL STANDARDS**

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

Furthermore, the Buyer agrees and undertakes to comply with the code of conduct as found on the website of Seller's agent as follows <http://www.tasweeq.com.qa>.

- 20.2 Buyer hereby represents, warrants to Seller that:

- (a) this Agreement has been negotiated directly with Seller without the involvement of any agent or brokers; and
- (b) no commissions or discounts have been paid to any agent, broker or other third party in connection with this Agreement; and

Buyer further covenants and undertakes to Seller that during the term of this Agreement and thereafter, no commissions or discounts will be paid to an agent, a broker or any other third party in connection with this Agreement. Buyer agrees and acknowledges that any misrepresentation or breach of undertaking as to the matters set out above shall constitute a termination event entitling Seller to terminate the Agreement and to take all necessary measures to remedy any loss/damage caused as consequence thereof.

## **21. CONFIDENTIALITY**

- 21.1 All information contained in, and relating to the Agreement, is confidential as between the Seller and the Buyer for the duration of the Agreement and for three (3) years thereafter. Neither Party shall disclose information or documents about the Agreement to any third party without the other Party's prior consent in writing, and, if required by the disclosing Party, subject to a written undertaking of confidentiality by such third party.

21.2 The obligations of non-disclosure and of confidentiality shall not apply to the Agreement or information or documents of the disclosing Party to the extent that they:

- a) are or become known to the receiving Party independently of any disclosure by the disclosing Party or any agent or Affiliate or shareholder of the disclosing Party, which has not been wrongly disclosed to or obtained by such receiving Party and in respect of which there is no bar against disclosure;
- b) are, or have become, public knowledge otherwise than through a wrongful act or default of the receiving Party or a person to whom the receiving Party is permitted to disclose such confidential information hereunder.

21.3 If a receiving Party is required to furnish the Agreement or any other confidential information of the disclosing Party in any arbitration or legal proceedings (other than arbitration or legal proceedings between the Parties themselves), the receiving Party shall be entitled to make such disclosure provided that prior to any such disclosure the receiving Party shall immediately notify the disclosing Party of such fact, and shall make every reasonable effort to contest such requirement and/or obtain protective orders limiting the disclosure of the Agreement or other confidential information of the disclosing Party, and secure for the disclosing Party the opportunity to seek relief from the requirement of disclosure from the arbitrator or authority conducting the legal proceeding.

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

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

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

21.5 The receiving Party will use Confidential Information of the other Party solely for purposes of performing its obligations under the Agreement.

## **22. NOTICES**

All notices and other communications given or made under the Agreement or any other notices that one Party may desire to give to another Party shall be in writing in the English language and in the addresses specified in the Specific Agreement. Notices shall be deemed to be given and received upon the earlier of:

- (a) actual receipt, or
- (b) when sent by facsimile, the date and at the time sent, provided that the sending machine issues a written confirmatory report that the message has been sent to the recipient's facsimile number, or
- (c) when sent by a recognized overnight courier service with charges prepaid, at the date

and time of delivery confirmed in writing by the courier service.

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

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

### **23. DEFINITIONS AND MISCELLANEOUS**

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

**“Accepted Date Range”** means the date range, from 00:01 in local time on the first date to 24:00 in local time on the last date during which the Accepted Vessel must tender Notice of Readiness (NOR) for loading a cargo of Oil at the Loading Terminal, as confirmed by the Load Port Authority, determined pursuant to Clause 5 of these General Terms and Conditions;

**“Accepted Quantity”** means the quantity of Oil to be delivered against a specific nomination pursuant to Clause 5 of these General Terms and Conditions;

**“Accepted Vessel”** means a Vessel nominated by the Buyer and accepted by the Seller pursuant to Clause 5 of these General Terms and Conditions;

**“Affiliate”** means, in relation to either Party, a company or entity that directly or indirectly controls, or is controlled by, or is under common control with the Seller, or the Buyer, as the case may be, and in relation to the Seller shall also include Qatar Petroleum, Affiliates of Qatar Petroleum and the Government of the State of Qatar. For the purposes of this definition, “control” shall mean (except for nominal shares held by directors which may be required by the law of the jurisdiction of such corporation or legal entity):

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

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

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

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

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

**“Barrel”** means forty two (42) U.S. gallons at sixty (60) degrees Fahrenheit and at normal atmospheric pressure;

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

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

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

**“Contract Volume”** means the total volume of Oil to be delivered as set out in the Specific Agreement;

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

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

**“Delivery Schedule”** means the schedule specifying when cargoes are to be delivered and amounts as set out in the Specific Agreement;

**“Discharge Port”** means any Berth at which Oil is to be, or was, discharged;

**“Dispute”** has the meaning in Clause 15;

**“DoS”** is a Declaration of Security;

**“Due Date”** means the date that payment under the Agreement should be received by the Seller from the Buyer, as per Clause 9;

**“EDP”** has the meaning given in Clause 6.2.7;

**“Effective Date”** is the effective date of the Agreement as specified in the Specific Agreement.

**“ETA”** means the estimated time of arrival for a Vessel at the Load Port;

**“Expert”** means an expert appointed pursuant to Clause 15;

**“FOB”** means Free On Board, as defined in the Incoterms. If there is any inconsistency or conflict between Incoterms and the Agreement, then the Agreement shall prevail;

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

**“GCC Special Area”** is as set out in MARPOL as amended from time to time and which is currently defined as the sea area located north-west of the rhumb line between Ras al Hadd (22°30’N, 059°48’E) and Ras al Fasteh (25°04’N, 061°25’E).

**“General Terms and Conditions”** refer to this Schedule 2 named *Seller’s General Terms And Conditions For Free On Board (“Fob”) Sales And Purchases Of Crude Oils*

**“Gross Negligence”** means any omission or action or failure to act of the Senior Supervisory Personnel of a Party, whether intentional or not, (whether sole, joint, contributory or concurrent) which seriously and substantially deviates from a diligent course of action and that constitutes a reckless disregard for harmful and foreseeable consequences.

**“IGS”** has the meaning given in Clause 6.1.4;

**“IMO”** means the International Maritime Organisation;

**“Incoterms”** means Incoterms 2010, as published by the International Chamber of Commerce;

**“Independent Inspector”** means an independent, recognised, person or firm, of first class and good international reputation, that is qualified to sample and test the quality and quantity of Oil, who may be appointed by the Buyer (but shall be acceptable to the Seller, acting reasonably) and appointed in accordance with Clause 4.4;

**“IP”** means the Institute of Petroleum or its successors;

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

**“ISM”** means International Safety Management;

**“ISPS”** means International Ship and Port Security;

**“ITOPF”** means the International Tanker Owners Pollution Federation;

**“Laytime”** means the time allowed to the Seller for loading the Oil as specified in Clause 6.3;

**“Letter of Indemnity”** means a letter of indemnity substantially in the form set out in Appendix 1;

**“LIBOR”** means the London Interbank Offer Rate as published by the British Bankers Association for the three (3) month rate for the US Dollar displayed on the appropriate page of the Reuters screen as of 11 a.m. on the relevant day or, if the relevant day is not a business day in London, the business day immediately preceding the relevant day. If no such offered quotation appears on the appropriate page of the Reuters screen, then the rate to be applied shall be the rate per annum quoted by Barclays Bank PLC, London Branch to leading banks in the London Interbank market at its 11:00 hours London time fixing on the relevant day (or the business day immediately preceding the relevant day if applicable) for the offering of deposits in US Dollars for a three (3) month period;

**“Load Port”** means Halul Island Terminal for Qatar Marine Oil, Mesaieed Terminal for Qatar Land Oil and any other port within Qatar from where the relevant grade of Oil is loaded (as notified by the Seller to the Buyer) and within which any Berth is situated at which Oil is to be, or was, loaded for shipment, as determined by the Load Port Authority;

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

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

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

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

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

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

**“Official Selling Price”** or **“OSP”** means the selling price of Oil as established by the Government of the State of Qatar and announced by the Seller.

**“Oil”** means crude oil;

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

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

**“Producing Entities”** has the meaning given in Clause 17.8

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

**“Senior Supervisory Personnel”** means , with respect to a Party, (i) any employee of such Party who functions as a manager or senior supervisor (reporting directly to the chief executive officer (or equivalent position) and having managerial or supervisory responsibilities, or not reporting directly to the chief executive officer (or equivalent position) but having managerial or supervisory responsibilities of the type typically held by a person reporting directly to a chief executive officer (or equivalent position)), or (ii) any executive officer or director of such Party.

**“Shortfall Amount”** has the meaning given in Clause 17.2.1;

**“Specific Agreement”** means the main body of the Agreement and Schedule- 1 (but excluding Schedule 2 and its Appendices) comprising the specific contract details and any special terms and conditions negotiated and agreed by the Parties, which supplement these General Terms and Conditions;

**“TBN”** means “to be nominated”.

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

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

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

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

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

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

“**Wilful Misconduct**” means an intentional act or omission by the Senior Supervisory Personnel of a Party, (whether sole, joint, contributory or concurrent) where such personnel contemplated such act or omission and was aware that such act or omission by it would be likely to have harmful and foreseeable consequences;

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

“**Worldscale 100**” means the rate provided by the latest edition of the “WORLDS SCALE TANKER NOMINAL FREIGHT-SCALE (WORLDS SCALE)” for Vessels of the same type and category.

### **23.2 Amendments**

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

### **23.3 Brand, Trade Marks, partnerships and agencies**

Nothing in these General Terms and Conditions:

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

### **23.4 Gender**

Words denoting or implying any gender include all genders.

### **23.5 Interpretation**

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

23.5.2 Where the Agreement specifies “... days notice”, this shall always mean that the notification day equals day one (1), e.g. fifteen (15) days notice means that a notice given on the 1st day of the month shall be effective on the fifteenth (15th) day of the month. For the avoidance of doubt, where the last day for any notice to be given under the Agreement falls on a day which is not a Working Day, such notice shall be given on or before the last preceding Working Day.

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

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

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

23.5.6 Any term or expression not defined or clarified in these General Terms and Conditions or in the Specific Agreement shall be interpreted in accordance with its usual meaning in the Petroleum industry in Qatar.

23.5.7 The Schedules and its Appendices to the Agreement form an integral part of this Agreement and references to this Agreement shall include the Schedules and its Appendices. Subject to paragraphs (a) and (b), the contents of the Schedules and Appendices shall have effect as if expressly set out in the main body of the Agreement.

- (a) In the event of an inconsistency or conflict between the provisions of the Specific Agreement and the contents of any of the Schedules or Appendices, the provisions of the main body of the Specific Agreement shall prevail.
- (b) In the event of an inconsistency or conflict between the General Terms and Conditions and the Specific Agreement or the contents of any other Schedule or Appendix, the provisions of the main body of the Specific Agreement or the contents of the other Schedule or Appendix, as the case may be, shall prevail over the General Terms and Conditions.

23.5.8 References to this Agreement, guidelines, regulations, specifications, standards, conventions, codes and laws shall include amendments, modifications or supplements thereto.

### **23.6 Language**

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

### **23.7 No Waiver**

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

23.7.2 No failure or delay by a Party to exercise any right or remedy provided under the Agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict the further exercise of that or any other right or remedy.

23.7.3 If any provision of the Agreement is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such finding shall not affect, impair or invalidate the other provisions of the Agreement, unless the exclusion of the

invalid or unenforceable provision results in a material change which causes the transactions contemplated herein to be unreasonable, and all remaining provisions not affected by such finding shall remain in full force and effect. The Parties agree to attempt to substitute for any invalid or unenforceable provision a valid or enforceable provision which achieves, to the greatest extent possible, the economic, legal, and commercial objectives of the invalid or enforceable provision.

**23.8 Operator, Agent and Delegate**

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

**23.9 Persons**

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

**23.10 Recording of Conversations**

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

**23.11 References**

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

**23.12 Singular / Plural**

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

**23.13 Time of the essence**

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

**23.14 Entire Agreement**

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

**23.15 Further assurances**

Each Party shall, at its own expense, execute and deliver all such documents and instruments and do all such acts as the other Party may reasonably require in order to give full effect to the intent and meaning of this Agreement and the transactions contemplated by it.

**APPENDIX 1 TO SCHEDULE 2**  
**Letter Of Indemnity (Example)**

From: [specify]

Agreement Reference: ..... Dated

To:.....

IN CONSIDERATION of your paying for the cargo of .....

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

which sailed from (Load Port) .....

on (Vessel and date).....

loaded with such cargo when the (documents)

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

---

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

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

- (i) any claim made against you by anyone as a result of breach by us of any of our warranties as set out above; and
- (ii) all losses, costs (including, but not limited to, costs as between attorney or solicitor and own client), damages, and expenses which you may suffer, incur or be put to, other than losses, costs damages or expenses which are of a type excluded by Clause 17.1 of the Agreement, arising as a result of our failure to deliver the above document(s) in accordance with the Agreement.

This indemnity shall terminate on the earlier of (a) three years from the date of this letter of indemnity or (b) delivery by us of the aforesaid document(s). However, this indemnity shall remain in full force and effect with respect to any claim which arises hereunder prior to delivery of aforesaid documents.

This indemnity shall be governed by and construed in accordance with the laws of the State of Qatar and all disputes, controversies or claims arising out of or in relation to this indemnity or the breach, termination or validity hereof shall be resolved as provided for in this Agreement.

Signature: .....

**APPENDIX 2 TO SCHEDULE 2**

**Part 1**

**STANDBY LETTER OF CREDIT FORMAT (EXAMPLE)**

Please urge opening/confirming the required L/C under email/fax advice to us, enabling us release our financial loading instructions to the terminal in due time.

The required L/C is to be **confirmed** by a bank operating in Doha, Qatar (one of the below-mentioned banks).

**QUOTE:**

**01- CONFIRMED IRREVOCABLE LETTER OF CREDIT .**

- i). L/C SHALL COVER THE VALUE OF THE SHIPMENT PLUS TEN ( 10 ) PERCENT
- ii) L/C SHALL BE UNCONDITIONAL , IRREVOCABLE , VALID FOR SEVENTY FIVE (75) DAYS FROM THE CONFIRMATION DATE; SHALL BE ESTABLISHED AT LEAST FIFTEEN (15) DAYS BEFORE THE ACCEPTED SHIPMENT DATE.

**02- THE L/C SHOULD BE CONFIRMED BY ONE OF THE FOLLOWING LOCAL BANKS OPERATING IN DOHA , STATE OF QATAR:**

i – AL KHALIJI	SWIFT CODE :KLJIQAQA FAX: 00974 44930963 TEL: 00974 44940587
ii - COMMERCIAL BANK OF QATAR	SWIFT CODE :CBQAQQA FAX : 00974 44358181 TEL: 00974 44497525
iii - DOHA BANK LTD.	SWIFT CODE: DOHBQAQA FAX : 00974 40155191 TEL : 00974 44456686
iv- QATAR NATIONAL BANK	SWIFT CODE :QNBAQQA FAX: 00974 44414345 TEL : 00974 44252102
v- HSBC	SWIFT CODE :BBMEEQAX FAX: 00974 44382194 TEL : 00974 44382283
vi - ARAB BANK	SWIFT CODE : ARBQAQA FAX: 00974 44387666 TEL: 00974 44387643

vii - BNP PARIBAS

SWIFT CODE : BNPQAQ  
FAX: 00974 44537490  
TEL: 00974 44537123

viii - STATE BANK OF INDIA

SWIFT CODE : SBINQAQ  
FAX: 00974 44980621  
TEL: 00974 44917934

ix - STANDARD CHARTERED BANK

SWIFT CODE : SCBLQAQXXXX  
FAX: 00974 44436183  
TEL: 00974 44248380

x - MASRAF AL RAYYAN

SWIFT CODE : MAFRQAQ  
FAX: 00974 44253312  
TEL: 00974 44235934

**03- COVERING:** ..... CRUDE OIL

**QUANTITY:** (.....) BBL (+/- 5 %)

**DELIVERY:** FOB ....., QATAR

**THE VESSEL:** ..... OR T.B.N

**LIFTING DATE RANGE:** (.....)

**DESTINATION:** (.....) IS **MANDATORY** TO BE STIPULATED

**04- BENEFICIARY:** QATAR PETROLEUM

P.O.BOX 3212 DOHA - QATAR.

**05- BUYER:** (.....)

( Please insert the FULL ADDRESS )

**06- PRICE :** FOB INVOICE PRICE IN U.S. DOLLARS PER BBL TO APPLY FOR EACH BARREL OF ..... CRUDE OIL DELIVERED UNDER THE PRESENT AGREEMENT SHALL BE DERIVED FROM THE APPLICATION OF QATAR LAND CRUDE OIL, OFFICIAL SELLING PRICE (OSP) AS ANNOUNCED BY THE SELLER FOR THE MONTH IN WHICH THE BILL OF LADING IS DATED.

THE INVOICE AMOUNT SHALL BE CALCULATED TO ROUND UP / DOWN TO THE NEAREST WHOLE NUMBER AND THE FOLLOWING ARITHMETIC RULES SHALL BE APPLIED TO DO THIS:

- 1) IF THE FIGURE IMMEDIATELY COMING AFTER THE DECIMAL POINT IS FIVE (5) OR GREATER THAN FIVE (5) THEN A FULL NUMBER IS ADDED.

2) IF THE FIGURE AFTER THE DECIMAL POINT IS LESS THAN FIVE (5) , THEN IT IS OMITTED.

IF THE FINAL PRICE IS NOT AVAILABLE BEFORE THE PAYMENT DUE DATE, THE BENEFICIARY SHALL INVOICE THE APPLICANT ON A 'PROVISIONAL BASIS' PAYABLE AT 30 DAYS FROM THE B/L DATE (B/L DATE INCLUSIVE) FOR THE COVERING SHIPMENT.

ANY RESULTANT ADJUSTMENTS BETWEEN THE FINAL PRICE AND THE PROVISIONAL PRICE SHALL BE SETTLED AGAINST PRESENTATION OF BENEFICIARY'S SIGNED INVOICE OR DEBIT NOTE THAT WILL BE PAID BY APPLICANT UNDER SIGHT AND UNDER THIS LETTER OF CREDIT .

07- **PAYMENT** : DUE DATE OF PAYMENT 30 (THIRTY) DAYS FROM THE BILL OF LADING DATE (**B/L DATE INCLUSIVE**) IN US DOLLARS BY ESTABLISHED BANK LETTER OF CREDIT IN FAVOR OF SELLER.

IF DUE DATE FALLS ON A SATURDAY OR BANKING HOLIDAY IN NEW YORK CITY, USA OTHER THAN MONDAY, PAYMENT WILL BE EFFECTED ON THE PRECEDING BANK WORKING DAY. IF DUE DATE FALLS ON A SUNDAY OR A MONDAY BANK HOLIDAY IN NEW YORK , PAYMENT WILL BE EFFECTED ON THE FOLLOWING BANKING DAY.

**THE REQUIRED DOCUMENTS (ORIGINAL PLUS ..... COPIES)**

8 - COMMERCIAL INVOICE: ORIGINAL PLUS ( ..... ) COPIES.

9 - SHIPPING DOCUMENTS: ORIGINAL PLUS ( ..... ) COPIES.

9.1 FULL SET OF (3/3) ORIGINAL PLUS ( ..... ) NON NEGOTIABLE COPIES OF CLEAN ON BOARD BILLS OF LADING ISSUED OR ENDORSED TO THE ORDER OF ( ..... ) MARKED FREIGHT PAYABLE AS ( ..... ). EACH ORIGINAL BILL OF LADING MUST BE SIGNED BY MASTER OR THE AGENT FOR MASTER.

**N.B:- PLEASE STIPULATE TO THE ORDER OF ( ..... ) B/L (S) TO BE ISSUED, PAYMENT OF FREIGHT I.E. AS AGREED, AS ARRANGED, OR AS PER CHARTER PARTY .**

9.2 CERTIFICATE OF QUANTITY AND QUALITY

9.3 CERTIFICATE OF ORIGIN AND AUTHENTICITY (ONE DOCUMENT)

9.4 PORT TIME SHEET

9.5 MASTER'S RECEIPT FOR SAMPLE .

9.6 MASTER'S RECEIPT FOR COPIES OF SHIPPING DOCUMENTS.

N.B:- **PLEASE INSERT IN THE L/C:**

- (a) NUMBER OF COPIES REQUIRED FOR EACH DOCUMENT .
- (b) **DESTINATION :** (.....) IS **MANDATORY** TO BE STIPULATED
- (c) **VESSEL'S NAME :** “(.....)” OR **SUBSTITUTE**

**10 - OTHER TERMS AND CONDITIONS:-**

- a) L/C AMOUNT IS AUTOMATICALLY ADJUSTED FOR ANY INCREASE / DECREASE AS PER PRICE CLAUSE WITHOUT FURTHER AMENDMENT TO THE LETTER OF CREDIT.
- b) INSURANCE: TO BE COVERED BY BUYER.
- c) TRANSHIPMENT: NOT ALLOWED.
- d) CHARTER/TANKER PARTY B/L(S) ACCEPTABLE .
- e) PARTIAL SHIPMENT: NOT ALLOWED.
- f) MULTIPLE SETS OF DOCUMENTS AND BILLS OF LADING ARE ACCEPTABLE.
- g) ALL / ANY BANKING CHARGES AND /OR EXPENSES RELATING TO ABOVE MENTIONED L/C INCLUDING, BUT NOT LIMITED TO ESTABLISHING, CONFIRMING, AMENDMENT AND UTILIZING OF THIS L/C ARE FOR BUYER ACCOUNT WHETHER PAID IN QATAR AND/OR ELSEWHERE.
- h) DOCUMENTS PRESENTED LATER THAN 21 DAYS AFTER B/L DATE PROVIDED THEY ARE PRESENTED WITHIN L/C VALIDITY ARE ACCEPTABLE.
- i) THIS CREDIT IS SUBJECT TO ICC UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS 2007 REVISION ( UCP 600).
- j) TENTATIVE PRICE INVOICE AND DRAFTS, PAYABLE THIRTY DAYS FROM B/L DATE, BASED ON PROVISIONAL PRICE AS INVOICED BY SELLER (QP) ARE ACCEPTABLE.
- k) FINAL PRICE INVOICE DRAFT(S) AS INVOICED BY SELLER (QP) ARE ACCEPTABLE.

- l) DOCUMENTS ISSUED BY THIRD PARTY EXCEPT COMMERCIAL INVOICE ARE ACCEPTABLE.
- m) TYPOGRAPHICAL AND SPELLING ERROR, IF ANY, ARE NOT TO BE CONSIDERED DISCREPANCIES EXCEPT FOR THE AMOUNT, QUANTITY AND PRICE.

**UNQUOTE**

## APPENDIX 2 TO SCHEDULE 2

### Part 2

#### Form of Parent Company Guarantee (Example)

Dear Sirs:

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

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

- 4 This Parent Company Guarantee shall extend to any amount that constitutes part of the obligations owed by Buyer pursuant to the Agreement. If the obligations are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving any of the Buyer or the Parent Company (including, without limitation, the dissolution of Buyer or the Parent Company), the obligations of the Parent Company under this Parent Company Guarantee shall continue in full force and effect and shall continue to legally bind the Parent Company as if there had been no such unenforceability against or refusal or inability or lack of capacity on the part of Buyer to allow payment of any amount that constitutes part of the obligations. This Parent Company Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the obligations is rescinded or must otherwise be returned by Seller upon the insolvency, bankruptcy, reorganization or liquidation of, or similar proceeding with respect to Buyer or the Parent Company (including, without limitation, the dissolution Buyer or the Parent Company) or otherwise, all as though such payment had not been made.
- 5 Notwithstanding any payment or payments made by the Parent Company under this Parent Company Guarantee, the Parent Company shall not have any right of subrogation in respect of the Agreement, and the Parent Company waives, until the Buyer's obligations under the Agreement have been discharged in full:
  - a) any right to enforce any remedy that the Parent Company may have against the Buyer; and
  - b) the benefit of, and any right to participate in, any security with respect to the obligations now or hereafter held by the Seller.If, notwithstanding the foregoing, any amount shall be paid to the Parent Company on account of such subrogation rights prior to the time when all of the obligations under the Agreement shall have been paid in full, such amount shall be held by the Parent Company in trust for Seller and shall forthwith upon receipt by the Parent Company, be turned over to Seller in the exact form received by the Parent Company, to be applied against the obligations in such order as Seller may determine.
- 6 As separate and primary obligations, the Parent Company shall defend, indemnify and hold Seller harmless against all costs, liabilities, losses, and/or damages resulting from or arising out of Buyer's breach of its obligations, and/or the Parent Company's failure to perform with respect to or breach of this Parent Company Guarantee or the unenforceability of the Parent Company's obligations hereunder.
- 7 All payments by the Parent Company hereunder shall be made free and clear of, and without deduction for or on account of any taxes, except to the extent that the Parent Company is required to make any such payment subject to the deduction or withholding of any tax. If any tax or amount in respect of a tax must be deducted or withheld from any amounts payable or paid by the Parent Company, on account of or by reference to any payment by or obligation of the Parent Company hereunder, the Parent Company shall pay such additional amounts as may be necessary to ensure that Seller receives a net amount equal to the full amount which it would have received from the Parent Company had payment not been made subject to such deduction or withholding.
- 8 All taxes required to be deducted or withheld by the Parent Company from any amounts paid or payable hereunder shall be paid by the Parent Company prior to the date on which penalties attach thereto and the Parent Company shall, within 30 days of such payment being made, deliver to Seller such evidence as is reasonably available to the Parent Company that payment has been duly remitted to the appropriate taxing authority.

9 The Parent Company represents and warrants to Seller:

- a) The Parent Company is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all requisite power and authority to conduct its business as now being conducted and to execute, deliver and perform its obligations under this Parent Company Guarantee;
- b) The execution, delivery and performance by the Parent Company of this Parent Company Guarantee has been duly authorized by all necessary corporate action on the part of the Parent Company and this Parent Company Guarantee has been validly executed and delivered by the Parent Company;
- c) This Parent Company Guarantee constitutes a legal, valid and binding obligation of the Parent Company;
- d) No authorisations, approvals or consents of any governmental or regulatory authority or agency or any other person and no filings or registrations with any governmental authority or agency are necessary for the execution, delivery or performance by the Parent Company of this Parent Company Guarantee or for the validity or enforceability thereof;
- e) The obligations of the Parent Company under this Parent Company Guarantee rank at least pari passu with all of its other unsecured and unsubordinated liabilities (contingent or otherwise) and its unsecured and unsubordinated obligations, except obligations that are mandatorily preferred by law;
- f) Neither the execution and delivery by the Parent Company of this Parent Company Guarantee, nor its compliance with, or performance of the terms and conditions of this Parent Company Guarantee will contravene the organizational documents of the Parent Company or any legal obligation or any order, writ, injunction, or decree of any court or governmental authority or will conflict with or result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, any agreement, contract or instrument to which the Parent Company is a party, except for any such conflict, breach or default that would not reasonably be expected to have a material adverse effect on the Parent Company's ability to perform its obligations under this Parent Company Guarantee; and
- g) There is no action, suit or proceeding at law or in equity by or before any court or arbitral tribunal now pending or, to the best of the knowledge of the Parent Company, threatened against the Parent Company which would reasonably be expected to have a material adverse effect on the Parent Company's ability to perform its obligations under this Parent Company Guarantee.

10 This Parent Company Guarantee shall inure to the benefit of Seller and its respective successors and assigns. Seller may at any time assign or otherwise transfer any or all of its rights hereunder to an Affiliate of Seller. The Parent Company shall not assign or transfer any or all of its obligations hereunder, but may cause others to perform its obligations hereunder.

11 This Parent Company Guarantee is a continuing guarantee and shall be effective as of the Effective Date of the Agreement, and remain in full force so long as Buyer has obligations to be performed by it in accordance with the Agreement and/or the Parent Company has obligations pursuant to or arising out of this Parent Company Guarantee.

12 The Parent Company's obligations hereunder shall not be exonerated, discharged or released by any of the following described actions, circumstance, matter or things which, but for this

provision, might operate to discharge, release or otherwise exonerate the Parent Company from its obligations under this Parent Company Guarantee in whole or in part or otherwise affect such obligations, and whether or not known to the Parent Company or Seller:

- a) any amendment, modification, extension, indulgence, time, waiver, or concession granted to Buyer, whether as to payment, time, performance, or otherwise;
- b) the taking, variation, renewal, or refusal or neglect to perfect or enforce the Agreement or any rights or remedies against or securities granted by Buyer;
- c) any legal limitation, disability, incapacity or other similar circumstances relating to Buyer;
- d) any unenforceability, invalidity, or frustration of any obligations of Buyer to be performed by it in accordance with the Agreement, with the intent that the Parent Company's obligations hereunder shall remain in full force and this Parent Company Guarantee shall be construed accordingly as if there were no such unenforceability, invalidity, or frustration;
- e) any notice (including notice of the acceptance of this Parent Company Guarantee), promptness, diligence, presentment, protest and demand with respect to any of the Obligations; and/or
- f) the bankruptcy or insolvency of Buyer.

13 No failure to exercise, and no delay in exercising on the part of Seller, any right, power, or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or privilege preclude any other or further exercise thereof, or the exercise of any other right, power, or privilege. No waiver by Seller shall be effective unless it is in writing.

14 The rights and remedies of Seller herein provided are cumulative, and not exclusive of any rights or remedies provided by law. This Parent Company Guarantee shall not be reduced or defeated by any other compensation, which Seller receives on account of any breach, claim, liability or loss by Buyer.

15 If any provision of this Parent Company Guarantee is prohibited or unenforceable in any jurisdiction, such prohibition or unenforceability shall not invalidate the remaining provisions hereof, or affect the validity or enforceability of such provision in any other jurisdiction.

16 Terms defined in the Agreement shall have the same meanings in this Parent Company Guarantee, except as otherwise defined herein.

17 All notices, requests, demands and other communications that are required or may be given under this Parent Company Guarantee shall be in writing and shall be deemed to have been duly given:

- a) when received, if personally delivered or delivered by express courier service; or
- b) when transmitted, if transmitted by facsimile, subject to sender's facsimile machine receiving the correct answerback report or the recipient confirming by telephone to the sender that the recipient has received the facsimile message.

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

(Name and address of the Parent Company)

Attention:

Telephone number:

Facsimile number

E-mail:

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

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

Signed for and behalf of

(Name of the parent company)

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Signed by: President and Attorney in Fact