SAUDI ARAMCO PRODUCTS TRADING COMPANY

GENERAL TERMS AND CONDITIONS
FOR SALES AND PURCHASES OF POLYMERS,
MARCH 2014 EDITION
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1  APPLICABILITY OF THESE GENERAL TERMS AND CONDITIONS

1.1 Unless otherwise expressly agreed in writing, these general terms and conditions and the schedules hereto (referred to collectively as the “General Terms and Conditions”) shall apply to all contracts into which they are incorporated by reference.

1.2 These General Terms and Conditions are intended to be supplemented by a Sales Contract. In the case of any conflict, ambiguity or inconsistency between the provisions of these General Terms and Conditions and the Sales Contract, the provisions of the Sales Contract shall prevail. These General Terms and Conditions and the Sales Contract are together referred to as the “Agreement”.

1.3 The Agreement, as amended from time to time in accordance with Section 20, contains the entire agreement between Seller and Buyer and supersedes all representations and prior agreements, oral or written, in connection with the matters which are the subject of the Agreement.

2  DEFINITIONS

The following words and expressions shall have the meanings given below when used in the Agreement.

2.1 “Affiliate” means a company or other legal entity which directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with a party. For this purpose “control” means the direct or indirect ownership of fifty per cent or more of the voting rights attached to the issued share capital of such company or other legal entity.

2.2 “Aramco Trading” means Saudi Aramco Products Trading Company.

2.3 “Banking Day” means a day other than a Saturday or Sunday on which commercial banks are open for business in New York. When the last day for any notice to be given under the Agreement falls on a day which is not a Banking Day, such notice shall be given (by not later than the specified time, where applicable) on the last preceding Banking Day.

2.4 “Business Day” means a day on which banks are open for business at the location of the party to whom the relevant obligation of the other party is owed under the Agreement.

2.5 “Buyer” means the entity identified in the Sales Contract as Buyer.

2.6 “CFR” and “CIF” shall each have the meaning ascribed thereto in Incoterms, except as modified by or inconsistent with the Agreement.

2.7 “Date of Delivery” shall mean the date on which the Product is placed or procured to be placed at the disposal of Buyer at the time and place agreed upon.

2.8 “day” means a calendar day.

2.9 “Delivery” means placing or procuring to place the Product at the disposal of Buyer at the time and place agreed upon. “Deliver” includes procure to be delivered and the term “Delivered” shall be construed accordingly.

2.10 “Delivery Point” has the meaning giving to it in Section 8.1.

2.11 “Discharge Port” means the port or terminal at which, or the Vessel to which, the Product to be delivered hereunder is or will be discharged, or the place at which the laden Vessel goes into floating storage or, where the context requires, the operator, authority or governing body of such port or terminal.
2.12 “Due Date” shall mean the date specified in the Sales Contract by which payment is due for Product sold under the Agreement. If the Due Date is a Sunday or a Monday that is not a Banking Day, the Due Date shall be deemed to be the first Banking Day following. If the Due Date is a Saturday or a day which is not a Banking Day other than a Sunday or Monday, the Due Date shall be deemed to be the last preceding Banking Day.

2.13 “Estimated Shipment Departure” means a non-binding estimate of the date by which the Shipment will be loaded at the Loading Port, as specified in the Sales Contract.

2.14 “Force Majeure” shall have the meaning set out in Section 14.

2.15 “Incoterm” means the international rules for the interpretation of trade terms as published by the International Chamber of Commerce, 2010 edition or such later edition as is in effect at the date on which the relevant Sales Contract is agreed.

2.16 “Invoice” means Seller’s commercial invoice in any electronic form, including email, telex or fax copy.

2.17 “LIBOR” means, in respect of any sum due, the one (1) month British Bankers Association London Interbank offered rate for U.S. Dollar deposits as shown on Reuters screen reference page “LIBOR01” (or any successor page) fixed at 11:00 a.m. London time on the first banking day of the month in which the sum became due; or in the event of the unavailability of the relevant Reuters page (or any successor page), the rate for such determination date shall be determined on the basis of the rates at which deposits in the relevant currency are offered by four (4) major banks in the London interbank market (the “Reference Banks”) at approximately 11.00 am on the relevant determination date to prime banks in the London interbank market for one (1) month deposits commencing on that date and in an amount (a “Representative Amount”) that is representative for a single transaction in the relevant market at the relevant time. The payee of the interest will request the principal London office of each of the Reference Banks to provide a quotation for its rate. If at least two (2) such quotations are provided, the rate for such date will be the arithmetic mean of the quotations. If fewer than two (2) quotations are provided as requested, the rate for such determination date will be the arithmetic mean of the rates quoted by major banks in the jurisdiction of the relevant currency, selected by the payee of the interest, at approximately 11.00 am (New York City time) on such determination date for loans in the relevant currency to leading European banks for one (1) month deposits commencing on the determination date and in a Representative Amount.

2.18 “Loading Port” shall mean the port or terminal at which the Product to be delivered hereunder is or will be loaded or, where the context requires, the operator, authority or governing body of such port or terminal.

2.19 “Metric Ton” shall mean a ton of one thousand (1,000) kilograms measured in vacuum or air in accordance with standard practice at the place of measurement.

2.20 “month” shall mean a Gregorian calendar month.

2.21 “MSDS” or “Material Safety Data Sheet” means the safety data sheet containing the information which is in compliance with the applicable laws and regulations of the country in which the Loading Port and/or Discharge Port are located. Where the Loading Port and/or Discharge Port are located in the EEA, the safety data sheet shall contain information set out in Annex II of REACH (as amended from time to time).

2.22 “party” means either Buyer or Seller, collectively the “parties”.

2.23 “Payment Security” means support for Buyer’s payment obligation as described in Section 12.16 or as provided for in the Sales Contract.
2.24 “Place of Delivery” means the place within the Discharge Port, agreed between the parties, at which the Seller’s responsibilities for transporting the container(s) containing Product cease. Where the parties have not otherwise agreed on a Place of Delivery, the Place of Delivery shall mean the point at which the container(s) are unloaded onto the quayside alongside the performing Vessel at the Discharge Port.

2.25 “Product” shall mean either Linear Low-density Polyethylene (‘LLDPE’), High Density Polyethylene (‘HDPE’), Polypropylene (‘PPE’), or a combination of the aforementioned, as specified in the Sales Contract, in all cases being of the grades or grades specified in the Sales Contract.


2.27 “Sales Contract” means the agreement in which these General Terms and Conditions are incorporated by reference to form the Agreement.

2.28 “Seller” means the entity identified in the Sales Contracts Seller.

2.29 “Shipment” shall mean a container or containers containing Product lifted by a single Vessel under the Agreement.

2.30 “Shipment Value” shall mean the value of a Shipment calculated by reference to the price per unit specified in the Sales Contract and the quantity of that Shipment as determined in accordance with the Agreement.

2.31 “Tax” or “Taxes” means all taxes, duties, imposts, fees and charges whatsoever (including but not restricted to taxes, duties, imposts, fees and charges imposed or levied by any governmental, local or port authority) arising in connection with the Product, its sale, transportation, ownership, delivery, export or use.

2.32 “typicals” mean a quality or characteristic often attributable to product from a particular source, given without guarantee and not amounting to a representation or warranty that such typical quality or attribute will be present in the Product supplied.

2.33 “VAT” means, within the European Union, such Tax as may be levied in accordance with the EEC’s Sixth Directive on turnover taxes, (Directive 77.388.EEC) and, outside the European Union, means Tax levied by reference to added value, use or supplier or investment tax.

2.34 “Vessel” means a seafaring vessel which is wholly or mainly constructed or is adapted for the carriage of Product.

2.35 “year” shall mean twelve (12) consecutive Gregorian calendar months.

3 INTERPRETATION

3.1 Section headings contained in the Agreement are for convenience of reference only and shall not affect the interpretation thereof. Any reference to any legislation of any sovereign state shall be deemed to include any amendment, replacement or reenactment thereof for the time being in force and any bylaws, licences, statutory instruments, rules, regulations, orders, notices, directions, consents or permissions made thereunder and any conditions attaching thereto.

3.2 Except where the context otherwise requires, words denoting the singular include the plural and vice versa, and words denoting persons include firms and corporations and vice versa.
4 PRODUCT QUANTITY

4.1 The total quantity of Product which Seller shall Deliver and Buyer shall take Delivery of shall be set out in the Sales Contract.

5 PRODUCT QUALITY

5.1 Seller warrants that the Product conforms to the grade or grades specified in the Sales Contract.

5.2 Neither the Product’s specifications, grade, typicals nor any stipulation as to the time of Delivery shall form part of the Product’s description. Notwithstanding that Seller may, in its sole option, provide Buyer with the Product’s typical specifications upon Buyer’s request, those specifications shall be indicative and non-binding only.

5.3 EXCEPT AS EXPRESSLY PROVIDED IN THE AGREEMENT, AND SAVE TO THE EXTENT THAT EXCLUSION THEREOF IS NOT PERMITTED OR IS INEFFECTIVE BY OPERATION OF LAW, ALL EXPRESS, IMPLIED OR STATUTORY CONDITIONS, GUARANTEES OR WARRANTIES WITH RESPECT TO THE DESCRIPTION, QUALITY, FITNESS OR SUITABILITY OF THE PRODUCT FOR ANY PARTICULAR PURPOSE OR OTHERWISE ARE HEREBY EXCLUDED.

6 QUANTITY AND QUALITY DETERMINATION

6.1 Unless otherwise stated in the Sales Contract, the quantity of Product Delivered shall be determined by weighing in accordance with standard practice at the Seller’s suppliers’ warehouse. The cost of such measurement shall be borne by Seller.

6.2 Seller’s supplier/Seller’s suppliers’ representative shall prepare certificates of quality (including the grade of the Product) and certificates of quantity of the Product which shall be made available to both parties. The grade and quantity of the Product stated in such certificates shall be final and binding on the parties for all purposes save for fraud or manifest error.

7 CLAIMS IN RESPECT OF QUALITY/QUANTITY

7.1 All claims by Buyer in respect of any shortage in the quantity of Product delivered or the failure of the Product delivered to be of the grade specified in the Sales Contract shall be deemed waived unless notified to Seller in writing as soon as possible and in any event by no later than sixty (60) days after the Date of Delivery of the relevant cargo. Claims must be accompanied by details of the facts on which the claim is based and copies of all available supporting documents. If Buyer fails to give such notice and/or to submit a fully documented claim within such period, Buyer’s claim shall be deemed to have been waived, and any liability on the part of Seller shall be extinguished.

7.2 With respect to any disputed claim for which notice is given in accordance with this Section 7, such claim shall be deemed to have been waived and any liability on the part of Seller shall be extinguished unless Buyer commences proceedings pursuant to Section 26 (Dispute Resolution) within six (6) months from the Date of Delivery or, if Delivery is late or not made, the date on which Delivery was expected to have taken place.

7.3 Once the Product has been shipped on board the delivering Vessel, Buyer’s exclusive remedy in respect of a quality or quantity deficiency or a failure of the goods to be of the grade specified in the Sales Contract shall be for damages only and Buyer shall have no right of rejection in such circumstances.

7.4 Notwithstanding any other provision in the Agreement, Seller’s liability to Buyer for any and all losses resulting from breach of the Agreement by Seller including any failure of the...
Product delivered to meet the contractual quantity, quality or to be of the grade specified in the Sales Contract shall not exceed the Shipment Value of the Product.

7.5 Notwithstanding the foregoing, no claim shall be admitted in respect of any deficiency of quantity where the difference between the loaded and discharged quantity is 0.2% or less of the loaded quantity, nor where the only basis of the claim is a challenge to the certificates of quality and quantity provided in accordance with Section 6.2.

7.6 Notwithstanding anything to the contrary express or implied elsewhere in the Agreement, in the event that a party fails to Deliver, or take Delivery of a Shipment, and such non-performance is not otherwise excused by the terms of this Agreement, then the other party may, without prejudice to its other rights:

7.6.1 suspend Delivery under the Agreement until such time as the non-performing party has performed their obligations; or

7.6.2 cancel the parties’ obligations in relation to those Shipments that were the subject of the failure to perform, in which case title to any such Shipments shall remain with the performing party/automatically revert to the performing party.

7.7 Suspension or cancellation in accordance with Section 7.6. shall not affect the parties’ other remaining obligations under the Agreement.

8 DELIVERY

8.1 Delivery shall be made on a CIF or CFR Delivery Point basis, as specified in the Sales Contract, “Delivery Point” shall mean the point at which the Product is loaded onboard the Vessel at the Loading Port.

8.2 The Product shall be packed in containers in bulk container bags or in 25kg bags or in jumbo bags, as specified in the Sales Contract.

8.3 Seller shall procure the carriage of the Product in container(s) from the Delivery Point to the agreed Place of Discharge. The Seller’s contract(s) of carriage shall be entered into on liner terms and at Seller’s expense.

8.4 Buyer shall promptly remove the Product and the container(s) from the Place of Discharge. Buyer shall be responsible for any costs, losses or damages, including storage costs or other fees imposed at the Discharge Port, incurred by Seller as a result of Buyer’s failure to comply with its obligations under this Section 8.4.

9 TITLE AND RISK

9.1 Title to and risk of loss or damage to the Product sold hereunder shall pass ratably from Seller to Buyer at the Delivery Point.

9.2 Any loss of Product occurring at or after the Delivery Point shall be Buyer’s responsibility and any quantity of Product lost shall be deemed to have been Delivered to Buyer.

9.3 Seller warrants to Buyer that the Product Delivered hereunder shall be free from any charge or encumbrance not disclosed to Buyer before the relevant Sales Contract was entered into.

10 INSURANCE

10.1 In the case of a CIF Delivery, Seller undertakes to procure and pay for insurance against marine risks to the full value of the Shipment plus ten percent (10%). Such insurance, which shall operate at a minimum from the time risk passes at the Delivery Point until the Product passes the ship’s rail of the Vessel at the Discharge Port, shall be in accordance with the
provisions of a marine cargo insurance policy subject to Institute Cargo Clauses (A), and the benefit thereof shall accrue to Buyer upon the passing of risk in the Shipment as provided for in the Agreement.

10.2 If requested by Buyer, Seller shall provide Buyer with the original certificate of insurance or insurance company’s cover note.

11 DISCHARGE

11.1 As between Buyer and Seller, dues and other charges on the Vessel shall be borne by Seller. However, any fees, taxes or duties imposed at the Discharge Port or in connection with the importation of the Product shall be borne by Buyer.

12 PAYMENT

12.1 The price per unit and the Due Date of the Shipment shall be specified in the Sales Contract, except that where no Due Date is specified in the Sales Contract, the Due Date shall be the thirtieth (30th) day following but not including the date of the bill of lading.

Payment by telegraphic transfer

12.2 If no payment method is specified in the Sales Contract, Buyer shall pay the Shipment Value on or before the Due Date in US dollars by wire transfer to the bank account designated by Seller against presentation to Buyer of the Invoice.

Payment by documentary letter of credit

12.3 Where payment by documentary letter of credit is the agreed payment method, Buyer shall procure the issuance of a documentary letter of credit in the form set out in Schedule B and in all respects acceptable to Seller, to be issued or confirmed (as the case may be and in accordance with the applicable Sales Contract) in the form set out in Schedule B by a first class international bank acceptable to Seller. The documentary letter of credit shall be a fully workable irrevocable documentary letter of credit, available at all times for negotiation at the counters of Seller’s nominated bank. The documentary letter of credit must be established and delivered by the date and valid for the period specified in the Sales Contract, or if no such date and validity period are specified, must be established and delivered at least fifteen (15) days prior to the Estimated Shipment Departure and valid until at least thirty (30) days after the final Due Date for the Shipment.

12.4 All bank charges incurred in connection with the establishment of the documentary letter of credit, including without limitation, opening, amendment and correspondent charges, confirmation and all related banking fees, commissions, or expenses shall be for Buyer’s account.

12.5 If for any reason, the loading or discharge, as the case may be, of the performing Vessel will not take place within the period for such loading or discharge referred to in the documentary letter of credit, Buyer shall either obtain an extension of such period for loading or discharge or provide a new documentary letter of credit on terms acceptable to Seller.

12.6 The documentary letter of credit shall take effect in accordance with its terms (including any agreed amendment(s) thereto) but such terms shall not alter, add to or in any way affect the provisions of the Agreement unless Seller and Buyer expressly agree in writing that any term shall so alter, add to, or in any way affect, the provisions of the Agreement.

Calculation of price per unit

12.7 The final price per unit shall be calculated to two (2) decimal places and the following arithmetic rules shall be applied to do this:
12.7.1 If the third (3rd) decimal place is five (5) or greater than five (5) then the second (2nd) decimal place shall be rounded up to the next digit; and

12.7.2 If the third (3rd) decimal place is less than five (5) then the second (2nd) decimal place will be unchanged.

No deductions/set-off

12.8 Payment of the full amount of all sums due under the Agreement shall be made without any discount, deduction, withholding, offset or counterclaim.

Documents

12.9 Subject to Section 12.11, the Seller shall present to the Buyer a full set of clean bills of lading issued or endorsed to the order of the Buyer.

12.10 In case of cargoes loaded on a single vessel for deliveries on consecutive voyages where multiple Bills of Lading are issued, the Due Date shall be based on the latest issued Bill of Lading.

12.11 Seller shall be entitled in its sole option to provide Buyer with a letter of indemnity in the form set out in Schedule A in lieu of the bills of lading.

12.12 Notwithstanding any of the provisions of this Agreement, Buyer may not delay payment beyond the Due Date because Seller has failed to provide or delayed in providing the Invoice or any of the documents provided for in Sections 12.9 to 12.11, or because of alleged or actual discrepancies in the Invoice, or because there is a dispute as to the Shipment Value.

Other sums due

12.13 The payment of any costs, expenses or charges other than the Shipment Value which arise under the Agreement undisputed by Buyer shall be made against presentation of Seller’s invoice and shall be for immediate settlement by Buyer on or by the date advised thereon.

Interest

12.14 Any amount not paid by either Seller or Buyer when due shall bear interest from the Due Date to the date of payment at a rate equal to five percent (5%) above LIBOR. The total interest due shall be calculated by multiplying that interest rate by the number of clear days between the Due Date and the date of payment and dividing by 360 days. Interest shall continue to accrue under this Section notwithstanding the termination of the Agreement for any cause whatsoever and shall be compounded after any amounts have remained outstanding for a period of more than six (6) months. The provisions of this Section shall not be construed as an indication of any willingness on the part of Seller to provide extended credit, and shall be without prejudice to any rights or remedies which Seller may have under the Agreement or otherwise.

12.15 Any expenses incurred by Seller, including but not limited to reasonable legal fees, court costs and collection agency fees, caused by delay or nonpayment by Buyer of the amount(s) due shall be for the account of Buyer and payable upon demand with supporting documentation.

Payment Security

12.16 Seller shall be entitled on giving Buyer notice of not less than two (2) Banking Days, to require and receive:

12.16.1 a standby letter of credit in accordance with the provisions of Section 12.17 to 12.21; or
12.16.2 payment of cash in advance, in accordance with the provisions of Section 12.24.

Standby letter of credit

12.17 Where under the Agreement, or by virtue of the provisions of Section 12.16.1 above, the Shipment Value is to be secured by a standby letter of credit, Buyer shall establish and deliver to Seller an irrevocable standby letter of credit in the form set out in Schedule C and in all respects acceptable to Seller, to be issued or confirmed (as the case may be and in accordance with the applicable Sales Contract) in the form set out in Schedule C by a first class international bank acceptable to Seller.

12.18 Where a standby letter of credit is required under the Sales Contract, it must be established and delivered at least fifteen (15) days prior to the Estimated Shipment Departure. The standby letter of credit and any confirmation thereof must not expire sooner than twenty (20) days after the final Due Date for the Shipment to which the letter of credit applies.

12.19 All bank charges incurred in connection with the establishment of the standby letter of credit, including without limitation, opening, amendment and correspondent charges, confirmation and all related banking fees, commissions, or expenses shall be for Buyer’s account. In addition, Buyer shall bear any and all other fees, charges or expenses arising from Buyer’s failure to provide a confirmed standby letter of credit acceptable to Seller by the date specified above.

12.20 The standby letter of credit shall take effect in accordance with its terms (including any agreed amendment(s) thereto) but such terms shall not alter, add to or in any way affect the provisions of the Agreement unless Seller and Buyer expressly agree in writing that any such term shall so alter, add to, or in any way affect, the provisions of the Agreement.

12.21 If for any reason the loading or discharge, as the case may be, of the Vessel will not take place within the period for such loading or discharge referred to in the standby letter of credit, Buyer shall either obtain an extension of such period for loading or discharge or provide a new standby letter of credit on terms acceptable to Seller.

Remedies

12.22 Notwithstanding anything to the contrary express or implied elsewhere in the Agreement and without prejudice to its other rights, in the event of failure by Buyer to make payment in accordance with Section 12.2, to provide a documentary letter of credit in accordance with Sections 12.3 to 12.6, to provide cash in advance in accordance with Sections 12.16.2 and 12.24 or a standby letter of credit in accordance with Section 12.16.2 to 12.21, or as otherwise required under the Agreement, the Seller shall have the right to any or all of the following actions:

12.22.1 To suspend Delivery under the Agreement; or

12.22.2 To cancel the parties’ obligations in relation to those Shipments that were to be covered by the payment of cash in advance or the requested standby letter of credit, in which case title to any such Shipments shall remain with the Seller/automatically revert to the Seller; or

12.22.3 To terminate the Agreement pursuant to Section 18.1.2.1.

12.23 Cancellation or suspension in accordance with Section 12.22.2 shall not affect the parties’ other remaining obligations under the Agreement.

Cash in advance

12.24 Where, under the Sales Contract or by virtue of the provisions of Section 12.16.2, the Shipment Value is to be paid by means of cash in advance, Buyer shall make payment based
on Seller’s reasonable estimate of the Shipment Value based on the maximum quantity of the Shipment (that is, the upper limit of any operational or Shipment tolerance or option). Payment of cash in advance shall be made by the date specified in the Sales Contract or as specified in Seller’s notice pursuant to Section 12.16.2. Seller or Buyer as applicable shall account to the other forthwith, and in no event later than five (5) Banking Days after receipt by Buyer of Seller’s final commercial invoice, for any difference between the sum paid in advance and the Shipment Value specified in the final commercial invoice. Notwithstanding Section 12.14, no interest shall be due on the difference between the sum paid in advance and the actual Shipment Value.

13 **TAXES**

13.1 The price per unit stated in the Sales Contract shall be exclusive of excise duty, VAT and similar goods and services taxes.

13.2 Seller shall be responsible for any existing Taxes arising prior to Delivery in connection with the Product or its sale, delivery or export.

13.3 Buyer shall be responsible for any existing Taxes arising upon and/or after Delivery in connection with Product, its sale, delivery, import/export or use. Buyer shall indemnify Seller in respect of any cost, penalties or interest arising out of Buyer’s failure to pay or delay in paying any Tax for which Buyer is responsible under the terms of the Agreement.

13.4 Seller shall not be the importer of record. All Taxes that arise in respect of such customs and excise entry shall be for Buyer’s account.

13.5 Buyer must provide Seller with any such documentation that Seller reasonably considers to be necessary to satisfy any enquiry of any tax authority.

14 **FORCE MAJEURE**

14.1 Subject to:

(i) compliance with the notice provisions in Section 14.4; and

(ii) the extent provided in Section 14.5,

neither Seller nor Buyer shall be liable for a failure to perform any of its obligations under the Agreement insofar as that party demonstrates that the failure was due to an impediment beyond its control.

14.2 An impediment within Section 14.1 above shall include prevention of a party’s performance of its obligations hereunder resulting from events such as the following, this list not being exhaustive:

14.2.1 war, whether declared or not, civil war, riots and revolutions, acts of piracy, acts of sabotage;

14.2.2 natural disasters such as violent storms, cyclones, earthquakes, tidal waves, floods, destruction by lightning;

14.2.3 explosions, fires, destruction of tankage, pipelines, refineries or terminals and any kind of installations;

14.2.4 boycotts, strikes, lock-outs, labour disputes of all kinds, go-slows, occupation of factories and premises;

14.2.5 any curtailment, reduction in, interference with, failure or cessation of, supplies of Product from any of Seller’s or Seller’s suppliers’ sources of supply or by any refusal to supply Product, whether lawful or otherwise by Seller’s suppliers (provided in fact the sources of
supply were intended to be used to fulfil the Agreement) including a change in the product sales policies of the Kingdom of Saudi Arabia; and

14.2.6 any compliance with any executive or legislative act done by or on behalf of a government or local government, or any law, regulation or ordinance, or with any order, demand or request (including any obligation arising out of the exercise of a requirement to deliver Product of the quality deliverable hereunder by way of royalty-in-kind) of an international or national port, transportation, local or other authority or agency or of any body or person purporting to be or to act for such authority or agency or any corporation directly or indirectly controlled by any of them.

14.3 An impediment within Section 14.1 above shall not include events, including lack of funds, which merely make it more costly or difficult to make payment under the Agreement.

14.4 The party seeking relief (the “Relying Party”) shall as soon as possible after the impediment becomes known to it give notice in writing to the other party (the “Unaffected Party”) of such impediment and the effects, or the reasonably anticipated effects, on its ability to perform in as much detail as possible and the appropriate relief sought. The appropriate relief takes effect from the time the other party receives the notice. In the event of failure to give notice as soon as possible the Relying Party shall be liable to the other party for damages for loss but only to the extent that such loss could reasonably have been avoided had prompt notice been given.

14.5 The appropriate relief where force majeure has been declared shall be as follows:

14.5.1 where Seller is the Unaffected Party, Seller shall have the right to immediately terminate the parties’ obligations in relation to the affected Shipment(s) only, without damages, penalties or other contractual sanctions and shall be entitled to dispose freely of such undelivered Product at its sole discretion;

14.5.2 in all other circumstances in which force majeure is validly declared (including where Seller decides not to exercise its rights under Section 14.5.1), the parties’ obligations in relation to the affected Shipment(s) only shall be postponed without liability for damages, penalties and other contractual sanctions for a period until midnight local time on the Estimated Shipment Departure, or until such time as the impediment is removed, whichever is the earlier. The impediment shall not, however, operate to extend the term of the Agreement. Further, should the impediment continue beyond midnight local time on the Estimated Shipment Departure, then it shall be deemed to terminate, without liability for damages, penalties and other contractual sanctions, the parties’ obligations in relation to the affected Shipment(s) only; and

14.5.3 the Relying Party, if Seller, shall not be obliged to purchase afloat or otherwise from other suppliers to make good a shortage or deficiency of Product to be Delivered resulting from an impediment.

14.6 Nothing in this Section 14 shall be taken to limit or prevent the operation of the doctrine of frustration (including frustration of the adventure or the purpose of the Agreement).

15 HEALTH, SAFETY AND ENVIRONMENT

15.1 To the extent permissible by law, Seller shall not be responsible in any respect whatsoever for any loss, damage or injury resulting from any hazards inherent in the nature of the Product delivered hereunder.

15.2 Buyer acknowledges that there may be hazards associated with the handling, loading, unloading, transportation or use of the Product which may require that warnings be communicated to or other precautionary measures taken with regard to all persons handling or otherwise coming into contact with the Product.
15.3 Buyer shall provide its employees with appropriate information and training, as required under any relevant law, statute, regulation, directive or guideline, to enable them to handle and use the Product Delivered hereunder in a manner which does not endanger their health or safety or the environment.

15.4 Material Safety Data Sheets

15.4.1 In providing Buyer with a MSDS, regardless of the source of the Product, Seller provides no warranty or representations as to the accuracy or completeness of such MSDS and notwithstanding any other provision to the contrary in the Agreement, Seller accepts no liability, including but not limited to, for loss, damage, delay or expense incurred by Buyer for whatever reason arising from its reliance on the accuracy of the MSDS provided.

15.4.2 Buyer shall be responsible for any consequences or liabilities, including but not limited to loss, damage or injury that result from the use of MSDS or other comparable information relating to health, safety and environmental matters in connection with the Product.

16 CONFIDENTIALITY

16.1 The parties undertake to treat the contents of the Agreement as strictly confidential and shall not disclose those contents except with the previous consent of the other party and except as otherwise required to implement the Agreement.

16.2 In the event that Seller agrees to provide Buyer with the Product specifications pursuant to Section 5.2, Buyer undertakes to treat the specifications as strictly confidential, and shall not disclose those the contents of those specifications to any third parties.

16.3 Notwithstanding the provisions of Section 16.1 above, a party (the “Disclosing Party”) may disclose details of the Agreement without the other party’s prior written consent if:

16.3.1 such disclosure is required by law or by any securities exchange or regulatory or governmental body or fiscal authority having jurisdiction over it, wherever situated, and whether or not the requirement has the force of law; or

16.3.2 the confidential information is or was already in the public domain other than through the fault or action of the Disclosing Party; or

16.3.3 such disclosure is to an Affiliate or in connection with any dispute, legal or arbitration proceedings, and in which case provided that the Disclosing Party shall cause all parties in receipt of such information to be bound by the same obligations of confidentiality as are contained in the Agreement.

17 LIMITATION OF LIABILITIES

17.1 In no event, including but not limited to any negligent act or omission on its part, shall either party be liable in contract, tort, breach of statutory duty or otherwise, for incidental, consequential, indirect or special damages or losses to the other party, including (without limitation) loss of anticipated profits, plant shut-down or reduced production, loss of power generation, blackouts or electrical shut-down or reduction, goodwill, use, market reputation, business receipts or contracts or commercial opportunities, whether or not foreseeable and whether or not such a claim arises out of or in connection with the Agreement.

18 TERMINATION OR SUSPENSION

18.1 Notwithstanding anything to the contrary express or implied elsewhere in the Agreement and without prejudice to its other rights:
18.1.1 either party may in its sole discretion either immediately terminate the Agreement or suspend Delivery/acceptance of Delivery under the Agreement until further notice on notifying the other party either orally (later confirming such notification) or in writing:

18.1.1.1 if a liquidator (other than for the purpose of amalgamation, consolidation or merger), administrator, trustee in bankruptcy, receiver or receiver and manager is appointed in respect of the assets and/or undertaking of the other party, or the other party enters into an arrangement or composition with, or seeks protection from its creditors, or any similar appointment, arrangement or composition is made under any applicable law, or if the party in question has reason to anticipate any such occurrence, appointment, arrangement or composition; or

18.1.1.2 in the event that the other party fails to Deliver or take Delivery of a Shipment, as contemplated in Section 7.6; or

18.1.1.3 in the event that the other party otherwise materially breaches the terms of this Agreement; and

18.1.2 Seller may in its sole discretion either immediately terminate the Agreement or suspend Delivery under this Agreement until further notice on notifying the other party either orally (later confirming such notification in writing) or in writing:

18.1.2.1 in the event that Buyer fails to make payment in accordance with this Agreement and by the Due Date; or

18.1.2.2 in the event that Buyer fails to provide Payment Security as required in accordance with Section 12.16, or as otherwise required under this Agreement.

19 ASSIGNMENT

19.1 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, not to be unreasonably withheld. If such written consent is given, the assigning party shall remain jointly and severally liable with the assignee for the full performance of its obligations under the Agreement.

20 AMENDMENT OF AGREEMENT

20.1 The Agreement may only be modified, amended, varied, extended, or otherwise changed in any way by the written agreement of the parties.

21 NOTICES

21.1 All notices and other communications by either party to the other (except for notices of readiness) shall be given in writing to the contacts and addresses (postal, facsimile or email) provided in the Sales Contract or otherwise communicated by the other party and shall be effective when received by courier, facsimile or email (save for notices of assignment, termination and legal or arbitration proceedings, which must be sent by courier or facsimile transmission) by the other party or by the person designated to act and/or receive notice on behalf of such other party.

21.2 Any such communication shall be deemed to have been received as follows:

21.2.1 in the case of a communication by facsimile transmission where an answerback is provided, if the recipient’s answerback is received on a Business Day in the sender’s location before 17:00 hours, then on that day; in any other case, on the Business Day in the sender’s location after the day on which the recipient’s answerback is received;
21.2.2 in the case of a communication by courier, if delivered on a Business Day in the recipient’s location before 17:00 hours, then on that day; in any other case it will be treated as being received on the next Business Day in the recipient’s location; and

21.2.3 in the case of a communication by e-mail, if sent on a Business Day in the sender’s location before 17:00 hours, then on that day; in any other case, on the Business Day in the sender’s location after the date it was sent. Notwithstanding the foregoing, e-mail messages are only valid if actually received and the sender bears the risk of a failure in transmission.

21.3 All notices and communications shall only be deemed to be received where they have been sent to a contact and address specified in the Sales Contract or otherwise notified to the sending party. Any alterations to the contacts or addresses specified in the Sales Contract shall be notified immediately by letter or facsimile to the other party.

21.4 Notices may not be given by instant messaging.

22 EDOCS

22.1 Where it is specified in the Sales Contract that any bill of lading, waybill, delivery order, certificate, receipt or other document issued pursuant to, or in connection with, the Agreement may be issued, signed and transmitted electronically (each, an “eDoc”) then it is hereby expressly agreed that any applicable requirement of law, contract, custom or practice that any transaction, document or communication shall be made or evidenced in writing, signed or sealed shall be satisfied by an eDoc and the parties hereto agree not to contend in any dispute arising out of or in connection with any eDoc or any eDoc which is converted to paper that it is not in writing or that it is not equivalent to an original paper document signed by hand, or, as the case may be, sealed.

23 DESTINATION

23.1 It is a condition of the Agreement that the Product Delivered under the Agreement shall not by Buyer or others directly or indirectly and irrespective of means:

23.1.1 be exported to any Restricted Jurisdiction; or

23.1.2 be sold or supplied to any natural or legal person in any Restricted Jurisdiction; or

23.1.3 be sold or supplied to any natural or legal person for the purposes of any commercial activity carried out in or from any such Restricted Jurisdiction; or

23.1.4 be used, sold or disposed of, either on its own or together with any other products developed with or including the Product, to any company, individual, government or other entity which may use the Product for any purpose related to the production or storage of nuclear materials, nuclear weapons, biological weapons, chemical weapons or any material or device that may be considered a weapon of mass destruction.

23.2 For the purposes of this Section 23, “Restricted Jurisdiction” shall mean any country, state, territory or region or destination which is at the relevant time either prohibited under the laws of the country in which such Product was produced or contrary to any regulation, rule, directive or guideline applied by the government of that country or any relevant agency thereof.

23.3 Buyer shall inform Seller of the final destination(s) of the Product and provide Seller with all appropriate documentation for the purposes of verifying the final destination of any Product Delivered hereunder within sixty (60) days of the date of completion of discharge of the Shipment (or within such lesser period as will enable Seller or its supplier to comply with any requirement or request of any relevant government or authority). The obligations of Buyer to
comply with the requirements of this Section shall not be affected by any sale or disposal of the Product in question by Buyer.

23.4 Buyer warrants and undertakes to Seller that the final destination(s) are those (if any) specified in the Sales Contract or such other destination for which Buyer has obtained Seller’s consent. Where the destination is relevant to the Shipment Value and Buyer wishes to change a previously agreed destination, Buyer must notify Seller immediately and such change shall only be permitted where the parties agree to amend the Agreement accordingly.

23.5 In the event of any failure by Buyer to comply with this Section 23 or if Seller has reasonable grounds for believing that such undertakings will not be complied with Seller may (without prejudice to its other rights) immediately terminate the Agreement or suspend Delivery under the Agreement or decline to commence or complete loading hereunder upon written or oral notice to Buyer, without being liable for any indemnity to Buyer. Moreover, Buyer shall indemnify and hold Seller harmless in respect of all costs, expenses, fines, and losses incurred by Seller and against all demands made by any party, as a consequence of breach of this Section 23.

23.6 Notwithstanding anything to the contrary herein, nothing in the Agreement is intended, and nothing herein should be interpreted or construed, to induce or require either party hereto to act or refrain from acting (or agreeing to act or refrain) in any manner which is inconsistent with, penalized or prohibited under:

23.6.1 any laws, regulations, decision, decrees or instructions of the Government of the Kingdom of Saudi Arabia; or

23.6.2 any such other official government rules or requirements applicable to either party which relate to foreign trade controls, export controls, embargoes, international boycotts or sanctions of any type.

24 FACILITATION PAYMENTS AND ANTI-CORRUPTION

24.1 Buyer and Seller each represent, warrant and undertake to the other that neither they, nor any of their directors, officers, employees, contractors, sub-contractors or agents (each a “Representative”) shall, except as has been lawfully agreed, directly or indirectly pay, offer, give or promise to pay or authorise the payment of, any significant monies, commission, fee, rebate, gift, entertainment or other things of significant value to:

24.1.1 a government official or an officer or employee of any government or any department, agency or instrumentality of any government;

24.1.2 an officer or employee of a public international organisation;

24.1.3 any person acting in an official capacity for or on behalf of any government or department, agency, or instrumentality of such government or of any public international organisation;

24.1.4 any political party or official thereof, or any candidate for political office; or

24.1.5 any other person, individual or entity at the suggestion, request or direction or for the benefit of any of the above-described persons and entities.

24.2 In particular, the parties each represent and warrant to each other that they have not, save as was pursuant to a lawful requirement, made any significant payments or given anything of significant value to officials, officers or employees of the government 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.
24.3 Buyer warrants that it has not made or given, and shall not make or give, directly or indirectly, any payment or anything of significant value to any Representative of Seller, its predecessor or any other person or entity, to secure or influence the award of the Agreement or its terms, performance, administration, extension or termination. The failure of Buyer to meet any of these warranties shall be considered a material, substantial breach of the Agreement which shall entitle Seller to terminate the Agreement.

24.4 No Representative of either party shall enter into any business or financial arrangement with any Representative of the other party except to the extent such Representatives are acting in their capacities as Representatives of the parties hereto.

24.5 Either party may terminate the Agreement forthwith upon written notice to the other party if in its reasonable judgment, supported by credible evidence, the other party is in breach of Sections 24.1, 24.2, 24.3 or 24.4 above.

25 **GOVERNING LAW**

25.1 The laws of England shall govern the construction, validity and performance of the Agreement (including any non-contractual obligations arising in connection with the Agreement) to the exclusion of any other law which may be imputed in accordance with choice of law rules applicable in any jurisdiction.


26 **DISPUTE RESOLUTION**

26.1 Any dispute, controversy or claim arising out of or in connection with the Agreement, including any question regarding its existence, validity, breach or termination (a “Dispute”) shall, unless dealt with in accordance with Sections 26.4 or 26.5 below, be referred to and resolved by arbitration under the London Court of International Arbitration (“LCIA”) Rules, which Rules are deemed to be incorporated into the Agreement by reference.

26.2 The number of arbitrators shall be three (3), one to be appointed by each party and the third to be a barrister or solicitor practising in England or Wales and experienced in commercial disputes appointed by the Court of the LCIA.

26.3 The place of the arbitration shall be London. The language of the arbitration shall be English.

26.4 Notwithstanding Sections 26.1 to 26.3 above, either party shall have the right by giving written notice of election to the other party, to elect to refer the dispute to the High Court in London. In the event of a party serving a written notice of arbitration, the other party shall have 14 days from receipt of that notice within which to give written notice of election to submit a Dispute to the High Court in London. If a party elects to submit a Dispute to the High Court in London, each party shall appoint an English solicitor to accept service of proceedings relating to the Dispute within fourteen days of a written request from the other side to do so.

26.5 Notwithstanding Sections 26.1 to 26.4 above, the parties agree that where the amount in dispute between them is US$50,000 or less (excluding interest and costs) then the Dispute shall be referred to a sole arbitrator and the arbitration shall be conducted in accordance with the London Maritime Arbitrators’ Association Small Claims Procedure current at the time when the claiming party commences arbitration proceedings. The place of arbitration shall be London and the language of the arbitration shall be English.

26.6 Either party to an arbitration in accordance with the LCIA Rules shall be entitled to appeal to the High Court, London on any question of law arising out of or determined in an award published pursuant to an arbitration commenced in accordance with Section 26.1.
26.7 Each party hereby waives, to the fullest extent permitted by the applicable law, any objection to the jurisdiction of any venue or tribunal that is competent pursuant to the terms of the Agreement or any claim of inconvenient forum of such venue or tribunal.

27 MISCELLANEOUS

27.1 **Severability.** If any provision of the Agreement is held invalid or unenforceable by a court or arbitral tribunal of competent jurisdiction or either party’s compliance with any ruling or resolution of the Government of the Kingdom of Saudi Arabia, the United Nations or the European Union has a like effect, the remainder of the Agreement shall nevertheless remain in full force and effect.

27.2 **Waiver.** The waiver of strict compliance with or performance of any of the terms of the Agreement or of any breach thereof shall not be held or deemed to be a waiver of any continuing or subsequent failure to comply strictly with or perform the same or any other term or condition of the Agreement or of any breach thereof, except to the extent expressly stated in writing by the party which would otherwise be bound.

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

27.4 **Consents, etc.** Each party shall be responsible for obtaining all consents, authorisations, approvals and assurances of whatever nature necessary to enable it to comply with its obligations under the Agreement.

27.5 **Recording, Retention and Monitoring of Communications.** Each party hereby acknowledges to the other party and consents that such other party may from time to time and without further notice and to the extent permitted by law:

27.5.1 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 business purposes; and

27.5.2 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.

27.6 **Third party rights.** A person, company or other legal entity who is not a party to the Agreement shall not have or acquire, whether by virtue of the Contracts (Rights of Third Parties) Act 1999 or otherwise, any rights in relation to the Agreement.

27.7 **Trade marks.** Nothing in the Agreement whether express or implied shall be deemed to confer any right upon either party to apply any trade mark owned by the other party or any of its Affiliates to any Product supplied under the Agreement nor to use such trade marks in relation to such Product.

27.8 **Setoff.** In the event of a termination of this Agreement, a party (X) may deduct from amounts which are payable to the other party (Y) under this Agreement any amounts which are payable to X by Y under this or any other agreement between the parties.
SCHEDULE A:

LETTER OF INDEMNITY FORMAT

We refer to our agreement dated [date, month, year] in respect of our sale to you of [quantity and unit] of [grade] Product (the “Agreement”), loaded on board Vessel “[vessel name]” pursuant to bills of lading dated [B/L date].

In consideration of your having agreed to accept delivery of the Product without having been provided with the bills of lading, we hereby represent and warrant all of the following:

(i) the existence and validity of the bills of lading dated [insert date of bills of lading];
(ii) that we are entitled to possession of the bills of lading;
(iii) that we were entitled to possession of the Product;
(iv) that we had good, marketable title to such Product;
(v) that title in the Product has been passed as provided in the Agreement to you free of all liens, charges or encumbrances of whatever kind; and
(vi) that you will have the benefit of the warranty as to enjoyment of quiet possession implied by law in the Agreement but without prejudice to any other warranty so implied.

Without prejudice to your rights under the Agreement we hereby agree to protect, indemnify and hold you harmless from and against any and all damages, losses, liabilities, costs, claims and reasonable expenses which you may suffer by reason of our failure to present the bills of lading to you in accordance with the Agreement; including but not limited to, any action or proceeding brought or threatened against you by reason of our said failure and any breach of our above express representations and warranties; or any liens, charges or encumbrances asserted on the bills of lading or the Product or any other claims arising out of or in connection with the bills of lading.

Our liability hereunder shall remain in full force and effect unless and until we provide you with the bills of lading, which we agree to provide to you as soon as the same have come into our possession.

Our liability hereunder is, however, subject to the condition that you give us prompt notice of the assertion of any claims and full opportunity to conduct the defence of such claims.

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

This indemnity shall be governed by and construed in accordance with English law. Any dispute or claim arising out of or in connection with this letter of indemnity shall be subject to the jurisdiction of the High Court of England & Wales.

Signed by: ..................... Title: ..................... of: [company name]
SCHEDULE B:

PROFORMA DOCUMENTARY LETTER OF CREDIT

LETTER OF CREDIT NUMBER:

ADVISING BANK:

DATE OF ISSUANCE:

DATE OF EXPIRY:

DESCRIPTION OF PRODUCT:

With reference to contract [insert contract number] (the “Agreement”) dated [insert contract date] between [Seller’s name] (the “Beneficiary”) and [Buyer’s name] (the “Applicant”) we hereby issue our irrevocable documentary letter of credit number [insert L/C number] in favour of the Beneficiary for [insert amount].

This documentary letter of credit shall be available at the counters of [bank name and address] on or before the date of expiry against presentation of the following documents:

1. The Seller’s commercial invoice; and a full set of clean bills of lading issued or endorsed to the order of Buyer or a letter of indemnity.

SPECIAL CONDITIONS

1. This Letter of Credit shall take effect in accordance with its terms but such terms shall not alter, add to or in any way affect the provisions of the Agreement to which this Letter of Credit relates.

2. Provisional and/or final invoices are allowed.

3. Multiple drawings are permitted.

4. Partial drawings are allowed.

5. The value of this Letter of Credit will automatically escalate/de escalate in accordance with the loaded quantity and, the price clause as set out in the copy of the Beneficiary’s unpaid commercial invoice without any further amendment.

6. Spelling mistakes and or typographical errors not affecting the meaning of a word or a sentence shall not be considered as discrepancies.

7. The terms of this Letter of Credit shall not have the effect of amending or varying the terms of the underlying contract.

8. This irrevocable Letter of Credit is subject to the latest version of the Uniform Customs and Practice for Documentary Credits, (2007 Revision International Chamber of Commerce Publication No. 600).

9. The construction, validity and performance of this Letter of Credit shall be governed by and construed in accordance with English law. Any dispute or claim arising out of or in connection with this Letter of Credit shall be referred to and resolved by the High Court in London.

10. All bank charges are for the account of the Applicant. Failure of the Buyer to pay any such amounts shall not affect the Beneficiary’s rights to make drawings under this Letter of Credit.
SCHEDULE C:
FORM L(1) (02/18/08) Products

PROFORMA STANDBY LETTER OF CREDIT AND CONFIRMATION

I. Instructions

BUYER shall obtain an Irrevocable Standby Letter of Credit issued, or confirmed, by a bank acceptable to SELLER. BUYER shall obtain SELLER's approval of BUYER's proposed issuing bank or confirming bank prior to opening the credit. The Letter of Credit must be in strict accordance with the following proforma Letter of Credit, and if the credit is confirmed the confirmation must be in strict accordance with the following proforma confirmation. Except as SELLER may instruct BUYER otherwise in writing, the Letter of Credit and any confirmation thereof must not expire sooner than twenty (20) days after the final payment Due Date(s) for any cargo(es) for which the credit is applicable.

BUYER may establish a Letter of Credit for each individual cargo to be purchased from SELLER or, at BUYER's discretion, BUYER may establish a Letter of Credit in an amount and with an expiry date to cover multiple cargoes according to the criteria established below. In either case, the amount of the Letter of Credit must be no less than one hundred ten percent (110%) of the estimated value of the Products to be purchased from SELLER during the term of the Letter of Credit based upon the prices and volumes specified in the Product Sales Agreement.

A Letter of Credit not requiring confirmation is to be sent directly and authentically (by either tested telex or swift) from the issuing bank to:

JPMorgan Chase Bank, N.A., Riyadh Branch (CHASSARI)
For further credit to SAUDI ARAMCO PRODUCTS TRADING COMPANY
Account number 41480179
IBAN: GB53CHAS60924241480179

JPMorgan Chase Bank, N.A. will then advise SELLER of the opening of the credit electronically via the bank’s web site. A Letter of Credit which requires confirmation should be sent by the issuing bank to the confirming bank, and the confirming bank should send the credit, together with its confirmation, directly and authentically (by either tested telex or swift) to JPMorgan Chase Bank, N.A., at the above address.

II. Text of Proforma Letter of Credit:

(Name and Address of Issuing Bank)

Date: ________________________, 200__

Addressee: Saudi Aramco Products Trading Company (Aramco Trading)
Box 5000
Dhahran, Saudi Arabia

Gentlemen:

At the request and on behalf of (name and address of BUYER) ("BUYER"), we (name and address of issuing bank) hereby establish our Irrevocable Standby Letter of Credit No. (number) dated (date) in your favor for an amount not to exceed in the aggregate U.S.
Dollars (amount in words and figures), plus interest as provided herein, effective immediately and expiring with the close of business at the Place of Presentation (as defined below) on (___ date ___).

Funds under this Letter of Credit are available to you against your draft(s) drawn at sight on us, mentioning thereon our Letter of Credit No. (number), accompanied by your written drawing certification in the form attached hereto as Annex 1 and made a part hereof.

The amount which may be drawn by you under this Letter of Credit shall be automatically reduced by the amount of any drawing hereunder. Partial drawings are permitted.

We hereby engage with you that all drafts drawn on us and presented under and in compliance with the terms of this Letter of Credit will be duly honored by us if presented together with your written drawing certification as provided above on or before expiry (1) at our office at (Issuing bank location where presentation may be made) or (2) at the office designated in the advice of confirmation of any bank that has confirmed this Letter of Credit (either of which is referred to herein as the "Place of Presentation"). Upon our receipt of a demand for payment made by you hereunder at least three (3) business days prior to the date payment hereunder is expected, payment shall be made to you of the amount demanded in immediately available funds not later than 10:00 a.m. local time at the Place of Presentation on the day for which payment is demanded. The term "business day" shall mean a day on which banks are open for business in the city in which the Place of Presentation is located. We further engage with you that payments made against your draft(s) will include interest from the date upon which BUYER's payment was due through the date of payment of your draft(s) at a rate equal to one percent (1%) above the one (1) month British Bankers Assoc. London Interbank offered rate (LIBOR), for U.S. Dollar deposits as shown on Reuters screen, reference page “LIBOR01” fixed at 11:00 a.m. London time, on the first banking day of the month in which payment was due.

This letter of credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision, International Chamber of Commerce Publication No.600).

This Letter of Credit shall take effect in accordance with its terms but such terms shall not alter, add to or in any way affect the Agreement between Buyer and the Addressee to which this Standby Letter of Credit relates.

Provisional and/or final invoices allowed. Documents presented in photocopy, telex or facsimile form are acceptable. Documents presented within the validity of this Letter of Credit are permitted.

All bank charges are for the account of Buyer. Failure of Buyer to pay any such amounts shall not affect the Addressee’s rights to make drawings under this Letter of Credit.

The construction, validity and performance of this Letter of Credit shall be governed by and construed in accordance with English law. Any dispute or claim arising out of or in connection with this Letter of Credit shall be subject to the exclusive jurisdiction of the High Court of England and Wales.

(Name of Issuing Bank)

By: __________________

(Authorized Signature)

Title: __________________

Saudi Aramco: Company General Use
NOTE: The issuing bank shall insert information called for in blank spaces and between parentheses prior to its issuance of the Letter of Credit.
Annex 1

DRAWING CERTIFICATION

Date: _______________________

(Name and Address of Issuing Bank)

Re: Letter of Credit No. (_______)

Gentlemen:

Please be advised that we are hereby drawing under the above referenced Letter of Credit and that:

1. (BUYER's name and address) ("BUYER") owes us as of the date hereof U.S. Dollars (amount in words and figures) in connection with our sale of Products to BUYER pursuant to a Product Sales Agreement effective as of (date).

2. We have requested payment from BUYER per the attached photocopy, facsimile or telex copy of the invoice in the amount of U.S. Dollars (amount in words and figures) and as of the date hereof BUYER has failed to pay us such amount.

3. This drawing is in the amount of U.S. Dollars (amount in words and figures) which is not in excess of the amount for which payment has been requested as set forth in paragraph 2 hereof, plus interest from (date BUYER's payment was due) through the date of your payment hereunder. Payment of the amount demanded hereunder, including interest, is requested to be made not later than 10:00 a.m. local time at your (location corresponding to the above address) office within three (3) business days after the date of your receipt of this request.

Very truly yours,

SAUDI ARAMCO PRODUCTS TRADING COMPANY

By: _______________________

Title: _______________________

NOTE: Saudi Aramco Products Trading Company will insert information called for in blank spaces and between parentheses prior to presentation of the foregoing Drawing Certification.
III. Text of Proforma Confirmation:

(Name and Address of Issuing Bank)

Date: ______________________, 200_

Addressee: Saudi Aramco Products Trading Company (Aramco Trading)

Box 5000

Dhahran, Saudi Arabia

Gentlemen:

At the request and on behalf of (name and address of Issuing Bank) ("Issuer"), we (name and addressee of confirming bank) hereby confirm Issuer's Irrevocable Standby Letter of Credit No. (number) dated (date) ("Letter of Credit") in your favor for an amount not to exceed in the aggregate U.S. Dollars (amount in words and figures), plus interest as provided therein, expiring with the close of business at the Place of Presentation (as defined therein) on (date).

We hereby agree to pay all drafts drawn under and in compliance with the terms of the Letter or Credit if presented to us together with your written drawing certification as provided in the Letter of Credit at (name and location of confirming bank place of presentation) on or before expiry. For purposes of this confirmation and the Letter of Credit, such address shall be deemed a "Place of Presentation" (as such term is so defined in the Letter of Credit). We further agree to perform all of the payment and performance obligations of the Issuer under the Letter of Credit all on the terms and provisions set forth in such Letter of Credit and irrespective of the solvency of the Issuer.

Upon our receipt of a demand for payment made by you hereunder at least three (3) business days prior to the date payment hereunder is expected, payment shall be made to you of the amount demanded in immediately available funds no later than 10:00 a.m. local time at our above-mentioned office on the day for which payment is demanded. The term "business day" shall mean a day on which banks are open for business in the city in which our above-mentioned office is located. We further engage with you that payments made against your draft(s) will include interest from the date upon which payment from the BUYER (as defined in Issuer's Letter of Credit) was due through the date of payment of your draft(s) at a rate equal to one percent (1%) above the one (1) month British Bankers Assoc. London Interbank offered rate (LIBOR), for U.S. Dollar deposits as shown on Reuters screen, reference page "LIBOR01" fixed at 11:00 a.m. London time, on the first banking day of the month in which payment was due.

This confirmation is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision, International Chamber of Commerce Publication No.600).

This confirmation shall take effect in accordance with its terms but such terms shall not alter, add to or in any way affect the Agreement between Buyer and the Addressee to which this confirmation relates.

Provisional and/or final invoices allowed. Documents presented in photocopy, telex or facsimile form are acceptable. Documents presented within the validity of this confirmation are permitted.

All bank charges are for the account of Buyer. Failure of Buyer to pay any such amounts shall not affect the Addressee’s rights to make drawings under this confirmation.

The construction, validity and performance of this confirmation shall be governed by and construed in accordance with English law. Any dispute or claim arising out of or in connection with this confirmation shall be subject to the exclusive jurisdiction of the High Court of England and Wales.
(Name of Confirming Bank)

By: __________________
   (Authorized Signature)
Title: __________________

NOTE: The confirming bank shall insert information called for in blank spaces and between parentheses prior to its issuance of the confirmation.