



# Terms & Conditions for the Sale of Fixed Forward Price Marine Fuel

---

## Marine Fuels Fixed Forward Price Agreement

### 1. Time Periods

The time periods (the “Contractual Periods”) for this Agreement to buy and sell Product are as set forth in Annex 1.

### 2. Sale and Purchase

The Seller shall sell and the Buyer shall purchase and take delivery of the quantity of Product (“Contract Quantity”) at the locations and during the Contractual Periods set forth set forth in Annex 1.

### 3. Price

Buyer shall pay the Price set forth in Annex 1 for the Product sold under this Agreement for the relevant location, grade and Time Period.

### 4. Payment

Payment for the Product sold to the Buyer shall be made by the Buyer by the due date stated in the invoice in full and in freely available cash without, deduction, withholding or deferment on account of any claim, counterclaim or set-off. Any delay in payment shall entitle the Seller to receive from the Buyer an interest rate as per the Seller’s Terms.

### 5. Multiple Location Options

In the event that multiple location options or grades of Product are covered by this Agreement, each location and each product grade of Product shall be separately listed in Annex 1 and a different Price may apply to each location and Product grade.

### 6. Under-Lifting, Over-Nomination

6.1 Under Lifting. In the event the Buyer has purchased from Seller less than the required Contract Quantity at the end of a relevant Contractual Period (“Under Lifted Quantity”), Buyer agrees to pay Seller liquidated damages calculated as following for the Under Lifted Quantity :



- i)  $(\text{The Under Lifted Quantity for the relevant Contract period in MT}) \times (\text{the Price less the month average of Platts Marketscan [enter relevant Platts reference] plus a premium of USD XX.XX per metric ton for the relevant Contract Period})$ , plus,
- ii) Buyer agrees to reimburse and compensate Seller for any other claims, losses, costs, damages or expenses which the Seller may incur as a direct result of the Under Lifted Quantity.
- iii) Buyer shall make the foregoing payment within 5 days of the date of the invoice issued by Seller which contains a calculation of the foregoing liquidated damages.

6.2 Over Nomination. In the event the Buyer nominates more than the Contract Quantity within the relevant Contract Period (“Over-Nomination”), Seller shall have the option to supply the additional volume at (i) either the Prices set forth in Annex 1 or (ii) at an alternative spot price. In the event Seller quotes Buyer an alternative spot price Buyer shall promptly confirm in writing acceptance or declination of the spot price for the additional volume. If Buyer rejects this spot price quote, Seller shall be under no obligation to deliver the Over Nominated volume.

## 7. Breach of Agreement

In the event that the Buyer is in breach of its obligations, including but not limited to payment, under this Agreement, Seller may immediately declare an early termination of the Agreement due to such breach. In addition to any outstanding payments, Buyer agrees to pay Seller liquidated damages for the balance of Contract Quantity which has not already been purchased by Buyer (the “Remaining Contract Quantity”) based on the following formula:

- i)  $(\text{Remaining Contract Quantity}) \times (\text{Price less the Forward price for the remaining Contractual Periods on Platts Marketscan [enter relevant Platts reference] plus a premium of USD XX.XX per metric ton})$ , plus
- ii)  $(\text{Remaining Contract Quantity}) \times \$10/\text{MT}$ , plus
- iii) any other claims, losses, costs, damages or expenses which the Seller may incur as a direct result of the breach.

## 8. Credit and Margin Payments

8.1 Credit. Credit is extended to Buyer in Seller’s sole discretion. The Buyer shall periodically provide to Seller such financial information or security deemed necessary and requested by Seller to support any credit extension. If during the life of this Agreement, the financial capacity of Buyer becomes impaired or unsatisfactory to Seller in Seller’s sole judgement, advance cash payment or security satisfactory to Seller shall be given by Buyer on demand by Seller and shipments/deliveries may be withheld until such payment or security is received. In the event that Buyer does not maintain Seller’s credit terms or fails to post adequate security through a letter of credit or other method acceptable to Buyer (“Security”) when requested by Seller, Buyer shall be deemed to have breached this Agreement and Seller shall be entitled to terminate this Agreement and recover the liquidated damages set forth above in Section 7.

8.2 Margin Payments. In the event that Buyers total outstanding obligations (“Total Outstanding”) which is defined as the Remaining Contract Quantity plus any Product delivered but not yet paid for, exceeds the then existing credit line extended to Buyer by Seller, the Seller shall be entitled to receive margin payments from the Buyer on the Total Outstanding. Margin



payments will be calculated on or about the second business day of each calendar week (the “Calculation Day”) as follows:

- i) (The Price less the Forward price for the remaining Contractual Periods on Platts Marketscan [enter relevant Platts reference] plus a premium of USD XX.XX per metric ton) x (the Remaining Contract Quantity), on all outstanding FFP or related agreements, plus
- ii) all outstanding invoices, less
- iii) the credit line granted to Buyer by Seller.

In the event that the Buyer does not fund the margin payment through an L/C, cash or other collateral acceptable to Seller within 3 business days after Seller’s request for margin, Buyer shall be deemed to have breached this Agreement and Seller shall be entitled to terminate this Agreement and recover the liquidated damages set forth above in Section 6.3.

## 9. Miscellaneous

9.1 Chemoil Energy Ltd Group of Companies General Terms and Conditions for Sale of Marine Fuel dated May 2012 (“Seller’s Terms”) are applicable to the Product sold under this Agreement. Seller’s Terms are available at [www.Chemoil.com](http://www.Chemoil.com) and Buyer hereby acknowledges having accepted these terms.

9.2 This Agreement and Seller’s Terms constitute the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior discussions, agreements and representations between the parties, whether written or oral, relating to the same subject matter. In the event of conflict between Seller’s Terms and this Agreement, the terms of this Agreement shall prevail. This Agreement may be amended or modified only by an instrument in writing duly executed by the authorized officers of the parties.

9.3 Waiver. The waiver by either party of a breach or default in any of the provisions of this Agreement by the other party shall not be construed as a waiver of any other breach of the same or other provisions. Furthermore, any delay or omission on the part of either party to exercise or avail itself of any right, power or privilege that it has or may have hereunder shall not operate as a waiver of any breach or default by the other party.

9.4 Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any counterpart.