

General Terms & Conditions for Sales and Purchases of Crude Oil
Chevron Products Company, a division of Chevron U.S.A. Inc.
2014 Edition – Version 2.0

U.S. Domestic Supplement
November 2018

This U.S. Domestic Supplement (“Supplement”) is applicable to purchase and sale transactions that are governed by Chevron Products Company, a division of Chevron U.S.A. Inc.’s General Terms and Conditions for Sales and Purchases of Crude Oil dated 2014 (“GTCs”) where title transfer occurs in the U.S.

In the event of a conflict between the terms contained herein and the GTCs, the terms of this Supplement shall govern.

PART ONE – In Respect of FOB Deliveries

Section 7 – Laytime, Delays and Demurrage

7.4.2 (c) - Delete beginning with “the Worldscale demurrage rate” through the end of the sentence and replace with “then demurrage shall be based upon three independent broker’s market assessment of the average rate for the month of loading obtained by the party chartering the Vessel.”

7.4.3 - Delete “forty-five (45)” and replace with “ninety (90)”

PART TWO - In Respect of CFR, CIF and DAP Deliveries

Section 16 – Laytime, Delays and Demurrage

16.3.2 (c) - Delete beginning with “the Worldscale demurrage rate” through the end of the sentence and replace with “then demurrage shall be based upon three independent broker’s market assessment of the average rate for the month of loading obtained by the party chartering the Vessel.”

PART FOUR - Applicable to Each of Parts One, Two, and Three

Section 36 Arbitration and Small Claims

36.1.1 Delete in its entirety and replace with the following:

The Parties shall exclusively and finally resolve any dispute between them using direct negotiations, mediation, and then arbitration as set out in this section. If a dispute arising out of this Agreement is not resolved by direct negotiations, either Party may initiate mediation by giving notice to the other setting out the disputed issues and the value of the claim. If the Parties fail to resolve the dispute within 60 days from notice of mediation, either Party may initiate binding arbitration by giving notice to the other Party. The place of arbitration must be Houston, Texas. One arbitrator (or 3 arbitrators if the monetary value of the dispute is more than US\$5,000,000 or its currency equivalent, or if there is a dispute whether the monetary value exceeds the US\$5,000,000) will conduct the arbitral proceedings in accordance with the International Institute for Conflict Prevention and Resolution (“CPR”) Rules. To the extent of any conflicts between the Act or the CPR Rules and the provisions of this Contract, the provisions of this Contract prevail. The CPR is the appointing authority. The maximum number of witnesses each Party may call to give evidence is 3 witnesses of fact and 1 expert witness. The arbitration award is final and binding. Regardless of which Party prevails, all arbitration fees and costs must be paid equally and each Party shall bear its own attorneys’ fees and costs in connection with such arbitration. The Parties waive irrevocably their right to any form of appeal, review, or recourse to any court or other judicial authority under any applicable law, to the extent that such waiver may be validly made. Proceedings to (1) preserve property or seek injunctive relief, or (2) enforce an award under this section, may be brought in any court of competent jurisdiction.

INSERT NEW SECTIONS:

37.15 Bankruptcy Acknowledgement

37.15.1 The parties intend that each transaction hereunder shall constitute a “forward contract” under § 101(25) and a swap agreement under § 101(53b) of Title 11 of the United States Code, 11 U.S.C. §§ 101 et seq., as amended from time to time (the “Bankruptcy Code”), and that the Agreement constitutes a “master netting agreement” under § 101(38a) of the Bankruptcy Code. Further, the parties intend that each party shall be a “forward contract merchant” under § 101(26) and a “master netting agreement participant” under § 101(38B), for purposes of the Bankruptcy Code.

37.16 Disclaimer of Warranty

37.16.1 **OTHER THAN THE WARRANTY OF TITLE SPECIFIED IN SECTION 37.12, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, SELLER MAKES NO OTHER REPRESENTATION OR WARRANTY, WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY THAT THE CRUDE WILL BE MERCHANTABLE OR FIT OR SUITABLE FOR A SPECIFIC PURPOSE, EVEN IF SUCH PURPOSE IS KNOWN TO SELLER, UNLESS OTHERWISE STATED IN THE CONFIRMATION FOR A PARTICULAR TRANSACTION. SELLER EXPRESSLY DISCLAIMS ANY WARRANTY AGAINST INFRINGEMENT OF ANY PATENT, TRADEMARK OR COPYRIGHT.**

37.17 Right to Audit

37.17.1 Each party and its duly authorized representatives shall have access to the accounting records and other documents maintained by the other party which relate to materials being sold or delivered to the other party under the Agreement and shall have the right to audit such records at any reasonable time or times within three years after the termination of the Agreement.

37.18 Conflict of Interest

37.18.1 Except as otherwise expressly, provided herein, no director, employee or agent of either party, its subcontractors or vendors, shall give or receive from any director, employee or agent of the other party or any affiliate, any commission, fee, rebate, gift or entertainment of significant cost or value in connection with the Agreement. In addition, no director, employee, or agent of either party, its subcontractors or vendors, shall enter into any business arrangement with any director, employee, or agent of the other party or any affiliate who is not acting as a representative of such party or its affiliate without prior written notification thereof. Any representative(s) authorized by either party may audit the applicable records of the last three years of the other party for the sole purpose of determining whether there has been compliance with this paragraph.

Section 38 Applicable Law

38.1.1 Delete in its entirety and replace with:

The Agreement is governed by and interpreted under the laws of New York, without regard to its choice of law rules, except that the substantive and procedural rules of the Federal Arbitration Act, 9 U.S.C. §§ 1-16 (“the Act”) govern any arbitration proceeding commenced pursuant to the Agreement.

INSERT NEW SCHEDULE

Schedule D

In Respect of Barge (FOB, CFR, CIF and DAP) Deliveries for U.S. Domestic

Section 1 – Applicability

- 1.1 The provisions of Part One and Part Two of the GTCs shall apply, where appropriate, except as specified elsewhere in this Schedule D.
- 1.2 The provisions of this Schedule D shall apply to contracts for the sale of Crude to be delivered FOB, CFR, CIF or DAP within the U.S. by Barge.

Section 2 – Measurement and Sampling, Independent Inspection and Certification

2.1 For FOB Deliveries

2.1.1 Measurement and Sampling

- (a) The quantity and quality of the Crude delivered under the Agreement shall be measured at the Loading Terminal at the time of shipment by a licensed independent petroleum inspector satisfactory to both parties. All measurements of quantity and quality shall be determined in accordance with the most current industry standards at the time of shipment, such as API, ASTM, EI, GOST or other internationally recognized measurement standards. The determinations made by such inspector shall be final and binding for invoice purposes, but without prejudice to the rights of either party to pursue a claim in the case of fraud, omission, or error pursuant to Section 23.

2.1.2 Independent Inspection

- (a) Either party may appoint a mutually acceptable independent inspector at the Loading Terminal, subject to any necessary prior agreement of the Loading Terminal operator having been obtained. Such appointment shall be notified in writing to the other party. Unless otherwise provided for in the Special Provisions, all charges in respect thereof shall be shared equally between the parties and the inspector's report shall be made available to both parties.
- (b) In addition to the independent inspector appointed pursuant to Section 2.2.1(a) of this Supplement, or should the parties fail to mutually agree upon an independent inspector, either party may, at its own expense, appoint a representative at the Loading Terminal, subject to any necessary prior agreement of the Loading Terminal operator.

2.1.3 Place of Certification

- (a) Quality will be based on analysis of shore tank composite sample drawn at the Loading Terminal immediately prior to loading.
- (b) Quantity measurements at load shall be based on manual shore tank gauges. If a loading shore tank is active during load or the shore tank measurements are determined to be inaccurate, or the difference between the shore tank and Barge measured quantities with valid Load Vessel Experience Factor ("VEFL") is greater than 0.5 percent, the Barge received figures with VEFL applied shall be used as the official quantity. A line displacement shall be made and witnessed by the inspector. The allowable tolerance for the difference between the shore tank and the Barge measured quantities shall be the "Precision of Measurement" as stated by API. If the Barge measured quantity is under by more than the allowed tolerance in respect of

any cargo of Crude loaded, the entire difference shall be incorporated into the load figures. If a line displacement is not performed or shore tank roof is not floating with a minimum of six (6) inches above the critical zone, the Barge measured quantity with VEFL applied shall be used as the official quantity.

2.2 For CFR and CIF Deliveries

2.2.1 Measurement and Sampling

- (a) The quantity and quality of the Crude delivered under the Agreement shall be measured at the Loading Terminal at the time of shipment by a licensed independent petroleum inspector satisfactory to both parties. All measurements of quantity and quality shall be determined in accordance with the most current industry standards at the time of shipment, such as API, ASTM, EI, GOST or other internationally recognized measurement standards. The determinations made by such inspector shall be final and binding for invoice purposes, but without prejudice to the rights of either Party to pursue a claim in the case of fraud, omission, or error pursuant to Section 23.

2.2.2 Independent Inspection

- (a) Either party may appoint a mutually acceptable independent inspector at the Loading Terminal, subject to any necessary prior agreement of the Loading Terminal operator having been obtained. Such appointment shall be notified in writing to the other party. Unless otherwise provided for in the Special Provisions, all charges in respect thereof shall be shared equally between the parties and the inspector's report shall be made available to both parties.
- (b) In addition to the independent inspector appointed pursuant to Section 2.2.2(a) or should the parties fail to mutually agree upon an independent inspector, either party may, at its own expense, appoint a representative at the Loading Terminal, subject to any necessary prior agreement of the Loading Terminal operator.
- (c) Despite anything to the contrary in the provisions of Sections 2.2.2(a) and 2.2.2(b), if an independent inspector has already been appointed by the Seller or any third party in respect of the shipment prior to the nomination of such shipment by the Seller to the Buyer pursuant to Section 3, of this Supplement, or if such inspection has already been carried out, then both parties shall be bound by the results of such measurement of quantity, sampling and analysis thereof as carried out by such independent inspector, provided always the certificates of quantity and quality (or such other equivalent documents as may be issued at the Loading Terminal) of the Crude comprising the shipment are issued in accordance with Section 2.2.1 above.

2.2.3 Place of Certification

- (a) Quality will be based on analysis of shore tank composite sample drawn at the Loading Terminal immediately prior to loading.
- (b) Quantity measurements at load shall be based on manual shore tank gauges. If a loading shore tank is active during load or the shore tank measurements are determined to be inaccurate, or the difference between the shore tank and Barge measured quantities with valid VEFL is greater than 0.5 percent, the Barge received measured quantity with VEFL applied, ROB/OBQ adjusted, shall be used as the official quantity. A line displacement shall be made and witnessed by the inspector. The allowable tolerance for the difference between the shore tank and the Barge measured quantities shall be the "Precision of Measurement" as stated by API. If the Barge is under by more than the allowed tolerance in respect of any cargo of Crude loaded, the entire difference shall be incorporated into the load figures. If a

line displacement is not performed or shore tank roof is not floating with a minimum of six (6) inches above the critical zone, the Barge measured quantity with VEFL applied, ROB/OBQ adjusted shall be used as the official quantity.

2.3 For DAP Deliveries

2.3.1 Measurement and Sampling

- (a) The quantity and quality of the Crude delivered under the Agreement shall be measured at the Discharge Port by a licensed independent petroleum inspector satisfactory to both parties. All measurements of quantity and quality shall be determined in accordance with the most current industry standards at the time of shipment, such as API, ASTM, EI, GOST or other internationally recognized measurement standards. The determinations made by such inspector shall be final and binding for invoice purposes, but without prejudice to the rights of either Party to pursue a claim in the case of fraud, omission, or error pursuant to Section 23.

2.3.2 Independent Inspection

- (a) Either party may appoint a mutually acceptable independent inspector at the Discharge Port, subject to any necessary prior agreement of the Discharge Port operator having been obtained. Such appointment shall be notified in writing to the other party. Unless otherwise provided for in the Special Provisions, all charges in respect thereof shall be shared equally between the parties and the inspector's report shall be made available to both parties.
- (b) In addition to the independent inspector appointed pursuant to Section 2.3.2(a) or should the parties fail to mutually agree upon an independent inspector, either party may, at its own expense, appoint a representative at the Discharge Port, subject to any necessary prior agreement of the Discharge Port operator.

2.3.3 Place of Certification

- (a) Quality will be based on analysis of Barge volumetric composite sample drawn at the Discharge Port immediately prior to discharge. Quantity measurements at discharge shall be based on manual shore tank gauges. If a receiving shore tank is active during discharge or the shore tank measurements are determined to be inaccurate, or the difference between the shore and Barge measured quantities with valid Discharge Vessel Experience Factor ("VEFD") (VEFL if VEFD is not available) is greater than 0.5 percent, the Barge delivered measured quantities with VEF applied shall be used as the official quantity.
- (b) A line displacement shall be made and witnessed by the inspector. The allowable tolerance for the difference between the shore tank and the Barge measured quantities shall be the "Precision of Measurement" as stated by API. If the shore tank measured quantity is under by more than the allowed tolerance in respect of any cargo of Crude discharged, the entire difference shall be incorporated into the discharge figures. If a line displacement is not performed or shore tank roof is not floating with a minimum of six (6) inches above the critical zone, the Barge delivered measured quantity with VEF applied shall be used as the official quantity.

Section 3 – Nominations in Respect of FOB Deliveries

- 3.1** Buyer shall give no less than forty-eight (48) hours' notice of Barge ETA. Such forty-eight (48) hour period shall exclude any non-Business Days.
- 3.2** Buyer's notice of the Barge ETA (the "Nomination") shall include:

- (a) the full Barge and Tug names and registration numbers;
- (b) the Barge's three (3) previous cargoes;
- (c) actual quantity, narrowed to include any minimum/maximum tolerances;
- (d) Crude type to be loaded;
- (e) Destination (if known) of the Barge;
- (f) the Barge and Tug commercial operator's name and address;
- (g) full customary documentary instructions; and
- (h) Barge ETA at Loading Terminal.

3.3 Any modification to a Nomination will be treated as a new Nomination.

3.4 Nominations received at or after 1700 hours (Central Standard Time ("CST")) will be deemed to have been received at 0900 hours (CST) on the following Business day.

Section 4 – Nominations in Respect of CFR and CIF Deliveries

4.1 Seller's Nomination

4.1.1 Seller shall give no less than forty-eight (48) hours' notice of Barge ETA at the Discharge Port. Such forty-eight (48) hour period shall exclude any non-Business Days.

4.1.2 Seller's Nomination shall include:

- (a) the full Barge and Tug names and registration numbers;
- (b) the Barge's three (3) previous cargoes;
- (c) actual quantity, narrowed to include any minimum/maximum tolerances;
- (d) Crude type to be loaded;
- (e) Loading Terminal;
- (f) if Barge has yet to arrive at Loading Terminal, Barge ETA at the Loading Terminal;
- (g) the Barge and Tug commercial operator's name and address; and
- (h) Barge ETA at Discharge Port.

4.1.3 Any amended Nomination received will be treated as a new Nomination.

4.2 Buyer's Confirmation

4.2.1 Buyer shall, within one (1) Business Day of Seller's Nomination, notify the Seller of:

- (a) consignee's name, address, valid excise warehouse and/or custom or entrepot warehouse license numbers (if applicable); and
- (b) fiscal and end destination (if it differs from the consignee); and

4.2.2 the Discharge Port, if not already specified in the Special Provisions. No change to the

Discharge Port so nominated or specified shall be made without the Seller's prior written acceptance which shall not be unreasonably withheld and provided always that:

- (a) such alternative Discharge Port is allowable pursuant to the Barge charterparty; and
- (b) the provisions of Section 14.8, of the GTCs, shall apply; and

4.2.3 full written instructions regarding the particulars and destination of any bills of lading and/or such other customary Loading Terminal documentation which may be required (and, for the avoidance of doubt, the Buyer shall be liable for all costs resulting from any delays in loading Crude hereunder due to a failure by the Buyer to supply such information in a timely manner). The Seller shall have the right to issue its own instructions if such instructions are not so provided by the Buyer.

4.3 Nominations received at or after 1700 hours (CST) will be deemed to have been received at 0900 hours (CST) on the following Business Day.

Section 5 – Nominations in Respect of DAP Deliveries

5.1 The Seller shall give no less than forty-eight (48) hours' notice of Barge ETA. Such forty-eight (48) hour period shall exclude any non-Business Days.

5.2 The Seller's Nomination shall include:

- (a) the full Barge and Tug names and registration numbers;
- (b) the Barge's three (3) previous cargoes;
- (c) actual quantity, narrowed to include any minimum/maximum tolerances;
- (d) Crude type to be delivered;
- (e) Loading Terminal;
- (f) the Barge's and Tug's commercial operator's name and address;
- (g) full customary documentary instructions; and
- (h) Barge ETA at Discharge Port.

5.3 Any modification to a Nomination will be treated as a new Nomination.

Section 6 - Laytime

6.1. For inland Barges: The Laytime allowed for (i) loading (in respect of FOB deliveries) shall be 3000 barrels per hour plus three (3) hours after a valid NOR has been tendered, and (ii) discharging (in respect of DAP, CFR or CIF deliveries) shall be 2500 barrels per hour, plus three (3) hours after NOR has been tendered.

6.2 For sea-going Barges: The Laytime allowed for loading in respect of FOB transactions and for discharging in respect of CIF, CFR, and DAP transactions shall be as per the following table.

<u>Cargo (Gross Standard Volume)</u>	<u>Laytime</u>
Up to 19,999 barrels	12 hours
20,000-29,999 barrels	13 hours
30,000-39,999 barrels	14 hours
40,000-49,999 barrels	15 hours

50,000-59,999 barrels	16 hours
60,000-69,999 barrels	17 hours
70,000-79,999 barrels	18 hours
80,000-89,999 barrels	19 hours
90,000-99,999 barrels	20 hours
100,000-109,999 barrels	21 hours
110,000-119,999 barrels	22 hours
120,000-149,999 barrels	23 hours
150,000- barrels or more	24 hours

Section 7 – Demurrage

7.1. Except as hereinafter provided, for all time used that exceeds the allowed Laytime, demurrage will be payable in U.S. Dollars. For single voyage and Contract of Affreightment charterparties, the demurrage shall be computed at the rate per hour payable to the Barge owner specified in the applicable charterparty or transportation agreement. In the event of time chartered Barge, demurrage shall be computed at the rate provided for in the Special Provisions. If no rate is provided for in the Special Provisions, then demurrage shall be based upon three independent broker's market assessment of the average rate for the month of loading obtained by the party chartering the Barge.

7.2 For inland Barges

7.2.1 Time shall start:

- (a) If the Barge arrives within the nominated load or discharge window time will start from the time at which a valid NOR is tendered upon arrival at the customary anchorage or as designated by the shore facility.
- (b) If the Barge arrives prior to the nominated load or discharge window, time shall start at 0001 on the first day of the nominated load window or upon all fast, whichever occurs first.
- (c) If the Barge arrives after the nominated load or discharge window, time shall start at all fast.
- (d) Where the Agreement is concluded at a time when it is not possible for the Buyer (in respect of FOB deliveries) or the Seller (in respect of CIF, CFR, DAP deliveries) to give a timely Nomination in accordance with Section 4.1.1 or 4.1.2, of this Supplement, as applicable, time shall start at all fast.
- (e) Time shall end when the Barge is released by the Loading Terminal or Discharge Port (as applicable).

7.3 For sea-going Barges:

7.3.1 Time shall start:

- (a) If the Barge arrives within the nominated load or discharge window time will start at the time that a valid NOR is tendered or at all fast, whichever occurs first.
- (b) If the Barge arrives prior to the nominated load or discharge window, time shall start at 0001 on the first day of the nominated load window or upon all fast, whichever occurs first.
- (c) If the Barge arrives after the nominated load or discharge window, time shall start upon

all fast.

- (d) Where the Agreement is concluded at a time when it is not possible for the Buyer (in respect of FOB deliveries) or the Seller (in respect of CIF, CFR, DAP deliveries) to give a timely Nomination in accordance with Section 4.1.1 or 4.1.2, of this Supplement, as applicable, time shall start at all fast.
- (e) Time shall end upon disconnection of hoses.

7.4 For all US Domestic Barges:

7.4.1 In addition to Section 7.2.1 or 7.3.1, of this Supplement, as applicable:

- (a) Except as herein provided, for all time used that exceeds the allowed Laytime, the Buyer (in respect of CIF, CFR, DAP deliveries) or the Seller (in respect of FOB deliveries) shall pay demurrage upon verification of the claim. In no event shall the Buyer or the Seller (as applicable) be liable for payment of demurrage herein in excess of that amount actually paid to the Barge owner/operator by the Buyer or Seller (as applicable) for demurrage related to the cargo delivered pursuant to the Agreement.
- (b) Any demurrage incurred due to bad and or adverse weather conditions, ice and low water levels or breakdown of terminal or plant shall be calculated at half the demurrage rate.
- (c) Demurrage will not be payable if it is due to or as a consequence of a fault of the Barge or its Master or crew, handling or shifting of ballast, bilges, slops, fresh water, Barge supplies or other substance(s), or bunkering not accomplished concurrently with loading/discharging operations.
- (d) All demurrage claims must be fully documented and submitted within ninety (90) days from the date of the bill of lading (bill of lading date to count as day one) for FOB cargoes, and within ninety (90) days of the completion of discharge (completion of discharge date to count as day one) for CIF, CFR and DAP deliveries, failing which they shall be time-barred. Demurrage claims must be accompanied by such supporting data and other documentation as Buyer or Seller (as applicable) may reasonably request.

Section 8 – Unknown Load or Discharge Locations

8.1 FOB Deliveries

Where the Agreement requires the Seller to nominate the Loading Terminal, if the Loading Terminal has not been nominated by the Seller by the time when the Buyer issues the Barge Nomination, the Seller shall nominate the Loading Terminal before 1600 (local time at Loading Terminal location) on the day before the nominated ETA. If the nominated ETA is during a Saturday or Sunday, the Seller shall nominate the Loading Terminal to the Buyer before 1600 on the preceding Friday (local time at Loading Terminal location). Loading Terminal nominations received outside office hours will be dealt with on a “best intentions” basis. If the Loading Terminal is not nominated to the Buyer before 1600 (local time at Loading Terminal location) the Buyer reserves the right to claim demurrage from 0001 on the ETA until the Seller’s nomination of the Loading Terminal is received. Demurrage will resume upon the Barge’s arrival at the nominated Loading Terminal and end as per Section 7 of this Supplement.

8.2 CIF, CFR, or DAP Deliveries

Where the Agreement requires the Buyer to nominate the Discharge Port, if the Discharge Port has not been nominated at the time when the Seller issues the Barge Nomination, the Buyer shall nominate the Discharge Port within twenty-four (24) hours of the Seller’s Nomination, failing which

the Seller reserves the right to claim demurrage from 0001 on the ETA until the Buyer's nomination of the Discharge Port is received. Demurrage will resume upon the Barge's arrival at the nominated Discharge Port and end as per Section 7 of this Supplement.

Section 9 – Security

- 9.1** For the purpose of calculating demurrage applicable to FOB deliveries, Laytime shall not start counting until such time that the Seller has received a valid Nomination and where required, Security in such form as may be required in accordance with the Agreement.

Section 10 – Part Cargo

- 10.1** If the Barge is loading and/or discharging for the account of more than one party, used laytime or demurrage if the Barge is on demurrage, shall be prorated as follows:
- 10.1.1 where more than one parcel of cargo is loaded and/or discharged concurrently, used laytime or demurrage if the Barge is on demurrage, shall be prorated against the total quantity of cargo in barrels loaded and/or discharged at the same berth as per an inspector's report or as per the Barge log;
 - 10.1.2 where more than one parcel of cargo is loaded and/or discharged consecutively, each seller or buyer (as applicable) shall be liable for the time taken to load and/or discharge its parcel of cargo only. Any time where the Barge is not loading and/or discharging shall be shared between the relevant parties, prorated against the total quantity of cargo in barrels loaded and/or discharged at the same berth as per an inspector's report or as per the Barge log;
 - 10.1.3 where more than one parcel of cargo is loaded and/or discharged at more than one port, terminal, berth and/or jetty, demurrage shall be calculated separately in relation to each port, terminal, berth and/or jetty in accordance with Section 6, Section 7, Section 8 and Section 9 as applicable, and where relevant thereafter prorated in accordance with Sections 10.1.1 and 10.1.2 of this Supplement.
- 10.2** For part cargoes, a minimum of 12 hours Laytime shall be allowed to the Buyer or the Seller (as applicable).

INSERT NEW SCHEDULE

Schedule E

In Respect of Deliveries in Bulk to/by Road Tanker/Rail Tank Cars FCA, CPT, CIP, DAP and DDP

Section 1 – Nominations

- 1.1. All nominations and other conditions relating to the delivery of Crude in bulk into or by road tankers and/or rail tank cars shall, unless otherwise specifically agreed between the parties, be in accordance with the standard operating terms and procedures applied by the operator of the Loading Terminal.

Section 2 – Risk and Title

2.1 For FCA, CPT, or CIP Deliveries

- 2.1.1 The risk and title in the Crude delivered under the Agreement shall pass to the Buyer as the Crude passes (a) the inlet manifold of the road tanker or rail tank car in question, as the case may be, in the case of bottom loading; or (b) the outlet of the Loading Terminal's flexible hose in the case of gravity fed top loading.

2.2 For DAP or DDP Deliveries

- 2.2.1 The risk and title in the crude oil delivered under the Agreement shall pass from the Seller to the Buyer as the crude oil passes the outlet flange of the road tanker or rail tank car in question at the delivery point.

Section 3 – Acceptance of Road Tanker or Rail Tank Cars

3.1 For FCA Deliveries

- 3.1.1 Despite anything to the contrary express or implied elsewhere, the Seller shall have the right to refuse, on any reasonable ground, to accept any road tankers or rail tank cars nominated by the Buyer. The Seller shall not be liable for any loss or damage, direct or indirect, which the Buyer may suffer as a result of the Seller exercising such right.

Without derogating from any other reasonable grounds that may be available to the Seller, it shall be a reasonable ground for the Seller to reject or refuse any road tankers or rail tank cars pursuant to this Section if the road tankers or rail tank cars either at the time of nomination or subsequently at any time up to the time of loading are not approved by any internal vetting system operated by the Seller.

3.2 For CPT, CIP, DAP and DDP Deliveries

- 3.2.1 Despite anything to the contrary express or implied elsewhere, the Buyer shall have the right (which right may only be exercised prior to the passing of risk and title hereunder) to refuse, on any reasonable ground, to accept any road tankers or rail tank cars nominated by the Seller. The Buyer shall not be liable for any loss or damage, direct or indirect, which the Seller may suffer as a result of the Buyer exercising such right.

Without derogating from any other reasonable grounds that may be available to the Buyer, it shall be a reasonable ground for the Buyer to reject or refuse any road tankers or rail tank cars pursuant to this Section if the road tankers or rail tank cars either at the time of nomination or subsequently at any time up to the time of loading are not approved by any internal vetting system operated by the Buyer.

Section 4 – Insurance

4.1 For FCA or CPT Deliveries

4.1.1 The responsibility for securing insurance shall rest wholly with the Buyer.

4.2 For CIP Deliveries

4.2.1 The Seller undertakes to procure and pay for insurance to the full value of the Crude shipped hereunder plus ten percent (10%). Such insurance, which shall operate from the time risk passes pursuant to Section 2.1 of this Supplement, at the Loading Terminal until the Crude reaches the agreed delivery point and is placed at the disposal of the Buyer, shall be in accordance with the provisions of a Cargo Insurance Policy subject to Institute Cargo Clauses (A), and the benefit thereof shall accrue to the Buyer upon the passing of risk in the shipment as provided for in the Agreement.

4.2.2 If requested by the Buyer, the Seller shall provide Buyer with the original certificate of insurance.

4.3 For DAP or DDP Deliveries

4.3.1 The responsibility for securing insurance shall rest wholly with the Seller until the Crude reaches the agreed delivery point and is placed at the disposal of the Buyer.

Section 5 – Other Terms and Conditions Applicable to Delivery by Rail Tank Car

5.1 For FCA Deliveries

5.1.1 The rail tank cars shall be available to the Seller for a maximum of five (5) days between:

- (a) the time at which the empty rail tank cars are made available to the Seller at the Loading Terminal for loading; and
- (b) the time at which all loaded rail tank cars are made available at the Loading Terminal for collection by or on behalf of the Buyer. Any time in excess thereof shall be charged at a rate per day per rail tank car (pro-rata for part of a day) either as specified in the Special Provisions or as charged to the Buyer by the rail tank car owner.

5.2 For CPT, CIP, DAP or DDP deliveries

5.2.1 The rail tank cars shall be available to the Buyer for a maximum of five (5) days between:

- (a) the time that the first block of rail tank cars are Constructively Placed and,
- (b) the time at which the empty rail tank cars are made available at the relevant delivery point/frontier for collection by or on behalf of the Seller. All rail tank cars dispatched by the Seller in one delivery shall be returned together.

For purposes of this section, "Constructively Placed" means the placement of a rail tank car where a rail tank car cannot be delivered to the delivery location and where it is held by the railroad awaiting disposition instructions, or released by rail switching provider, or cleared for release or uncoupled from the locomotive.

Any time in excess thereof shall be charged at a rate per day per rail tank car (pro-rata for part of a day) either as specified in the Special Provisions or as charged to the Seller by the rail tank car owner.

5.3 Diversion

To the extent Seller's rail tank cars contain the crude oil, Buyer will not, without obtaining prior express written consent from Seller, divert Seller's rail tank cars or consign them to any other routing or to any other destination other than those set out in the bill of lading. Notwithstanding any such consent, any

and all diversion charges, additional freight charges and any other costs or expenses incurred, sustained or paid by Seller resulting from such diversion shall be for the account of Buyer.

Section 6 – Measurement and Sampling

6.1 Measurement and Sampling

Expect as specifically provided in the Special Provisions or unless otherwise agreed, the quantity and quality shall be determined in accordance with the following procedures:

- (a) In case of road tanker deliveries, the quantity of crude oil delivered shall be determined in order of the priority set forth below:
 - (i) the relevant load or discharge terminal operator's proven metering device readings or
 - (ii) by certified weight scale at the terminal at the time of loading or discharging as applicable.
- (b) In case of rail tank car deliveries, the quantity of crude oil delivered shall be determined by the relevant terminal operator's proven metering device readings at the time of loading or discharging.

For FCA, CPT or CIP deliveries, the quality of the crude oil shall be determined by a volumetric composite sample drawn at the terminal prior to loading each road tanker and rail tank car. For DAP and DDP deliveries, the quality will be based on the composite sample of the road tankers and/or rail tank cars at the terminal prior to discharging. If a volumetric composite sample is not available or an independent inspector cannot verify the quality determination, then the quality shall be determined, in order of preference, by 1) the terminal operator, or 2) the carrier at or near the delivery location.

If the applicable measurement method described in this section is not available, the parties shall endeavor to agree on another mutually acceptable method for determining the quantity or quality of crude oil delivered. All quantities of delivered shall be corrected for temperature to sixty degrees Fahrenheit (60°F). All measurements and tests shall be made in accordance with the test method(s) referred to in the specification of the crude oil set out in the Special Provisions, or, where no test method is set out, with the most current industry standards such as API, ASTM, EI, GOST, or other internationally recognized measurement standards at the time of delivery.

6.2 Certificates of Quantity and Quality

Despite anything to the contrary in the provisions of Section 6.1, the certificates of quantity and quality (or such other equivalent documents as may be issued at the terminal company) shall, except in cases of manifest error or fraud, be conclusive and binding on both parties for invoicing purposes but without prejudice to the rights of either party to make any claim pursuant to Section 23 of the GTCs.

6.3 Independent Inspections

Either party may appoint an independent inspector at the terminal, subject to the prior agreement of the terminal operator having been obtained where necessary. Such appointment shall be notified in writing to the other party. All charges in respect thereof shall be for the account of the party requiring the independent inspection and the duties of such inspector shall be considered solely as a service to the party requiring the inspection. Where both parties require an independent inspection, then the Buyer and the Seller shall jointly agree upon and appoint an independent inspector. All charges in respect thereof shall be equally shared between the parties and the inspector's report shall be made available to both parties.