

CEPSA TRADING, S.A.U.

November 2013

GENERAL TERMS & CONDITIONS FOR FOB & CIF/CFR/DAP/DAT INTERNATIONAL SALES

Products



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PART ONE –FOB SALES

I. APPLICABILITY

1.1.- Unless otherwise expressly agreed in writing in the Sales Contract, this Part One of these General Terms and Conditions shall apply only to all FOB Sales of Products - to be performed as Sellers, either by CEP SA TRADING, S.A.U. and/or any of its Affiliates (hereinafter referred to as the Seller) into which they are incorporated by reference.

1.2.- In addition to the Sales Contract, appropriate Incoterms 2010 (and subsequent revisions) shall apply as supplementary term. In case of inconsistency between Incoterms 2010 (and subsequent revisions) and the Sales Contract, the Sales Contract shall apply.

2. DELIVERY

2.1.- The Product shall be delivered by the Seller to the Buyer in bulk “Free on Board” (FOB), Vessel(s) to be provided or procured by the Buyer at the Loading Terminal(s) designated by the Seller.

2.2.- Notwithstanding anything elsewhere in the Sales Contract to the contrary, if the Buyer fails to take delivery of any quantity of the Product available for delivery, such undelivered quantity shall, at the Seller’s option:

(a) Cease to be available to the Buyer and be deducted from the total quantity of the Product, without prejudice to any other rights and/or remedies which the Seller may have against the Buyer. If the Seller so deducts such quantity of the Product, the Seller shall dispose freely of and may sell such undelivered quantity of the Product.

However, the Buyer shall be liable to pay for the whole amount of the contractual quantity agreed upon.

(b) Be effectively purchased, paid for and lifted by the Buyer.

2.3.- No obligations, duties and/or liabilities whatsoever shall arise for the Seller regarding dead freight except as provided for in subclause 2.4. below.

2.4.- Where the Seller under the Sales Contract has no availability of all or part of the contractual quantity at the time of delivery and the appropriate nomination of such contractual quantity has duly been made and notified by the Buyer according to the Sales Contract , it shall be at Seller’s option to either:

(A) Deliver any quantity which is available at the time of delivery and reimburse the Buyer for the amount of dead freight arising as a consequence of the non-availability of the contractual quantity agreed upon by the parties. Prior to such reimbursement the Buyer shall provide the Seller with full supporting documentation regarding its dead freight claim. The Buyer shall hence make payment for the quantity effectively delivered.

(B) Keep and therefore not deliver any quantity of the Product and reimburse the Buyer for all reasonable costs and expenses directly related to the Vessel. Prior to such reimbursement, the Buyer shall provide the Seller with full supporting documentation regarding such costs and expenses.

2.5.- Under the Sales Contract, if the Buyer is to receive more than one Shipment,

- a) Such Shipments shall be evenly spread;
- b) Each Shipment shall constitute a separate contract.

2.6.- Unless otherwise specifically agreed, any delivery of the Product will be one full or part cargo, subject but not limited to the prior Sales Contract of the Loading Terminal operator.

3. RISK AND PROPERTY

3.1.- Risk and Property: Notwithstanding any right of the Seller to retain documents until payment is effectively done, property in the Product, all risks and all liabilities with respect thereto shall pass to the Buyer when the Product passes the flange connection between the delivery hose and the permanent hose connection of the Vessel at the Loading Terminal, at which point of delivery the Seller's responsibility with respect to the Product shall cease and the Buyer shall assume all risk of loss or damage to, including but not limited to deterioration or evaporation of, the Product so delivered.

The provisions of this Subclause 3.1 shall apply whether the Buyer is to receive a single Shipment or more than one Shipment under one or more Sales Contract/s.

3.2.- Without limiting any other provision in the Sales Contract, any loss of or damage to the Product and/or to any property of the Seller or the Seller's Supplier or to the Loading Terminal and/or claims made against the Seller occurring or arising before, during or after loading that is/are caused through or result from the fault of the Buyer and/or the Vessel, its servants, agents or employees or any person or entity acting or purporting to act for or on behalf of the Buyer and/or the Vessel, shall be for the Buyer's account, and the Buyer shall bear all consequences and liabilities in respect thereof.

3.3.- Port and Loading Expenses: All expenses ashore pertaining to the pumping of the Product from shore tanks to the loading Vessel shall be borne by the Seller. All expenses pertaining to the loading of the Vessel including without limitation, all port dues and all charges and expenses relating to the berthing and unberthing of the Vessel, anchorage and towing, shall be borne by the Buyer.

4. INSPECTION, MEASUREMENT AND SAMPLING

4.1.- Independent Inspection: The Buyer and the Seller shall mutually appoint an independent inspector of international reputation who shall supervise both the process of measurement of quantity and the sampling process of the Product to be loaded. The costs of services of the independent inspector shall be shared equally.

4.2.- Measurement of quantity: The quantity of Product loaded shall be determined by shore meter measurements taken by the Seller in the presence and under the supervision of the independent inspector, immediately before, during and after the loading of the Vessel.

4.3.- Bill of Lading: The quantity stipulated in the Bill of Lading which shall be signed by the Master or a Vessel's representative shall be conclusive evidence of the quantity loaded. Hence where the Bill of Lading has been signed by the Master or a Vessel's representative all claims by the Buyer shall be deemed to have been waived and they shall be time barred, except in case of fraud or manifest error.

4.4.- Sampling: Three samples of each grade of the Product shall be taken in the presence of the independent inspector appointed according to subclause 4.1, who shall supervise such sampling process. The samples shall be drawn at the Sellers' Loading Terminal (shore tanks) manifold. Such samples shall be the only and conclusive evidence to determine the quality of the Product.

The samples shall be drawn using the Sellers' sampling methods, equipment and devices. The Seller hereby warrants that such devices and equipment meet international practice standards.

One sample shall be delivered by the Seller to the Buyer, other one to the independent inspector and the third sample shall be retained by the Seller. The samples shall be retained by all three parties for a period of two months after the date on which the loading of the Product has been completed, unless otherwise requested in writing by the Seller or the Buyer before the end of the said two months period in case of dispute.

The aforementioned samples shall be securely sealed and provided with labels showing the Vessels name, product name, delivery date and place, authenticated with the Vessels stamp and signed by the independent inspector, the Vessel's Master and where possible by the parties.

The Seller shall deliver a receipt to the Vessel's Master which shall be signed and stamped by the Master confirming the delivery of the above mentioned sample by the Seller to the Master.

5. NOMINATION OF VESSELS

5.1.- Unless otherwise provided in the delivery provisions of the Sales Contract, the Buyer shall give the Seller, during Madrid (Spain) business hours, written advice in advance of nomination for liftings at least 3 (three) Madrid (Spain) working days prior to the first day of the agreed Laydays. The nomination shall not be effective if not made in the said periods of time. Notwithstanding the foregoing, if the nomination is received by the Seller after the said periods of time and is accepted by the Seller, it shall be effective, but, subject to the provisions of Sections 6.2. and 6.3. , running hours allowed to the Seller for the loading of the product shall not commence until such time as the Vessel has actually commenced loading. The Buyer shall be liable for all costs resulting from any delays in loading the Product that are due directly to the failure by the Buyer to nominate the Vessel in a timely manner.

5.2.- At the time of making the nomination advice, the Buyer shall duly complete the Sellers' questionnaire, applicable and in force at such time (as available at Seller's website: www.cepsa.com), which shall promptly be returned to the Seller for its approval.

5.3.- The Buyer shall have the right, with prior notification to the Seller, to substitute, at latest 24 hours to the first day of the agreed Laydays, but in any event not later than the ETA of the substitute Vessel or the ETA of the Vessel initially nominated, whichever is the earlier, the nominated Vessel by other Vessel of similar characteristic provided that the substitute Vessel tenders Notice of Readiness (NOR) to load before or within the agreed Laydays and that the Buyer shall provide in the substitution advice the same details as in a nomination advice (as per subclauses 5.1 and 5.2 above).

5.4.- The Seller shall have the right to reject any Vessels or substitute Vessels nominated by the Buyer if the Vessel is unacceptable to the Seller for any reason whatsoever, but shall not reject any Vessel unreasonably. If the Seller rejects any Vessel, notice of such rejection shall be given promptly, in writing to the Buyer. The Laydays which would have applied in respect of the vessel originally nominated shall apply to the Substitute vessel.

5.5.- A “To Be Nominated” (“T.B.N.”) nomination shall not be considered a valid nomination for the purposes of these General Terms and Conditions.

5.6.- The Buyer hereby declares that it is familiar with all limitations of the loading port and shall not nominate a Vessel exceeding such limitations and that in all operational and technical aspects, nominated Vessels shall be in full compliance with all applicable laws, regulations and other requirements of the country of Vessel’s registry and the countries, Port Authorities and Terminals at which Vessel may be loading.

5.7.- All Vessels nominated by the Buyer shall fulfill the provisions set out below. Also, all persistent Oil shall be insured at Buyer’s expense with the Oil Companies Institute for Marine Pollution Compensation Limited.

5.8.- Buyer hereby warrants and undertakes that for each Vessel nominated to load a shipment:

- (a) The Vessel is owned or demise chartered (and shall remain so for the duration of the voyages to and from the Loading Terminal after delivery of the shipment) by a member of the International Tanker Owners Pollution Federation Limited (ITOPF).
- (b) The Vessel fully complies with the International Safety Management (ISM) code and has on board a valid safety management certificate for the Vessel and a certified copy of the Vessel’s manager’s document of compliance, both issued pursuant to the SOLAS Convention 1974 as amended and the ISM code.
- (c) The Vessel carries on board a valid certificate of insurance as described in the 1969 Civil Liability Convention for Oil Pollution Damage and the International Convention or Civil Liability for Oil Pollution Damage 1992 (as and when in force);
- (d) The Vessel is entered and shall remain for the duration of the voyage in a P and I Club which is a member of the International Group of P and I Clubs;
- (e) The Vessel has in place insurance cover for oil pollution in an amount of not less than the highest standard oil pollution cover available under the rules of the International Group of P&I Clubs.

If requested by Sellers, Buyers shall immediately furnish to Sellers full and proper evidence of the fulfilment of the foregoing warranties by the Vessel.

5.9.- Should the Buyer or the Buyer's Vessel not conform or comply with the provisions of this Clause 5, the Seller or the Seller's Supplier may refuse to berth or load the Vessel, and shall be under no obligation to supply the Product which would otherwise have been deliverable to the Buyer on such Vessel and the Seller may sell or otherwise dispose of any such Product as the Seller may, in its absolute discretion, determine. Any resulting delay or expenses shall be for the Buyer's account and the Buyer shall indemnify the Seller for all costs, losses or damages incurred by the Seller or the Seller's Supplier as a result thereof.

5.10.- Should Seller's availability of the Product be lost or curtailed due to Vessel tendering notice of readiness (NOR) after the last day of the loading date range, Buyer's withdrawal of a Vessel already scheduled and accepted, then the Seller shall be indemnified by the Buyer for all costs, damages and/or expenses (including those to be paid by the Seller to the Seller's Supplier and Loading Terminal) resulting therefrom incurred by the Seller and/or the Seller's Supplier and the Seller shall be under no obligation to supply the quantity of Product so lost or by which the Seller's availability is so curtailed.

6. ARRIVAL OF VESSELS, LOADING BERTHING AND OTHERS

6.1.- Arrival of Vessel. The Buyer shall arrange for the Vessel to give to the Seller or Seller's named representatives at the Loading Terminal its estimated time of arrival (E.T.A.) at the loading port by e-mail or fax at least 72 hours before arrival, again at least 48 hours before arrival and again at least 24 hours prior to arrival, thereafter advising any variation of more than 4 (four) hours.

Failure to give each or any one of the above arrival notices shall increase the laytime allowed to the Seller by the number of hours by which the actual notice is less than the required notice, but the total increase in laytime under this Clause shall not exceed 24 (twenty four) hours.

The Buyer shall ensure that not later than 2400 hours (local time) on the last day of the Laydays the Vessel shall arrive at the Loading Terminal in question (or the usual waiting place), complete all formalities and in all respects be ready to commence loading the Product deliverable hereunder and that the Notice of Readiness (NOR) has been tendered by the Vessel.

6.2.- Loading. Provided that the Vessel has arrived in accordance to Section 6.1 and tendered the NOR, and unless otherwise agreed in writing by the Seller, the Seller shall be under no obligation to commence loading hereunder prior to 0600 hours (local time) on the first day of the Laydays.

After receipt of the Notice of Readiness (NOR), the Seller, having regard to the requirements of the Loading Terminal, procedures and the time when the Vessel has complied with the provisions of section 6.1, shall commence loading as soon as reasonably practicable, even if this means that loading is effected or completed outside the Laydays or outside any other period specified in the Special Provisions.

6.3.- Berth. Subject to compliance by the Buyer and its nominated Vessel with all other requirements of the Loading Terminal at the time in question, the Seller shall provide or cause to be provided free of charge to the Buyer (subject to the provisions of clause 22), a Berth to be indicated by the Seller or its representative at which a Vessel having the characteristics of length overall, draught and any other dimensional restrictions then in force in the Loading Terminal, can safely reach and leave and where it can always lie safely afloat.

The Seller shall not be obliged to commence or continue loading and shall not be liable for any loss or damage caused as a result of any excess of length, draught or other dimensions of the Vessel nominated by the Buyer.

6.4.- Vacation of Berth. The Buyer's Vessel shall vacate the Berth as soon as loading hoses have been disconnected, provided that such Vessel's departure is not delayed awaiting production of Loading Terminal documents unless such documents can be delivered to the Vessel at a suitable anchorage or when an early departure procedure is applied. If the Vessel fails to vacate the berth, unless for reasons attributable to the Seller, its supplier or the Loading Terminal operator, any loss or damage suffered by the Seller or its supplier resulting from such failure shall be paid by the Buyer to the Seller.

6.5.- Berth Utilisation. Notwithstanding the provisions of Section 7, if at the Loading Terminal the Seller's supplier or any other agency (whether or not an Affiliate of the Seller) imposes on the Seller, in respect of the Buyer's Vessel, an excess of berth utilisation charge in accordance with the Loading Terminal regulations or contractually agreed or otherwise established scale for any hours of Berth utilisation in excess of an specified period of hours (as such scale may be advised by the Seller to the Buyer from time to time), but does not impose such charge directly on the Buyer's Vessel itself, such charge shall be for the Buyer's account, except when such excess is caused by the Loading Terminal operator, the Seller's supplier or the Seller.

For the avoidance of doubt, it is agreed that for the purposes of this Section any technical failure or breakdown on the part of the Vessel shall be considered to be within the control of the Vessel and the Buyer.

6.6.- Shifting and Lightering.

6.6.1.-The Seller shall have the right to shift the Vessel from one berth to another. All costs, including but not limited to damage for delay, shall be for the Seller's account if such shifting is for the Seller's purposes and otherwise shall be for the Buyer's account.

6.6.2.- The Seller shall have the option to load the Vessel from lighters subject always to Buyer's rights under section 6.3, and the cost of such lighterage (together with any additional expense reasonably incurred by the Vessel in respect thereof) shall be for the Seller's account. Any lightering operations shall be carried out in accordance with the ICS/OCIMF Ship-to-Ship transfer guides.

The Seller shall be obliged to notify the place of lightering to the Vessel when the NOR is to be tendered. The place of lightering so notified shall be deemed to be the Berth for the purposes of sections 6 and 7 and all references therein to Berth shall be construed accordingly.

7. LAYTIME AND DEMURRAGE

7.1.- The nominated Vessel shall arrive at loading port within the agreed Laydays. If the nominated Vessel does not arrive within the agreed Laydays, the Seller shall not be obliged to load the Vessel. Should the Seller load the Vessel, it shall be without prejudice to the rights and remedies of the Seller.

7.2.- Time allowed to the Seller for loading a full or part cargo shall be 36 running hours, weather permitting, Sundays and Holidays included unless loading on the Sunday or holiday in question is prohibited by Law or regulation at the port of loading or Loading Terminal.

7.3.- If Notice of Readiness (NOR) is given for the Vessel within the Laydays, time allowed shall commence, berth or no berth, 6 hours after Notice of Readiness to Load in writing (which NOR shall only be valid when tendered after the Vessel has arrived within the commercial area of the loading port and the Vessel is ready to load in every respect) is received by the Seller or its representative from the master of the Vessel or his representative, or upon commencement of loading whichever occurs first.

7.4.- If Notice of Readiness (NOR) is received for the Vessel before the first day of the agreed Laydays, time allowed shall commence at 06.00 hours of the first day of such Laydays, or upon commencement of loading, whichever occurs first.

7.5.- If Notice of Readiness (NOR) is given for the Vessel after the agreed Laydays and the Seller accepts to load the Vessel, time allowed shall commence upon the commencement of loading.

7.6.- Where the Vessel serves a Notice of Readiness (NOR) and the Vessel is not in every way ready to load including but not limited to being ready in accordance with the presentation provisions of the Sales Contract or the security requirements of the Terminal, then the Notice of Readiness (NOR) shall be deemed to have been served when the Vessel has been made ready and has been inspected and passed by the Seller or its agent or such independent inspector as may have been agreed between the Seller and the Buyer.

7.7. -The period for loading the cargo shall cease upon disconnection of the loading hoses following the loading of the cargo.

7.8.- Vessel shall vacate her loading berth as soon as loading hoses have been disconnected after completion of loading, unless otherwise instructed by the Terminal. In the event of failure to do so, the Buyer shall pay the Seller for any resultant demurrage, losses, damages, costs and/or expenses which the Seller may incur including, without limitation, any such as may be incurred due to resulting delay to other Vessels awaiting their turn to load.

7.9.- Whether or not the Vessel is on demurrage, any time taken for any of the following purposes shall not be counted as time taken by the Seller to load the cargo in question hereunder or time in respect of which the Seller is liable for demurrage:

- a) Inward passage until the Vessel is securely moored at the berth or any other loading place (even if lightering has taken place at the anchorage or other waiting place) and the gangway is lowered.
- b) Awaiting daylight, tugs, free pratique, tide, pilot or customs.
- c) Time taken due to bad weather before or during or after the Vessel has berthed.
- d) Time taken in handling or preparing to handle ballast or bunkers, unless this is carried out concurrent with loading or other normal cargo operations such that no loss of time is involved.
- e) Time taken in cleaning the Vessel's cargo tanks or in inspecting them.

- f) When loading involves more than one product, quality or grade, time taken for handling, cleaning or changing the pipelines in order to supply the second or subsequent product, quality or grade.
- g) Time spent in complying with local laws, regulations or intervention by local authorities including but not limited to prohibiting loading at night.
- h) Time spent in complying with the regulations and other requirements of loading operations of Loading Terminal.
- i) Vessel's breakdown or failure to comply with the requirements of the Terminal with respect to equipment aboard or for any other cause whatsoever attributable to the Vessel causing delay or restrictions to loading operations.
- j) Time spent due to labour disputes, strikes, go slows, work to rules, lockouts, stoppages or restraints of labour involving Master, officers or crew of the Vessel or tugboats or pilots.
- k) Delays caused by the failure of the Buyer to comply with any of the terms of the Sales Contract including but not limited to delays caused by the Vessel's Master or her representatives' failure to give the appropriate estimated times of arrival as provided in the nomination clause.
- l) Any other delay attributable to the Vessel, the Buyer or agents of the Buyer.

If the total time for loading each cargo exceeds the time allowed, the Seller shall pay demurrage to the Buyer for such excess time.

7.10. - The rate of demurrage to be used for the purposes of this clause shall be the agreed rate in the Sales Contract, or if not agreed, in the Contract of Affreightment or Charter Party (as the case may be) for that voyage. In case there is not a Charter Party (i.e. Time Charter), or in the sole opinion of the Seller the single voyage charter party is not representative of the market rate, the AFRA/LTPB rate current on the date of the commencement of loading for a Vessel of similar type and summer deadweight to that actually involved shall apply. If the parties fail to agree upon such rate at the time of Vessel nomination, then, at the request of either party, demurrage rate shall be determined by the London Tanker Brokers Panel, Ltd, whose decision shall be final and binding and whose costs shall be paid for by the applicant.

7.11. - If the nominated Vessel loads Product purchased by the Buyer from the Seller in addition to other cargoes at the same loading port (a part cargo) time allowed for loading such part cargo shall not commence until completion of loading of any previous cargo.

7.12. -When a nominated Vessel loads less than a full cargo or part cargo for the purposes of determining the appropriate rate of demurrage, a Vessel which has a summer deadweight equal to the cargo or part cargo plus 10% (ten percent) shall be deemed to have been used.

7.13. - If the delivery is co-loaded with the Product being delivered to the Buyer by another supplier at the same Loading Terminal, the Seller shall only be liable for that portion of the demurrage equal to the ratio of the volume delivered by the Seller to the total volume loaded onto the Vessel at the Loading Terminal.

7.14. - Notwithstanding the foregoing provisions, the Seller shall not be liable for demurrage hereunder unless the Seller is notified in writing of the claim within 45 calendar days from the date of the Bill of Lading and the fully documented claim is received by the Seller within 90 calendar days from the date of the Bill of Lading. If the Buyer fails to comply with the above, all claims regarding demurrage shall be deemed to have been waived by the Buyer and they shall be time barred and no claim may be brought in respect of them.

7.15. - In any event, the Buyer's entitlement to demurrage shall be limited to the amount which the Seller is able to recover from its suppliers other than its affiliates or subsidiaries and the Seller shall not be obliged to pay any amount in excess thereof. The Seller shall however use its best endeavours to recover from its suppliers any demurrage for which the Buyers have presented a claim in accordance with the terms of this Clause.

7.16.- If the Vessel tenders Notice of Readiness (NOR) outside the Laydays and the Seller accepts to load the Vessel or if loading is completed more than 36 hours after the laydays have ended, in either case, at Seller's option, the price of the Product under the Sales Contract is to be determined as follows:

(1) The Seller shall have the right to elect the price formula which shall be calculated according to the Platt's quotation either on the Bill of Lading date or on the last day of the scheduled laydays, whichever is higher.

(2) Where no such price formula is expressly established the highest price shall be applicable.

7.17. - The Seller shall not be liable (other than for demurrage, as specified herein) for any loss or damage, direct or indirect, which the Buyer may suffer as a result of the Shipment not being loaded within the time allowed.

7.18.- In no event shall the Seller be liable for demurrage in any amount exceeding the amount actually paid by Buyer in respect of the Vessel's voyage and which relates to the Product delivered by the Seller.

PART TWO – CIF, CFR, DAP AND DAT SALES

8. APPLICABILITY

8.1.- Unless otherwise expressly agreed in writing, this Part Two of these General Terms and Conditions shall apply to all CFR, CIF, DAP and DAT “Sales Contracts of Products to be performed, as sellers, either by CEP SA TRADING, S.A.U. and/or any of its Affiliates. All such Sales Contracts shall be deemed to include, by reference, the General Terms and Conditions contained herein.

8.2. - In addition to the Sales Contract, appropriate Incoterms 2010 (and subsequent revisions) shall apply as supplementary regulation [supplementary terms]. In case of inconsistency between Incoterms 2010 (and subsequent revisions) and the Sales Contract, the Sales Contract shall apply

9. DELIVERY

9.1.- Where the Seller expressly or impliedly provides the Buyer with a date or range of dates within which a nominated Vessel shall arrive at the Discharge Port these shall be indicative only, made by the Seller as an honest assessment without guarantee. The Seller shall not assume any responsibility for the delivery of the Product at the Discharge Port and save as regards the calculation of laytime and demurrage as indicated in section 15 below the rights and obligations of the parties shall be the same in all respects as for CFR, CIF, DAP and DAT deliveries, except where these General Terms and Conditions of the Sales Contract expressly indicate otherwise.

9.2. - Depending upon the Incoterm agreed in the Sales Contract:

A/The Product shall be delivered by the Seller to the Buyer, in bulk at the Loading Terminal and shipped by the Seller CFR or CIF (as applicable) to the agreed Discharge Port(s).

B/The Product shall be delivered by the Seller to the Buyer, in bulk DAP or DAT (as applicable) at the agreed Discharge Port(s), Place(s) or Terminal(s).

Discharge Port(s), Place or Terminal (as applicable) shall be designated by the Buyer subject to acceptance by the Seller.

9.3. - Under this Agreement, if the Buyer is to receive more than one Shipment:

- a) Such Shipments shall be evenly spread;
- b) Each Shipment shall constitute a separated contract.

9.4. - Unless otherwise specifically agreed in writing, any delivery of Product will be made in terms of “full cargo lot”.

9.5.- Notwithstanding anything to the contrary herein, Buyer’s failure for any reason to take delivery of any quantity of the Product available for delivery, shall not relieve him from his obligation to pay the price contractually agreed upon for the whole amount of the Product. At Seller’s option, such undelivered quantity shall:

(A) Cease to be available to the Buyer and then, without prejudice to any other rights and remedies which the Seller may have against the Buyer, said undelivered quantity shall be deducted

from the total quantity of the Product to be delivered to Buyer hereunder. In such a case, Seller shall be free to dispose of such undelivered quantity of the Product in order to sell it to any other customer.

(B) Be again sold, paid for and delivered to Buyer, provided it can be done by means of a “full cargo shipment”.

Provisions of this 9.5 shall also apply to cases in which the Buyer is to receive more than one Shipment hereunder.

9.6. - When, at the time of loading, the Seller has no availability of Product to cover all or part of the contractual quantity of the Product that has been duly nominated and notified by the Buyer in accordance to the Sales Contract, Seller shall be entitled to deliver to Buyer any quantity of Product which is available at the time of delivery, reimbursing the Buyer for all reasonable costs and expenses that Buyer may have incurred upon consequently.

Prior to said reimbursement, Buyer shall have to provide Seller with all relevant documentation fully supporting the reality and amount of his claim.

In any case, Buyer shall make payment to Seller for the quantity of Product actually delivered.

10. RISK AND PROPERTY

10.1. - CFR and CIF Deliveries

Without prejudice to the right of the Seller to retain documents until payment of the Product is made effective, for deliveries CIF/CFR ownership of the Product together with all risks and all liabilities with respect thereto shall pass to the Buyer at the time of loading, when the Product passes the Vessel's permanent connection hose connection between the delivery hose and the permanent hose connection of the Vessel at the Loading Terminal at which point of delivery the Seller's responsibility with respect to the Product shall cease; including but not limited to the risk of deterioration and/or evaporation of the Product so delivered.

10.2. - DAP Deliveries

In the case of delivery DAP, ownership of the Product together with all risks and all liabilities with respect thereto shall pass to the Buyer at the time of Vessel arrival at the agreed point of destination, at which point of delivery the Seller's responsibility with respect to the Product shall cease, including but not limited to the risk of deterioration and/or evaporation of the Product so delivered.

10.3. - DAT Deliveries

In the case of delivery DAT, ownership of the Product together with all risks and all liabilities with respect thereto shall pass to the Buyer at the time of discharge when the Product passes the Vessel's permanent connection hose at the Discharge Terminal at which point the Seller's responsibility with respect to the Product shall cease, including but not limited to the risk of deterioration and/or evaporation of the Product so delivered.

11. INSPECTION, MEASUREMENTS AND SAMPLING

11.1. - CFR and CIF deliveries.

11.1.1. - Independent Inspection: The Buyer and the Seller shall mutually appoint an independent inspector of international reputation who shall supervise both the process of measurement of quantity and the sampling process of the Product to be loaded. The costs of services of the independent inspector shall be shared equally.

11.1.2. - Measurement of quantity: The quantity of Product loaded shall be determined by shore meter measurements taken by the Seller in the presence and under the supervision of the independent inspector, immediately before, during and after the loading of the Vessel.

11.1.3.-Bill of Lading: The quantity stipulated in the Bill of Lading which shall be signed by the Master or a Vessel's representative shall be conclusive evidence of the quantity loaded. Hence where the Bill of Lading has been signed by the Master or a Vessel's representative all claims by the Buyer shall be deemed to have been waived and they shall be time barred, except in case of fraud or manifest error.

11.1.4. - Sampling: Three samples of each grade of the Product shall be taken in the presence of the independent inspector appointed according to subclause 4.1, who shall supervise such sampling process. The samples shall be drawn at the Seller's Loading Terminal (shore tanks) manifold. Such samples shall be the only and conclusive evidence to determine the quality of the Product.

The samples shall be drawn using, if the Loading Terminal is operated by the Seller, by the Seller's sampling methods and if the Loading Terminal is not operated by the Seller, by the Loading Terminal standard practice equipment and devices, always in accordance with current Approved Industry Practice. The Seller hereby warrants that such devices and equipment meet international practice standards.

One sample shall be delivered by the Seller to the Buyer, other one to the independent inspector and the third sample shall be retained by the Seller. The samples shall be retained by all three parties for a period of two months after the date on which the loading of the Product has been completed.

The aforementioned samples shall be securely sealed and provided with labels showing the Vessels name, product name, delivery date and place, authenticated with the Vessels stamp and signed by the independent inspector, the Vessel's Master and where possible by the parties.

The Seller shall deliver a receipt to the Vessel's Master which shall be signed and stamped by the Master confirming the delivery of the above mentioned sample by the Seller to the Master.

11.2. - DAT and DAP Deliveries.

11.2.1. The quantity and quality of the Product delivered under the Agreement shall be determined by measurement, sampling and testing carried out at the Discharge Port at the time of discharge by an independent inspector jointly agreed upon by the Buyer and Seller. All charges of the independent inspector shall be shared equally between the parties and the inspector's certificates of quality and quantity shall be made available to both parties. The Buyer shall ensure that the independent inspector shall have full access to the facilities at the Discharge Port necessary to enable the inspector to perform his duties.

11.2.2. The independent inspector shall for the purpose of determining the quality of the Product carry out or witness tests on a composite sample of the Product taken by the inspector or in his presence from the Vessel's tanks at the Discharge Port immediately prior to commencement of discharge and in accordance with the test method(s) referred to in the specification of the Product set out in the Special Provisions, or, where no test method is set out, in accordance with the most current API and ASTM Measurement Standards at the time of delivery.

11.2.3. The independent inspector shall for the purpose of determining the quantity of the Product proceed as follows:

(a) Where the Product is delivered from the Seller's Vessel directly into static shore tanks (that is shore tanks to or from which no Product is being pumped other than the Product being delivered hereunder) the gross quantity of the Product so delivered shall be determined by the independent inspector by reference to Discharge Port meter measurements taken or witnessed by the independent inspector in accordance with API MPMS Chapter 5. Meters shall be proved prior to discharge by or in the presence of the independent inspector in accordance with API MPMS Chapter 4. Where metering facilities are not available, or where in the opinion of the independent inspector the meters did not perform in accordance with API MPMS Chapter 5, or where the meters were not proven prior to discharge in accordance with API MPMS Chapter 4, the gross quantity of the Product delivered hereunder shall be determined by reference to shore tank gaugings taken or witnessed by the independent inspector in accordance with API MPMS Chapter 3; or

(b) Where the Product is delivered from the Seller's Vessel directly into active shore tanks (that is shore tanks where Product is being pumped out of the tank during the discharge of the Product hereunder) and where no correctly functioning or proven Discharge Port meters are available in accordance with Section 11.2.3(a), the gross quantity of the Product delivered hereunder shall be determined by the independent inspector by reference to the Vessel's discharged figures as adjusted by its Vessel Experience Factor ("VEF") in accordance with VEF Addendum to API MPMS Chapter 17.1.

12. NOMINATION OF VESSELS

12.1.- The Seller shall notify the Buyer, by e-mail, fax or otherwise in writing, of its shipping schedule as far in advance as practically possible.

Such notification shall specify the Vessel's name and her pertinent physical characteristics, the loading range, Loading Terminal, grade and quantity to be loaded plus or minus TEN (10) percent. The "To Be Nominated" (TBN) procedure may be used, provided that the name and pertinent physical characteristics of the Vessel are given as soon as practicable.

12.2.- The Buyer shall accept or reject the vessels nomination in writing within the time limit agreed upon between the Seller and the Vessel's Owner for lifting of subjects. Written confirmation to follow promptly thereafter. Such acceptance not to be unreasonably withheld.

12.3.- The Buyer shall within one business day or such other period as may be specified in the Sales Contract, after receipt of the Seller's nomination made pursuant to this section 12 notify the Seller of:

(A) The final discharge port, if not already specified in the special Provisions. No change to the final 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 such alternative discharge port is allowable pursuant to the Charter Party; and

(B) Full written instructions regarding the particulars and destination of the bills of lading and 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 Product hereunder due to 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.

12.4.- The discharge of "part cargoes" of Product shall be accepted by the Buyer.

12.5.- Following the establishment of an accepted shipping schedule, the Seller may substitute a Vessel already scheduled pursuant to this Clause, for other suitable Vessel, acceptable to the Buyer.

12.6.- Seller to procure a Vessel whose Owner shall be a Member of the International Tanker Owners Pollution Federation ("ITOPF").

12.7.- Alternative discharge port(s):

Subject always to the prior written consent of the Sellers, the Buyer may exercise any discharge options available under the terms of the Charter Party and allowable in accordance with the Special Provisions agreed upon by the Parties.

If such is the case,

I. the price stated in the Special Provisions shall be adjusted by the freight differential calculated in accordance with the Charter Party terms or, if the Vessel has not been voyage chartered, such rate as shall be mutually agreed upon, between the parties, in respect of such discharge port and provided always that any delays arising out of such failure to agree shall be for the Buyer's account; and

II. the Buyer shall be liable for any additional costs incurred by the Seller, including, but not limited to, deviation costs and costs in respect of any additional bunker consumption.

12.8. - The Vessel shall not be used as a floating storage capacity facility by the Buyer.

12.9.- The Buyer shall be liable towards the Seller for any and all costs, expenses and damages (including those derived from price variation and maturity date) arising out of or related to the Vessel being used as such storage capacity facility by the Buyer. For these purposes any and all time the Vessel remains berthed or anchored awaiting for discharge instructions to be given by the Buyer shall be considered as the Vessel being used as a storage capacity by the Buyer.

13. CHARTER PARTY CONDITIONS AND INSURANCE

13.1.- Charter Party Conditions

The Sellers shall provide the carriage of the Product under Bills of Lading, which may incorporate Charter Party conditions customarily in use for the carriage of Product in bulk and the Buyers shall comply with the provisions of the Charter Party.

13.2. - Insurance

13.2.1. - In the case of delivery CFR: the responsibility for securing insurance on each and any Shipment, whether against marine, war or other risks and the costs resulting therefrom shall rest wholly within the Buyer's responsibility. However the Seller must provide the Buyer, at the Buyer's request, risk and expense (if any), with the information that the Buyer needs for obtaining the insurance.

13.2.2. - In the case of delivery DAP or DAT: the responsibility for securing insurance on each and any Shipment, whether against marine, war or other risks and the costs resulting therefrom shall rest wholly with the Seller.

13.2.3. - In the case of delivery "CIF": The Seller undertakes to procure and pay for insurance against normal marine risks to the full value of the Product. Such insurance shall operate from the time of the transfer of title and risks until the Product passes the flange connection between the Vessel's discharge manifolds and the receiving hose at the Discharge Terminal. Shortage or contamination of the Product shall be covered only to the extent that the cause thereof can be determined specifically.

The insurance shall be on a "Cargo All Risks" basis and will include War Risk coverage (except for excluded Areas determined by Cargo Wath Lists or Joint War Committee or any other institution which could in the future establish these Areas). Claims for shortage shall be subject to a deductible of one half of one percent (1/2 %) of the Bill of Lading quantity.

When requested to do so and subject to prior notice being duly given, the Sellers shall forward to the Buyers, an insurance certificate, as soon as practicable after completion of loading.

13.3.- Additional Vessel Insurance

13.3.1.- In all cases, if and for so long as the voyage to the Discharge Port, or any seas through which the Vessel has to travel in performance of the Agreement incurs, for the Seller pursuant to the terms of the relevant charter party, additional costs or charges including insurance or war risk insurance premia for the Vessel's hull and machinery, protection and indemnity or cargo insurances; crew bonuses and the provision of security services for the Vessel, or any or all of them, then any and all costs of such additional insurance and/or additional premia and/or other expenses shall be paid by the Buyer to the Seller in addition to the price payable pursuant to the Agreement.

13.3.2. The Seller reserves the right to refuse at any time:

a) To direct any Vessel to undertake or to complete the voyage to the Discharge Port if such Vessel is required in the performance of the Agreement:

l) To transit or to proceed to or to remain in waters so that the Vessel concerned would be involved in a breach of any Institute Warranties (if applicable) or, in the Seller's opinion, to risk its safety or to risk ice damage; or

II) To transit or to proceed to or to remain in waters where there is a war (de facto or de jure) or threat thereof;

b) Prior to the commencement of loading to direct any Vessel to undertake the voyage to the intended Discharge Port if such Vessel is required in the performance of the terms of the Agreement to transit waters which, in the Seller's reasonably held opinion, would involve abnormal delay; or

c) To undertake any activity in furtherance of the voyage which in the opinion of the Vessel's master could place the Vessel, its cargo or crew at risk.

13.3.3. If the Seller agrees to direct a Vessel to undertake or to complete the voyage as referred to in Section 13.3.2, the Buyer undertakes to reimburse the Seller, in addition to the price payable under the Agreement, for costs incurred by the Seller in respect of any additional insurance premia (including those referred to in Section 13.2 and any other sums that the Seller may be required to pay to the Vessel's owner including but not limited to any sums in respect of any amounts deductible under such owners' insurance and any other costs and/or expenses incurred by the Seller.

14. DELIVERY AT THE DISCHARGE TERMINAL

14.1.- Arrival of Vessel: The Seller shall arrange for each Vessel to report to the Buyer or its representative at the Discharge Terminal, stating the expected date and hour of arrival provided that sailing time from the previous port of call permits.

14.2.- Place of discharge: For the discharge of each Vessel hereunder, the Buyer shall provide to the Seller, free of charge, a berth, suitable for discharging the Product, which the Vessel nominated in compliance with Clause 12 (Nomination and Delivery Schedule) can, when fully laden, safely reach on arrival, lie thereat, discharge the Product and depart therefrom, always safely afloat.

14.3.- Shifting: The Buyer may require the Seller to shift a Vessel at the Discharge Port from one safe berth to other safe berth and shall assume all risks and payment of all costs in connection therewith. Time used for shifting berth shall count as used laytime. Any shifting operation shall be subject to the Sellers prior acceptance given in writing.

14.4.- Lightening: It is agreed that the Vessel shall not be compelled to lighten for the purpose of discharging at the Discharge Terminal. However, should any lighterage be undertaken at the request of the Buyer, the expenses, risks and perils thereof shall be for the Buyer's account and all time used in such lighterage, together with all consequent delays, shall count as discharging time for the purpose of calculating liability for demurrage. Any lightening operation shall be subject to the Sellers prior acceptance given in writing.

14.5.- Without prejudice to the provisions of Clause 15, the Buyer shall arrange for each Vessel to be discharged as expeditiously as possible. The Buyer shall at all material times and at its own expense provide and maintain or cause to be provided and maintained in good working order all necessary flexible hoses, connections, pipelines, tankage facilities and other accommodation for discharging the Vessel.

14.6.- All duties, costs and other charges due in respect of the Vessel at the Discharge Terminal which, according to the Worldscale, are for the account of the Vessel owners or charterers shall be the responsibility of the Seller, but they shall be for the account of the Buyer when incurred as a

result of any omission of the Buyer or its consignee or any action taken by or at the request of the Buyer or its consignee.

14.7.- The Buyer shall assume and be responsible for payment of any taxes, duties, imposts, fees, charges and dues of every description on, applicable, attributable or related to the Product arising in the country of importation (including without limitation, all import taxes and fees, superfund tax, customs, user fee and harbour dues).

14.8.- While discharging, the Vessel shall comply with all laws and regulations in force at the Discharge Terminal at the time the Vessel discharges.

14.9.- Each Vessel shall vacate her berth as soon as discharging of Shipment and ballasting have been completed, provided the Vessel can safely do so. Any and all additional costs and expenses arising out of related to, or in connection with any change in the applicable laws, regulations and statutes in force from time to time shall be borne by the Buyer.

14.10.- Regulations at the Discharge Terminal:

14.10.1. All restrictions at the Discharge Terminal or Port with respect to maximum draft, length, deadweight, displacement, age, flag and the like, the procedures relevant to health, safety and Vessel operations and all applicable governmental, local and port authority regulations, and any other applicable requirements of whatever nature and howsoever communicated in force at the Loading Terminal and at the Discharge Port shall apply to the Seller's Vessel.

14.10.2. The Buyer shall provide all information regarding restrictions at the Discharge Port and such other Discharge Port requirements that are readily available to it, upon the Seller's written request.

14.10.3. Notwithstanding anything to the contrary express or implied in this Section 14, if the Vessel nominated by the Seller does not comply with the foregoing provisions or any of them, the Buyer or the Buyer's customer may refuse to berth or discharge the Vessel in question.

15. LAYTIME AND DEMURRAGE

15.1.- Upon arrival at the Discharge Terminal (or the customary anchorage at the Discharge Terminal), the Master or his representative shall tender to the Buyer or the Buyer's representative, notice of readiness (NOR) to discharge Shipment.

15.2.- In case of discharge of a full cargo the total time allowed to the Buyer for discharging each Vessel shall be:

(A) Twenty four (24) running hours Sundays, holidays and nights included, for vessels of up to 15,000 MT cargo capacity, and

(B) Thirty-six (36) running hours, pro rata for part cargoes, Sundays, holidays and nights included, for vessels from 15,001 MT cargo capacity and more.

Both (A) and (B) above shall apply except when otherwise agreed upon by the Parties.

15.3.- In case of discharge of a part cargo lot, that proportion of the 24 or 36 running hours, as the case may be, which the quantity of the Product in the shipment, plus five (5) per cent, bears to the total quantity of Product loaded on the Vessel at the Loading Terminal(s).

15.4.- Running hours shall commence,

15.4.1.- If NOR is given by the Vessel within the agreed Laydays, insofar as laydays have been agreed in the Special Provision of the Contract, time allowed shall commence, berth or no berth, six (6) hours after notice of readiness (NOR) to discharge is tendered in writing to the Discharge Terminal or its representative by the master of the Vessel or his representative

Or

Upon the berthing of the Vessel if this occurs less than six (6) hours after giving the notice of readiness (NOR) at the Discharge Terminal, whichever first occurs

15.4.2. If NOR is given by the Vessel before the agreed Laydays, insofar as laydays have been agreed in the Special Provision of the Contract, time allowed shall commence at 0600 hours of the first day of such Laydays or upon commencement of discharge, whichever occurs first.

15.4.3. If NOR is given by the Vessel after the agreed Laydays, insofar as laydays have been agreed in the Special Provision of the Contract, time allowed shall commence upon commencement of discharge or 24 hours after tendering NOR, whichever occurs first.

15.5. Discharging of Shipment shall be continuous and laytime shall end when the delivery hoses are disconnected after completion of discharging.

15.6. If the Shipment is not discharged within the time provided for in this Clause, the Buyer shall pay to the Seller demurrage in US Dollars in respect of the excess time, at the demurrage rate per day (or pro rata for part of a day) provided for in the Sales Contract or if not agreed, in the Contract of Affreightment or Charter Party (as the case may be) or, in the absence of such a rate, as mutually agreed upon by the Parties at the time of Vessel nomination. If the parties fail to agree on such rate at the time of Vessel nomination, then, at the request of either party, demurrage rate shall be determined by the London Tanker Brokers Panel, Ltd., whose decision shall be final and binding and whose costs shall be paid for by the applicant.

15.7. It is agreed that the Buyer's obligation as to laytime and liability as to demurrage shall be absolute and not be subject to qualification by the provisions of Clause 27 (Force Majeure). However, if demurrage shall incur at the Discharge Terminal by reason of fire, explosion, storm, earthquake, perils of the sea, accident of navigation or by reason of a strike, lockout, stoppage or restraint of labour or by breakdown of machinery or equipment, in or about the receiving facilities of the Buyer, or its consignee, such demurrage shall be calculated at one-half the rate stipulated above (but only to the extent such conditions were not caused by the fault or neglect of the Buyer, its consignee or the receiving facilities).

PART THREE - GENERAL PROVISIONS APPLICABLE TO ALL SALES

16. DEFINITIONS

The following words shall have the following meaning except when the context otherwise requires:

- a) Agreement: means The Sales Contract (also referred to as Special Provisions) and these General Terms and Conditions and any other Schedules and Annexes attached to them or amendments agreed by both parties;
- b) Affiliates: means any company which is a subsidiary, mother company or sister company of each of the parties to the Sales Contract or a company which is another subsidiary of a company which is party is a subsidiary (“subsidiary” having the meaning ascribed to it in Section 736 of the Companies Act, 1985) and any other company that is ultimately, directly or indirectly controlled by COMPAÑIA ESPAÑOLA DE PETROLEOS, S.A.U. (CEPSA).
- c) Approved Industry Practice: means the measurement, sampling and analysis activities and methods of a standard no less than those laid down in the API’s Measurement Standards Manual and RIIC’s Requirements for Independent Inspection Companies current at the time of the Agreement.
- d) Banking Day: means any day other than Saturday when clearing banks are open for business in New York (USA);
- e) Berth: means a berth, dock, anchorage, submarine line, single point or single berth mooring facility, offshore location, alongside vessels or lighters or any other loading or discharge place as may be indicated in the party in question;
- f) CFR and CIF: means Cost and Freight and Cost Insurance and Freight as described thereto in Incoterms 2010 (as amended from time to time), except as modified by the Agreement; in case of any inconsistency between the Incoterms 2010 and the Agreement, the Agreement shall prevail;
- g) DAP and DAT: means Delivered At Place and Delivered At Terminal as described thereto in Incoterms 2010 (as amended from time to time), except as modified by the Agreement; in case of any inconsistency between the Incoterms 2010 and the Agreement, the Agreement shall prevail;
- h) Discharge Port: means the Berth or other discharging facility at which the Product to be delivered hereunder is to be discharged;
- i) FOB: means Free On Board as described thereto in Incoterms 2010 (as amended from time to time), except as modified by the Agreement; in case of any inconsistency between the Incoterms 2010 and the Agreement, the Agreement shall prevail;
- j) Incoterms 2010: mean the international commerce rules for domestic and international trade as approved by the International Chamber of Commerce.
- k) Laydays: means the date range specified in the Sales Contract or established in accordance with the procedures that may be specified in the Sales Contract or, if not specified in the Sales Contract, notified by the Seller to the Buyer in FOB deliveries or, in CIF and CFR deliveries accepted by the Loading Terminal operator for the presentation of the Vessel for leading at such terminal.
- l) MT: Metric Tons or Tonnes;
- m) NOR: means the valid Notice of Readiness to load or to discharge, as the case may be, as given by the master of the Vessel (or his/her representative) to the Seller or the Buyer (or its representative) at the loading or discharge Terminal as applicable;

- n) OCIMF: means Oil Companies International Marine Forum;
- o) Product: means wholly or partially refined Petroleum Product of the grade specified in the Sales Contract (Special Provisions);
- p) Regulations: means any Laws and/or Regulations that may be applicable to the sale and purchase of the Product according to the Sales Contract and these General Terms and Conditions or compulsorily applicable due to the nature of the Products.
- q) Sales Contract (also referred to as Special Provisions): means the oral agreement (as confirmed by e-mail or fax) or written agreement to which by reference these General Terms and Conditions are incorporated to form the Agreement;
- r) Seller: means Cepsa Trading, S.A.U. or its Affiliates as specified in the Sales Contract.
- s) Terminal (or Port): means any loading or unloading facility in which the Product will be loaded to or unloaded from the Vessel in accordance to the Agreement;
- t) Vessel: means the tanker ship or other Vessel which is wholly or mainly constructed or adapted for the carriage of the Product.
- u) Worldscale: means the New Worldwide Tanker Nominal Freight Scale as current on the day of commencement of loading of the Vessel in question.

17. QUALITY

17.1.- The Seller hereby warrants that the Product to be delivered meets the specifications agreed upon by the parties. The Buyer hereby recognises and undertakes that it is fully familiar with the characteristics and suitability of the Product in whatever respect and with all the specifications of such Product to be delivered and warrants that it shall be responsible and liable towards the Seller for:

- (A) Ensuring that the Product meets the specifications required for in the country of destination.
- (B) Ensuring that the Product shall be suitable for use in the country of destination.

17.2.- The Buyer undertakes to keep and hold the Seller indemnified and harmless against any liability, claim or proceeding whatsoever arising out of or in connection with any failure whatsoever by the Buyer to comply with its obligations set out below in Clause 19.

18. QUANTITY

As provided for in Clauses 4.3 and 11.3 of these General Terms and Conditions, the quantity stipulated in the Bill of Lading which shall be signed by the Master or a Vessel's representative shall be conclusive evidence of the quantity loaded. Hence where the Bill of Lading has been signed by the Master or a Vessel's representative all claims by the Buyer shall be deemed to have been waived and they shall be time barred, except in case of fraud or manifest error. In case of fraud or manifest error, Clause 19.2 shall apply.

19. QUALITY AND QUANTITY CLAIMS

19.1. - Quality Claims

19.1.1. - CIF/CFR/DAP and DAT Deliveries: Any claim concerning the quality of the Product delivered shall only be admitted by the Seller if it is notified in writing to the Seller within 45 (forty five) calendar days after the date on which the unloading of the Product has been completed. Such claim shall be followed by full supporting evidence and documentation from the Buyer to the Seller.

FOB Deliveries: Any claim concerning the quality of the Product delivered shall only be admitted by the Seller if it is notified in writing to the Seller within 45 (forty five) calendar days after the date on which the bill of lading date. Such claim shall be followed by full supporting evidence and documentation from the Buyer to the Seller.

If such a written claim is not received within the time period established above, or is not followed by with the supporting documents, all claims by the Buyer regarding quality shall be deemed to have been waived by the Buyer and they shall be time barred.

19.1.2. - Where the Buyer disagrees with the quality of the Product loaded, the parties expressly agree, that they shall have the quality of the sample retained by the independent inspector analysed by a mutually agreed, qualified and independent laboratory of international reputation.

19.1.3. - The result of this analysis shall be final, conclusive and binding on both parties.

19.1.4. - The costs of services of the independent laboratory shall be borne by the party being at fault. The analysis shall be carried out according to the instructions and recommendations established by the parties, always in accordance with the quality guaranteed by the Seller.

19.1.5. - Where it is established that the quality of the Product does not meet the specifications guaranteed by the Seller, it shall be at Seller's option to either:

(A) Decrease the price of the Product delivered in accordance with the defect in quality of such Product, or

(B) Substitute the Product for another Product in case the first one is not suitable and appropriate for its common use. In such case the Seller shall bear all reasonable expenses incurred by the Buyer directly related with the procuring of the Vessel by the Buyer for the Sales Contract.

19.1.6. - The price decrease established in 18.1.5 (A) above shall include:

(1) The lower resale price obtained by the Buyer in the market or

(2) The costs actually incurred by the Buyer in storage and depuration of the Product, if applicable.

And shall first be notified in writing including full supporting evidence and documentation to the Seller.

19.1.7. - It is understood that without prejudice to the above, in no event shall the Seller be liable for any indirect losses or damages, may they be consequential, punitive, or the like.

19.1.8. - The time limits above, as well as the information required by the Seller are essential in order to enable the Seller to consider a claim.

19.1.9. - This Clause constitutes the whole of the Seller's obligations with respect to the quality of the Product supplied and (save to the extent that exclusion thereof is not permitted or ineffective by operation of law) all statutory or other conditions, representations, guarantees or warranties

(express or implied) with respect to the description, merchantability or quality of the Product or its fitness or suitability for any purpose are hereby excluded.

19.2. - Quantity Claims

19.2.1. - Any claim concerning the quantity of the Product delivered shall only be admitted by the Seller if it is notified in writing to the Seller within 45 calendar days after the date on which the discharge of the Product has been completed. Such claim shall be followed by full supporting evidence and documentation from the Buyer to the Seller.

If such a written claim is not received within the time period established above, or is not accompanied with the supporting documents, all claims by the Buyer regarding quantity shall be deemed to have been waived by the Buyer and they shall be time barred.

19.2.2. - The determination of quantity shall not prejudice the right of either party to challenge the accuracy of the measurement by the Seller in reaching such determination. For this purpose the parties agree to submit such challenge to the decision of an independent expert of international reputation mutually appointed by the parties whose decision shall be final and binding upon the parties. The costs of services of the independent expert shall be borne by the party being at fault.

19.2.3. - The appointment and proceedings shall commence after the Vessel has cleared berth, provided that no such challenge shall be admitted by the Buyer unless written notice of protest of the Seller's determination of the quantity loaded shall have been deposited by the Buyer or its representative with the Seller prior to the time that the Vessel has cleared berth.

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

19.2.5. - Where it is established by the independent expert that the Sellers' determination of the quantity was not accurate, it shall be, at Sellers option, to:

- (a) In case of shortage of delivery: (A) to reimburse the Buyer for the amount paid in excess if an anticipated payment has been done, or (B) to deliver such quantity as remains outstanding at some other moment in time if a supply Sales Contract is agreed between the parties, accepting to pay for all expenses incurred and directly related to the procurement of a Vessel by the Buyer, when applicable. However in such case the Buyer shall first provide in writing full supporting evidence and documentation to the Seller regarding such expenses.
- (b) In case of excess in delivery: the Buyer shall promptly pay the Seller for the value of the amount of Product delivered in excess.
- (c) No quantity claim shall be admitted if the difference between the loaded and discharged quantities of Product is 0,5% of the loaded quantity or less.

19.2.6. - It is understood that without prejudice to the above, in no event shall the Seller be liable for any indirect losses or damages, may they be consequential, punitive, or the like.

20. HEALTH, SAFETY AND THE ENVIRONMENT

20.1.-The Buyer shall be responsible for ensuring that any obligation, requirement or recommendation in respect of health, safety and the environment relating to the Product delivered hereunder are complied with under the laws, statutes, regulations or directives in force in or applying to territories, states or other jurisdictions in or to which the Buyer sells or otherwise disposes of or uses the Product delivered hereunder.

20.2.-The Buyer shall indemnify and keep the Seller harmless against any liability, claim or proceeding whatsoever arising out of or in connection with any failure whatsoever to comply with the obligations set out in Clause 19.1 above. The Seller shall not be responsible in any respect whatsoever for any loss, damage or injury resulting from hazards inherent in the nature of the Product delivered hereunder.

20.3.-The Product to be supplied shall be of the quality, description or specification as specified in the Sales Contract. For the later determination of the Product, if any discrepancy arises with respect thereto, the Seller, its agent and the agreed independent inspector, shall identify the Product samples, which will be drawn at the loading port according to standard practice.

20.4.-The Buyer hereby acknowledges that it is fully familiar with the characteristics of the Product and that in entering into the Sales Contract it has relied exclusively on its own knowledge, judgement and expertise and not upon warranties or representations (whether written or oral) thereto given by or on behalf of the Seller other than those expressed in the Sales Contract.

20.5.- For deliveries where the Loading Terminal or the Discharge Port is located in the EEA, the Seller and the Buyer will comply with the provisions of Regulation (EC) No 1907/2006 ("REACH") (as amended from time to time), which are applicable to the sale of Products under the Agreement.

Upon written request, to enable Buyer to meet its compliance obligations with regard to Regulation (EC) No 1907/2006 ("REACH") (as amended from time to time), Seller will provide Buyer with information regarding the chemical composition of any Products (substances, preparations, mixtures, alloys or goods) supplied under this Agreement, including the safety information required under REACH and, where Seller is a EEA manufacturer, information regarding the registration or pre-registration status of any Products pursuant to REACH.

21. DESTINATION

21.1. - Importation. The Buyer shall be the importer of the Product into the country where the Discharge Terminal is situated and, as such, he shall have full responsibility to duly comply with all applicable laws, regulations, statutes or directives governing such importation of the Product.

21.2.- The Buyer shall not cause or permit the Product to be shipped directly or indirectly through or to be disposed of by way of resale, exchange, loan or other arrangement to supply the Product to any country which is subject to a prohibition order by the governmental authorities of the country in which the Product has been produced, manufactured, processed or loaded, or is a country of destination prohibited by the terms under which the Seller has acquired the Product, provided that such a prohibition is required by the governmental authorities of the country in which the Product has been produced, manufactured, processed or loaded.

21.3. - At any time, the Seller may require the Buyer to provide any relevant documents for the purpose of verifying the final destination of the Product, and the Buyer undertakes to advise the Seller upon request of the destination of the Product.

21.4.- Should the Buyer be in breach of any provisions of this Clause 21, the Seller may at any time thereafter immediately terminate the Sales Contract, without being liable for any indemnity to the Buyer.

21.5. - Moreover, the Buyer agrees to hold the Seller harmless from and indemnify the Seller for any losses, costs, damages, fines and/or penalties incurred by the Seller resulting from any such breach.

21.6. - The obligation of the Buyer to comply with the provisions of this Clause 21 shall not be affected by any sale or disposal of the Product in question by the Buyer.

22. PAYMENT

22.1.- Unless otherwise agreed by the Seller and the Buyer in writing, payment shall be made by means of an irrevocable documentary Letter of Credit or Stand-by letter of credit opened or confirmed by a First class international bank approved by the Seller, in the form set out in Annex A or Annex B.

22.2.- The Letter of Credit shall be opened and duly received and accepted by the Seller in Madrid not later than 1600 hours on the third (3rd) Madrid working day prior to the first day of the agreed Laydays. The Letter of Credit shall be sufficient to cover the contractual mean value of the cargo plus 10 percent and shall be valid at least 30 days after the expected payment due date. Documentary instructions shall be received by the Seller at least two (2) working days (Madrid, Spain) before 1600 (Madrid time) prior to the first day of the agreed Laydays.

22.3. - Payment shall be made in full in US Dollars without discount, deduction, withholding, offset or counterclaim against presentation, at or before the maturity date defined in each contract, of commercial invoice together with documents referred to in Annex A or Annex B, or, in their absence, together with the Seller's Letter of Indemnity set out in Annex C. For both, Sellers commercial invoice and Letter of Indemnity (LOI) shall be acceptable. Fax invoice and documents and LOI shall be faxed to the Seller at least two (2) working days (Madrid, Spain) before 1100 (Madrid time) prior to value date, otherwise payment will be delayed accordingly.

22.4. - If payment falls due on a Saturday or a Bank Holiday in New York City other than a Monday, payment is to be made on the preceding Banking day. If payment falls due on a Sunday or a Bank Holiday Monday in New York City, payment is to be made on the next following Banking Day.

22.5. - All charges in respect of the Letter of Credit shall be for the account of the Buyer.

22.6. - The Letter of Credit or Stand-by Letter of Credit shall take effect in accordance with its terms, but such terms shall not alter, add or in any way affect the terms of the Agreement, or any of them.

If the Buyer does not provide the Letter of Credit on or before the third Madrid working day prior to the first day of the agreed Laydays, the Seller may immediately terminate the Sales Contract forthwith without prejudice to any rights and/or remedies of the Seller. In no event shall the Seller be obliged to commence or complete loading until 6 hours after the said Letter of Credit is opened and notified in writing to Seller by the opening or advising bank, as applicable, including the complete wording in a form acceptable to Seller, such acceptance shall not be unreasonably withheld. Any delay, costs and damages whatsoever arising from the failure of the Buyer to open the Letter of Credit as provided for shall be for the Buyer's account.

22.7. - If for any reason the Buyer does not comply with the terms of payment contained in this Clause 22 or any other payment provisions substituted for this Clause 22 duly agreed by the parties, then, and without prejudice to the rights of the Seller to receive payment under this Clause 22 or otherwise, risk and title to the Product shall remain vested in the Buyer, and the Seller shall have a right of lien to the Product delivered until the Buyer has fulfilled its obligations hereunder. In the event that the Product has been commingled with other Products on board the Vessel, the Seller shall have the right of lien to such part of commingled Product as corresponds to the quantity and quality of the Product delivered under the Sales Contract.

22.8.- If for any reason the Buyer does not comply with the terms of payment contained in this Clause 22 or any other payment provisions substituted for this Clause 22 duly agreed by the parties, then, and without prejudice to the rights of the Seller to receive payment under this Clause 22 or otherwise, title, but not risk, in the Product shall revert to and/or remain with Seller and Buyer undertakes at its own cost to order the discharge of the Vessel exclusively to a party notified by Seller to Buyer; and in all cases, Seller may at any time by notice to Buyer, without prejudice to any other legal remedies Seller may have and without any liability whatsoever for any cost, loss or damage (including liabilities to third parties) incurred by Buyer, forthwith cancel delivery of all or any Shipments or withhold delivery of Product under the Agreement and/or release of shipping documents or letter of indemnity.

23. TAXES, DUTIES AND OTHER

23.1. Definition: For the purpose of this Agreement "Taxes" includes any or all ad valorem, excise, property, goods and services, sales, added value, transmission, occupation, duties, and any other taxes, domestic or foreign, and any or all tariffs, fees, tolls, levies and other charges which may be imposed by any taxing authority, arising from the sale, purchase, delivery or use of the Product. For clarity, Taxes does not include taxes applicable on income or capital gains arising from the sale, purchase or use of the Product, such taxes are to be borne by the entity generating such income or capital gain.

23.2. Save as provided for elsewhere in this agreement, all taxes on the Product due after it passes the flange connection between the loading hoses and the Vessel's permanent hoses for which Seller may be held responsible for collection or payment, either on its own behalf or that of Buyer, shall be borne and paid by Buyer to Seller in addition to the price of Product, in the same manner as provided under Clause 22, unless earlier payment is required by the taxing authority involved, in which case Seller shall issue an invoice setting out such tax and the date for its payment, and Buyer undertakes to comply.

23.3. Where such tax becomes payable, Seller reserves the right to request, and Buyer undertakes to issue immediately upon such a request, a bank letter of guarantee to cover the full estimated amount of such tax from a bank and in a format acceptable to seller.

Buyer shall indemnify Seller in respect of any costs, penalties, and/or interest incurred by Seller as a result of Buyer's failure to pay any tax in accordance with this agreement.

Upon Buyer's request, Seller shall use all reasonable efforts at the cost of Buyer to obtain a credit or repayment from the Taxing Authorities for tax deemed due by such Taxing Authorities. If Seller is subsequently able to obtain any such tax which has been paid by Buyer, Seller shall within five (5) banking days reimburse Buyer with the net amount so credited or repaid, after deduction of any costs, penalties and/or interest.

23.4. Seller and Buyer are obliged to supply to the other party all administrative or taxing requirements requested by Taxing Authorities and to the satisfaction of the latter. In particular, but not only, this includes the correct compliance of the requirements of the Energy Movement Control System set by the European Union, and/or evidence of exportation to a destination outside the European Union. In respect of failure of Buyer to comply with this obligation, Buyer shall indemnify and hold indemnified Seller against all liability incurred by Seller, its supplier or the owner of the bonded premises from which the goods are dispatched, including any and all interests, penalties and/or costs.

24. NEW AND CHANGED REGULATIONS

24.1.- It is understood by both parties that the Seller is entering into the Agreement in reliance on the laws, rules, regulations, decrees, Sales Contracts, concessions and arrangements) in effect on the date hereof and affecting the Product sold and purchase hereunder including, but without limitation to the generality of the foregoing, those relating to the production, acquisition, gathering, manufacturing, transportation, storage, trading or delivery thereof, insofar as such Regulations affect the Seller or the Seller's Supplier.

24.2.- If at any time during the life of the Sales Contract existing Regulations are changed or any new Regulations become effective, whether by law, decree or regulation or by response to the insistence or request of any governmental or public authority or any person purporting to act therefore, and the material effect of such changed or new (a) is not covered by any other provision of the Sales Contract, and (b) has a material adverse economic effect on the Seller, then the Seller shall have the option to request renegotiation of the price or other pertinent terms of the Sales Contract. Such option may be exercised by the Seller, at any time after such changed or new regulations come into force, by written notice to the Buyer containing the new price and/or contractual terms that Seller wants to change.

24.3.- If the parties do not reach a Sales Contract upon new price and/or new terms satisfactory to both parties within 15 days after the date of the notice, the Seller shall have the right to terminate the Sales Contract immediately at the end of such 15 day period. Any Product delivered during such 15 day period shall be sold and purchased at the price and under the terms applying under the Sales Contract without any adjustment in respect of the new or change regulations.

25. TRADE CONTROL AND BOYCOTTS

Notwithstanding anything to the contrary herein, nothing in the Agreement is intended, and nothing herein should be interpreted or construed, to introduce or require either party hereto to act in any manner (including failing to take any actions in connection with a transaction) which is inconsistent with, penalised or prohibited under the laws and regulations of the European Union and the decisions of the Security Council of the United Nations or other official government rules and requirements applicable to such party which relate to foreign trade controls, export controls, embargoes or international boycotts of any type.

26. ANTI-CORRUPTION AND ANTI-MONEY LAUNDERING

26.1.- The Buyer and the Seller each agree and undertake to the other that in connection to the Agreement, they will each respectively comply with all the applicable laws, rules, regulations, decrees relating to anti-bribery and anti-money laundering, such as the UK Anti-Bribery Act, the US Foreign Corrupt Practices Act, country legislation implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the Spanish Law on prevention of money laundering.

26.2.- The Buyer and the Seller each represent, warrant and undertake to the other that they shall not, directly or indirectly

26.2.1.- Pay, offer, give or promise to pay or authorize the payment of any monies or other things valuable to:

- (a) A government official or an officer or employee of a government or any department, agency or instrumentality of any government;
- (b) An officer or employee of a public organization;
- (c) Any person acting in an official capacity for or on behalf of any government or department, agency, or instrumental of such government or of any public international organization;
- (d) Any political party or official thereof, or any candidate for political office;
- (e) Or any other person, individual or entity at the suggestion, request or direction of for the benefit of any of the above-described persons and entities, or

26.2.2.- Engage in other acts or transactions, in each case if this is in violation of or inconsistent with anti-bribery or anti-money laundering legislation referred to in Section

26.3.- In particular, the Seller represents and Warrants to the Buyer that it has not made any payments or given anything of value to officials, officers and employees of the country in which the Product originated or any agency, department or instrumentality of such government in connection with the Product which is the subject of the Agreement which would be inconsistent with or contravene any of the above referenced legislations.

26.4.- The Buyer or the Seller may terminate the Agreement forthwith upon written notice to the other at any time, if in their reasonable judgement the other is in breach of any of the above representations, warranties and undertakings.

27. FORCE MAJEURE

27.1.- Neither of the parties to the Sales Contract shall be liable in the event of breach or faulty fulfilment of any of the terms of the same when due to Force Majeure.

27.2.- For the purposes of the Sales Contract, Force Majeure shall be understood as all foreseeable or unforeseeable events beyond the control of the parties that have a direct effect on its performance, preventing or hindering it beyond reasonable fulfilment or the obligations arising from the Sales Contract.

27.3.- Nothing in this Clause shall relieve the Buyer of its obligation to pay when due in full any amounts due under the conditions and within the time limits provided for in the Sales Contract.

27.4.- If, as a consequence of any event of Force Majeure", the Seller is deprived, in whole or in part, of any or all of its actual or anticipated sources of supply and/or feedstocks of the Product in whatever country situated, or if the loading of the Product is delayed, hindered, interfered with, curtailed or prevented, then, the Seller shall be entitled to suspend, withhold, reduce or allocate the Product deliveries hereunder to such extent as the Seller shall, in its absolute discretion, determine.

27.5.- In such event, the Seller shall not be bound to purchase or otherwise acquire additional quantities of Product and/or feedstocks from other suppliers to satisfy Buyer's requirements hereunder. However, should the Seller thereafter purchase or otherwise acquire additional Product and/or feedstocks, the Seller shall not be bound to allocate any to the Buyer.

27.6.- If performance of the Sales Contract is suspended, delayed or hindered, under this Clause, for more than thirty (30) consecutive days after the day the notice of Force Majeure has been sent, then the party non affected by Force Majeure shall be entitled to terminate the Sales Contract by written notice to the other party, without any liability on either side, provided, however, that such termination shall be without prejudice to any other accrued rights prior to the occurrence of the event of Force Majeure.

27.7.- If, under the Sales Contract, the Buyer is to receive more than one shipment of Product and Agreement is not terminated as provided for above in this Clause, then any Product not made available for delivery or not delivered or not lifted during the duration and as a result of a cause described in 27.1 can be deducted, at Seller's option, from the amount required to be delivered under the Sales Contract.

If the Sales Contract is not terminated as provided for under Clause 28.4 (or pursuant to another provision of the Sales Contract) and/or if any quantities of Product under the Sales Contract have been withheld, reduced or allocated pursuant to Subclause 27.4, the performance under the Sales Contract shall resume to the extent made possible, by the end or amelioration of the Force Majeure situation described in Subclause 27.2 , under the same terms and conditions, including, without limitation, those concerning price.

28. SUSPENSION AND TERMINATION

28.1.- Either party may immediately suspend or terminate the Sales Contract, by written notice, if the other Party goes into liquidation (other than voluntary liquidation for the purpose of corporate reconstruction), or becomes bankrupt or insolvent or if a receiver, liquidator or trustee in

bankruptcy and manager of the undertaking and assets (or part thereof) of the Party in question should be appointed, or if said Party enters into a Deed of Arrangement or a Composition for the benefit of its creditors, or if it should do or suffer any equivalent act or thing under any applicable law. Suspension or termination shall be without prejudice to any other action or claim accrued at the date thereof.

28.2.- If the Seller has any reason whatsoever to doubt the continuing ability of the Buyer to perform its obligations hereunder, then he may suspend deliveries until the Buyer has either agreed to make payment in advance for future deliveries or has provided such other security as the Seller, in its absolute discretion, may require.

28.3.- Notwithstanding anything elsewhere herein to the contrary, the Seller (without prejudice to any previous waiver, forbearance, or course of dealing or to any rights or remedies available to the Seller or accrued under the Sales Contract or otherwise) shall have the right, without being liable for any indemnity to the Buyer, to suspend deliveries hereunder or to terminate the Sales Contract immediately upon written notice to Buyer in the event that:

- a) The Buyer does not perform his obligations under any provision of the Sales Contract and, more particularly, if the Buyer:
 - I. does not pay in full any amounts when due;
 - II. fails to take receipt, during a period or at an agreed date, of any quantity of Product provided for in the Sales Contract; or
- b) The Buyer is merged with or becomes the subsidiary of a third party other than its existing Parent Company (if any).

28.4.- Should any of the parties be in breach of any of the terms and conditions contained in the Sales Contract, the other party may at any time thereafter immediately terminate the Sales Contract, without being liable for any indemnity to the other party.

29. LIMITATION OF LIABILITY

29.1. - The Buyer agrees to indemnify, defend, and hold the Seller and Affiliates or Subsidiaries harmless from any liability for any and all demands or claims arising from:

- (A) Injuries sustained or damages suffered following the passage of title and risks in the Product as hereinabove provided, and which may arise in connection with the transportation, use or handling of any Product or admixture thereof, whether delivery is made to the Buyer, its assigns, or nominees;
- (B) Any losses, damages, costs or liabilities (including any liability arising from an oil spill or discharge or other event) incurred by the Seller at any time and caused by the Buyer, its servants, agents or employees, or by any Vessel, barge, receiving connection, receiving facilities and/or transport furnished by or for the account of the Buyer.

29.2. - The Buyer shall be responsible for obtaining all consents, authorisations, approvals and assurances of whatsoever nature to give effect to the provisions of this Agreement, except those to be obtained by the Seller according to the Sales Contract.

29.3.-The Seller shall not be liable for consequential, indirect or special losses/damages of any kind arising out of or in any way connected with the conclusion, the performance, the failure to perform or the termination of the Sales Contract. In particular and without limiting the generality of the foregoing, the Seller shall in no circumstances be liable for more than the difference between the market price and the contract price with respect to the relevant quantity of Product, nor be liable for any loss of profit, cost of overheads thrown away or loss resulting from shut-down of any plant of the Buyer due to the lack of Product.

29.4.- Seller shall not be liable, whether in contract or in tort or otherwise, for any special, consequential or indirect loss(es) or damage(s) of any kind arising out of or in any way connected with the performance of or failure to perform the Sales Contract. The Seller shall not be liable either for loss of any future, prospective or speculative profits.

29.5. - No claim by the Buyer in respect of non-delivered Product, may exceed the difference between the agreed price and the market price.

29.5.1. - To this purpose, the agreed price means the price that should have been applied, according to the Sales Contract terms, if a Bill of Lading would have been issued on the last of the agreed lay days.

29.5.2. - The "market price" shall be the price of the Product concerned, on the last day of the agreed "lay days", resulting from the quotations of the Platt's European Market scan or Platt's Oilgram U.S. Market scan, as the case may be.

30. CUMULATIVE REMEDIES, NO WAIVER

30.1.- No failure, omission or delay by either party in exercising any right, power or remedy hereunder conferred or to enforce any of the terms and conditions of the Sales Contract shall operate or be construed as a Waiver by the Seller or the Buyer of any such right, power, remedy, terms or conditions.

Nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder.

30.2. - The remedies herein provided for the Seller or the Buyer are cumulative and not exclusive of any legal rights and remedies which the Parties may otherwise have.

30.3. - Except if required by the Sales Contract, no notice or demand upon the Seller or the Buyer shall entitle the Seller or the Buyer to be relieved from its obligation to make any other or future notice or demand in similar or other circumstances or constitute a waiver of the right of the Seller or the Buyer to take any other future action in any such circumstances without notice or demand.

30.4. - No waiver or omission by either party of any provision of the Agreement shall be binding unless made expressly and expressly confirmed in writing. Further, any such waiver shall relate only to such matter, non-compliance or breach as it expressly relates to and shall not apply to any subsequent or other matter, non-compliance or breach.

30.5.- No waiver or omission by either party to require performance by the other party of any of the terms and conditions of the Agreement and no forbearance or indulgence granted or shown by either party to the other shall release, discharge or, in any manner, affect or prejudice the right of a party to require, at any time, strict and full performance by the other of any and all of the terms and conditions of the Sales Contract to be performed, subsequently to any such waiver, forbearance or indulgence.

30.6.- Even if under the Sales Contract the Buyer is the sole and exclusive party responsible and liable towards the Seller, the latter shall not be prevented from acting against any third parties in order to protect its rights and interests.

31.AMENDMENTS

Any amendment to this Agreement must be made upon the express written agreement of both parties, and any waiver of any provision or the Sales Contract and/or these General Terms and Conditions by either party must be upon the express written consent of the other party.

32. SEVERABILITY OF PROVISIONS

The invalidity, illegality or unenforceability of any one or more of the provisions of the Sales Contract shall in no way affect (except to the extent necessary to delete such invalid, illegal or unenforceable provision, or part thereof) or impair the validity and enforceability of the remaining provisions hereof.

33. ENTIRE AGREEMENT AND CONFLICTS

33.1.- These General Terms and Conditions shall apply as of the date and time of the Seller's offer and the Seller objects expressly to the application of any general terms and conditions for the purchase of goods issued by the Buyer.

33.2.- The General Terms and Conditions and the Sales Contract together form the entire Agreement between the parties, and no additional terms, conditions, representations or warranties shall be incorporated herein in the absence of express written consent of each party.

33.3.- Conflicts: In the event of any inconsistency or conflict between these general Terms and Conditions and the Special Terms and Conditions, the Special Terms and Conditions shall prevail over these General Terms and Conditions.

34. HEADINGS

All articles and section headings used in this General Terms and Conditions are for convenience of reference only and shall not affect the construction or interpretation of any of the terms hereof, and shall not be interpreted to limit or change the subject matter of the Sales Contract.

35.ASSIGNMENT

35.1. - Neither party shall assign its rights and obligations under the Agreement, in whole or in part, without the prior written consent of the other party, provided, however, that the Seller shall be free to assign its rights and obligations under the Agreement to any of its Affiliates or Subsidiaries.

35.2. - If such written consent is given and wherever the assignment is made, the assigning party shall remain jointly and severally liable with the assignee for the full performance of all its obligations and duties under the Agreement.

36. APPLICABLE LAW AND JURISDICTION

36.1. - Applicable Law: The Sales Contract shall be entirely governed by, construed, interpreted, enforced and applied in accordance with the laws of England, excluding any other legal system.

The UN Convention on Contracts for the International Sale of Goods (1980) shall not apply.

36.2.- Jurisdiction: The parties expressly waiving their right to any other jurisdiction hereby agree to submit to the jurisdiction of the courts and tribunals of London, England, to decide on any and all disputes, differences, unresolved issues or claims arising out of or related to the construction, validity, performance or execution of the Sales Contract, whenever an amount exceeding US\$50,000 or its exchange value in any other currency is involved, and the parties are unable to previously reach an amicable settlement.

36.3.- Small Claims: In cases in which any such disputes, differences, unresolved issues or claims involve an amount of less than US\$50,000 or its exchange value in any other currency, the parties hereby agree to seek a definitive solution by referring the matter to arbitration, applying the special procedure for small claims established by the London Maritime Arbitrators Association, LMAA, to which the administration and appointment of the arbitrators is entrusted, pursuant to its Rules and By-laws, and where the parties undertake to comply with the arbitration award.

37. RECORDING, RETENTION AND MONITORING OF COMMUNICATIONS

Each party hereby acknowledges to the other party and consents that such other party may without any further notice and to the extent permitted by law:

- a) Record and retain electronic transmissions (including telephone conversations, e-mail, and instant messaging between the parties' respective representatives in connection with the Agreement or other commercial matters between the parties) on central and local databases for their respective legitimate purposes, including but not limited to be used as evidence;
- b) Monitor electronic transmissions through their internal and external networks for purposes of security and compliance with applicable laws, regulations and internal policies for their legitimate business purposes.

38. TIME IS OF ESSENCE

Time is of essence for the Agreement and every provision hereof in which time of performance is expressed to be a factor.

39. NOTICES

39.1.- All notices declarations and other communications given under the Sales Contract shall be in writing within the specified time and unless otherwise specified herein shall be deemed to have been given and delivered when sent by airmail, postage prepaid or by e-mail or fax or by courier to the Seller at its address at:

CEPSA TRADING, S.A.U.
Paseo de la Castellana 259 A
28046 Madrid, Spain
Fax: +34 91 3376198
E-mail: as per the Sales Contract.

39.2. - Any alterations to the contacts or addresses specified in the Special Provisions shall be notified immediately by letter or telex to the other party.

Either party by giving not less than fifteen (15) working days (Madrid, Spain) notice in writing to the other party may from time to time change such address.