

BP Global Oil Americas General Terms and Conditions for Purchases and Sales (“BP GTCs”) A QUICK REFERENCE GUIDE 2008 BP GTCs v 2015 BP GTCs

Key

- Red:** significant changes
- Orange:** moderately significant changes
- Green:** less significant changes

Term	2008 GTCs	Key Changes in 2015 GTCs
1. Overall Structure	<ul style="list-style-type: none"> Organized by legal contract provision subject matter. 	<ul style="list-style-type: none"> Organized by delivery mode and Incoterm.
2. Delivery	<ul style="list-style-type: none"> Delivery terms to be interpreted as having the obligations and responsibilities as laid out in Incoterms© 2000. (Section 1) 	<ul style="list-style-type: none"> Delivery terms are defined by reference to Incoterms© 2010 (as amended by the GTCs), except where the delivery is DES or DDP, in which case the delivery term is defined by reference to Incoterms© 2000 (as amended by the GTCs). (Section 1)
3. Measurement/Sampling/ Inspection/Certification – Generally Applicable	<ul style="list-style-type: none"> No independent inspector determinations unless the parties agree to use one, in which case the independent inspector’s determination will be conclusive and binding absent manifest error or fraud. Measurement and sampling to be in accordance with the latest approved measurement methods in use at the terminal where title transfers as published by the API in the MPMS or as published by ASTM. (Section 5) 	<p>Except in the case of pipeline deliveries:</p> <ul style="list-style-type: none"> An Independent inspector will perform all measurements. The clause stating that the independent inspector’s determination will be conclusive and binding absent manifest error or fraud has been removed. Invoices to be based on the inspector’s reports. Measurements to be in accordance with “Approved Industry Practice”, which means of a standard no less than those published by API as published in the MPMS, or as published by ASTM International in effect at the time of the measurement, subject to the specific requirements of the GTCs. Upon reasonable notice, Seller to use reasonable efforts to ensure Buyer’s representative may witness measurements. (Parts 3-7, Section 2)

Term	2008 GTCs	Key Changes in 2015 GTCs
4. Measurement/Sampling/ Inspection/Certification – Pipeline Deliveries	<ul style="list-style-type: none"> No specific language addressing measurement methods or quality determinations. (Section 5) 	<ul style="list-style-type: none"> Pursuant to the requirements of the pipeline. (Part 2, Section 2)
5. Measurement/Sampling– Tank Deliveries	<ul style="list-style-type: none"> No specific language addressing measurement methods or quality determinations. (Section 5) 	<ul style="list-style-type: none"> Several measurement methods are listed, in order of priority, for each kind of tank delivery (into-tank, ex-tank and in situ), and for two separate product categories (1 – crude, fuel oil, vacuum gasoil and residual fuel and 2 – all other goods). Quality base on volumetrically correct composite sample for ex-tank and in situ deliveries. Sampling at the tank manifold for into-tank deliveries, or, if not available, by volumetrically correct composite sampling of Seller’s tank. (Part 3, Section 2)
6. Measurement/sampling – Truck Deliveries	<ul style="list-style-type: none"> Measurement methods, in order of priority, are (a) meter readings at or near the delivery point to determine bill of lading volumes, (b) driver’s measurement of ullage of each tank truck before and after delivery and conversion based on official calibrated tables. Same methods apply to all product categories and delivery types. No specific language addressing quality determinations. (Section 5) 	<ul style="list-style-type: none"> Several measurement methods are listed, in order of priority, for each of two separate product categories (1 – refined petroleum products, ethanol and bio-based liquids, and 2 – crude oil), and for each of two categories of delivery types (1 - DAT and DAP, and 2 - FCA and FOB). Quality for FCA/FOB based on volumetric composite sample at load terminal or, if not available or not verifiable, in order of priority, by the terminal operator or the carrier at or near the delivery location. Results to be issued in form of certificate of quantity and/or quality, bill of lading, meter tickets or weight tickets by terminal operator or the carrier and the independent inspector. (Part 4, Section 2)
7. Measurement/sampling– Railcar Deliveries	<ul style="list-style-type: none"> Measurement methods, in order of priority, are (a) meter readings at or near the delivery point to determine bill of lading volumes, (b) driver’s measurement of ullage of each rail tank car before and after delivery and conversion based on official calibrated tables. Same methods apply to all product categories and delivery types. No specific language addressing quality determinations. (Section 5) 	<ul style="list-style-type: none"> No terms addressing railcar deliveries. Rail delivery supplement forthcoming.
8. Measurement/sampling– FOB, CFR and CIF Vessel Deliveries	<ul style="list-style-type: none"> Measurement methods, in order of priority, are (a) proven or U.S. customs approved shore custody meters, (b) shore tank measurement taken before and after delivery, and (c) if shore tanks are active, by vessel measurements before and after loading less OBQ as adjusted by VEF. Same methods apply to all product categories. Sampling procedures are subject to terminal procedures and in the following order of precedence: <ul style="list-style-type: none"> Automatic, flow-proportional, in-line device Weighted, volumetric composite of representative samples taken manually from seller’s tanks prior to loading or discharging, or Weighted, volumetric composite of representative samples taken manually from buyer’s tanks. <p>(Section 5)</p> <ul style="list-style-type: none"> In the event of blending, dyeing and addition of additives, risk and title in the goods remains with seller until completion of quality tests, and passes to buyer when goods are certified by the independent inspectors as meeting specs or, if no independent inspector, when the goods are certified by the loading terminal operator as meeting the specs. On board blending, dying or addition or injection of additives shall not constitute a 	<ul style="list-style-type: none"> Several measurement methods are listed, in order of priority, for each of two separate product categories (1 crude, fuel oil, vacuum gasoil and residual fuel, and 2 – all other goods). The sampling methods for crude oil, fuel oil, vacuum gasoil and residual fuel generally track the sampling methods set forth in the 2008 GTCs. For all other goods, in order of priority, (a) shore tank measurement taken before and after delivery, (b) if shore tanks are active, by vessel measurements before and after loading (or discharging, in the case of Ex-Ship) less OBQ as adjusted by VEF and (c) load terminal (or discharge terminal, in the case of Ex-ship) calibrated meters. For FOB, quality based on sampling of seller’s static shoretank or, if active, based on inline sampling at the vessel’s manifold at loading, or if not available, by volumetrically correct composite sampling of vessel’s tanks at loading. For CIF/CFR, quality based on inline sampling at the vessel’s manifold at loading, or if not available, by volumetrically correct composite sampling of shore tanks at time of loading. Blending, dyeing and addition of additives provision no longer alters when title and risk of loss pass to buyer, but new language is included to clarify that goods are still required to meet the quality requirements (set out in Part 1, Section 3). New language added requiring buyer to confirm in its

Term	2008 GTCs	Key Changes in 2015 GTCs
	breach of the agreement by seller. (Section 8)	nomination that the vessel is capable of blending evenly during loading operations. Further, the seller will direct the vessel to comply with seller's reasonable instructions for on-board operations and assist the buyer in ensuring operations are done properly. Quality to be measured by sampling of the vessel composite after completion of on-board operations. (Part 5, Section 2 and Part 6, Section 2)
9. Measurement/sampling– Ex-Ship Vessel Deliveries	See row 8 above.	<ul style="list-style-type: none"> • Measurement methods – see row 8 above for volume measurements. • For goods other than crude oil, fuel oil, vacuum gasoil and residuals, quality based on weighted volumetric composite of representative samples of vessel's tanks prior to discharge. If buyer is to receive at more than one terminal, samples at first terminal shall apply to goods discharged at subsequent terminals, subject to applicable law. (Part 7, Section 2)
10. Quality and Quantity and Quantity Claims Timebar	<ul style="list-style-type: none"> • Goods must conform to quality specifications of applicable law. (Section 7) • Claims for a defect of quantity or quality are covered by general claims time bar provision, which requires a written claim within 90 days of title transfer, accompanied by evidence fully supporting the claim. (See row 39 also) (Section 21) 	<ul style="list-style-type: none"> • The requirement that goods conform with specifications of applicable law removed. (But Part 1, Section 12 requires that the goods generally comply with applicable law) • A specific time bar is included for quality/quantity claims, which requires a written claim within 90 days of title transfer accompanied by supporting documentation and reasonable details of the facts on which the claim is based. For vessel deliveries, quantity claims not admitted if the difference between the load and discharge quantity is 0.3% of the loaded quantity or less. (See row 39 also) (Part 1, Section 3)
11. Title and Risk of Loss	<ul style="list-style-type: none"> • Title and Risk of Loss pass as follows: <ul style="list-style-type: none"> a) Pipeline: when goods pass into the pipeline or when the goods pass the outlet flange of the pipeline, as applicable. In the case of in-line transfers, at 0001 hours local time on the effective date of the transfer. b) Into-Tank or Ex-Tank: when goods enter a storage tank or when the goods pass the outlet flange of the storage tank, as applicable. c) In Situ, book or stock transfer: at 0001 hours local time on the effective date of the transfer. d) Net scheduling: at 0001 hours local time on the effective date of the net scheduling. e) Truck: As applicable, (a) as goods pass the inlet manifold of the tank truck in the case of bottom loading or the outlet of the loading terminal's flexible hose, in the case of gravity fed top loading or (b) on arrival of the tank truck at the agreed delivery point. f) Rail: As applicable, (a) as goods pass the inlet manifold of the rail tank car in the case of bottom loading or the outlet of the loading terminal's flexible hose, in the case of gravity fed top loading or (b) at the moment that the locomotive used to transfer the rail tank cars from the loading terminal to the agreed delivery point is uncoupled from such rail tank cars at the agreed delivery point. g) FOB/CFR/CIF: last flange on the terminal-provided cargo hoses or piping. h) Ex-Ship: last flange on the terminal-provided cargo hoses or piping. (Section 3) 	<ul style="list-style-type: none"> • Title and Risk of Loss pass as follows: <ul style="list-style-type: none"> a) Pipeline: Title transfer provisions specified for into-pipe, out of pipe, in-line transfers. In the case of transfer into pipe, when goods pass into the entry flange of the pipeline. In the case of transfer out of pipe, when the goods pass the outlet flange of the pipeline. In the case of in-line transfers, in accordance with the procedures of the relevant pipeline. b) Into-Tank or Ex-Tank: when goods pass the inlet flange of buyer's receiving tank or when the goods pass the outlet flange of seller's tank, as applicable c) In Situ: In accordance with the terminals standard operating procedures and, where not inconsistent therewith, as agreed by the parties. Book and stock transfer not addressed. d) Net scheduling: No net scheduling provision. e) Truck: As applicable, (a) as goods pass the inlet flange of the tank truck at the load terminal or (b) as the goods pass the inlet flange of the terminal's receiving equipment. f) Rail: Not addressed. g) FOB/CFR/CIF: as the goods pass the vessel's permanent manifold connection at the load terminal. h) Ex-Ship: as the goods pass the vessel's permanent manifold connection at the discharge terminal. (Parts 2-7, Section 3)
12. Representations and	<ul style="list-style-type: none"> • No express representations and warranties. 	<ul style="list-style-type: none"> • Express representation and warranty added pursuant to which seller warrants that buyer receives marketable title to goods, free and clear of

Term	2008 GTCs	Key Changes in 2015 GTCs
Warranties		<ul style="list-style-type: none"> liens or encumbrances, and seller has full right and authority to transfer title. New representation and warranty by each party that it is acting as a principal, not as agent (unless otherwise stipulated in special provisions). (Part 1, Section 2)
13. Destination Restrictions	<ul style="list-style-type: none"> No destination restrictions clause. 	<ul style="list-style-type: none"> Goods may not be imported into any jurisdictions in violation of applicable law and shall not export into any Restricted Jurisdiction (country subject to sanctions). Buyer to provide seller with legally necessary documentation upon request. If buyer breaches its obligation or seller has reasonable grounds to believe seller may breach the obligation, seller may suspend performance, demand adequate assurance or refuse to load. (Part 1, Section 4)
14. Pipeline Terms	<ul style="list-style-type: none"> Damages provision permits recovery of damages, such as demurrage, penalties and fees, resulting from a party's failure to make or take delivery in accordance with the agreement. (Section 12) See Measurement/sampling/ inspection/certification – Pipeline Deliveries above in row 4, Title and Risk of Loss above in row 11 and Imbalance section below in row 15. 	<ul style="list-style-type: none"> Damages provision permits recovery of damages, such as demurrage, penalties and fees, resulting from a party's failure to make or take delivery in accordance with the agreement or failure to conform to a tariff. Payment of damages is due after delivery of notice and in accordance with Part 1, Section 6 (Payment). (Part 2, Section 4) If the grade changes as a result of transportation on a pipeline, the parties will mutually agree to pricing on the volume to reflect the re-grade). (Part 2, Section 6) See Measurement/sampling/ inspection/certification – Pipeline Deliveries above in row 4, Title and Risk of Loss above in row 11 and Imbalance section below in row 15.
15. Imbalances	<ul style="list-style-type: none"> If the agreement is a buy-sell or exchange, the parties will use commercially reasonable efforts to maintain a balance, as near as the transportation conditions will permit. The party that received a deficient volume or an excess volume of goods, as applicable, determines how to settle the imbalance using commercially reasonable efforts. In the case of an excess delivery, the determining party shall either require the return of the excess volume at the other party's expense or make a cash payment for excess volume or a combination. Delivery of an imbalance must be made in the month following the imbalance or as otherwise agreed. If the parties in good faith can't reach an agreement in 30 days, the performing party may require the non-performing party to make a financial settlement. (Section 13) 	<ul style="list-style-type: none"> Imbalance provision applies to pipeline or in situ transactions only. If the agreement is a buy-sell or exchange, the parties will use commercially reasonable efforts to maintain a balance, as near as the transportation conditions will permit. (Same as 2008 GTCs) The settlement method requiring return delivery and providing a financial settlement option after 30 days included in the 2008 GTCs was replaced by the following settlement method, which is limited to buy-sell or exchanges that are crude oil transactions. If an imbalance for a month is greater than 1000 barrels is the result of a pipeline allocation, a force majeure or another event beyond the control of a party, then: <ul style="list-style-type: none"> a) The under-delivered volume shall be delivered in the next month or as soon as reasonably possible in a subsequent month; b) The price for the under-delivered volume, when delivered, shall be the price for the month in which the imbalance occurred (and not for the month of actual delivery); c) The parties may by mutual agreement cure the imbalance by having the party that received the higher volume deliver back the imbalance amount in a subsequent month, and the price for the delivery back will be the price for the month in which the imbalance occurred.
16. Tank Delivery Terms	<ul style="list-style-type: none"> See Measurement/sampling/ inspection/certification – Tank Deliveries above in row 5 and Title and Risk of Loss above in row 11. 	<ul style="list-style-type: none"> New provision requiring nominations to be made in accordance with the standard operating procedures of the relevant storage company. (Part 3, Section 4) See Measurement/sampling/ inspection/certification – Tank Deliveries above in row 5 and Title and Risk of Loss above in row 11.
17. Truck Terms	<ul style="list-style-type: none"> Buyer to nominate the terminal locations and delivery dates within a specified delivery period, and shall make and take delivery ratably in 	<ul style="list-style-type: none"> All language from the 2008 GTCs was removed. The only nomination language states that nominations shall be made in accordance with the

Term	2008 GTCs	Key Changes in 2015 GTCs
	<p>accordance with standard procedures of the receiving or delivering facility. Nomination to be made no later than the second to last business day of the week prior to the week of delivery. If buyer is responsible for determining the volume within the agreement tolerance, it shall do so in the nomination; if the seller is responsible it shall advise buyer within 1 business day after receipt of nomination.</p> <ul style="list-style-type: none"> If seller is to deliver to buyer's designee, buyer must notify seller of identity and seller has no responsibility with regard to transfer to identified recipients. Seller will furnish carrier with copies of bill of lading (BOL) and other shipping papers and shall transmit electronically loading authorization and BOL info via Petrex, eDownstream or other system. Buyer to require carriers to be familiar with latest Key Card Loading Agreement or similar as required by seller. <p>(Section 10)</p>	<p>standard operation procedures out the load or discharge terminal or lease location, as applicable.</p> <p>(Part 4, Section 4)</p> <ul style="list-style-type: none"> New provision requires that tank trucks presented by buyer or seller, as applicable, are fit and ready to load/discharge and ready to load as required by the terminal operator. <p>(Part 4, Section 5)</p> <ul style="list-style-type: none"> New provision requires if the good is ethanol, gasohol, natural gasoline or gasoline, the party arranging transportation must ensure that the tank truck is in sufficient condition to haul such goods without contamination. <p>(Part 4, Section 6)</p>
18. Laydays	<ul style="list-style-type: none"> Parties to agree on delivery schedule in a commercially reasonable manner. For term agreements, parties to determine delivery schedule at least fifteen days prior to beginning of delivery month. In the case of FOB, DES, DDP or DDU deliveries, the agreed layrange must fall within the delivery period specified in the special provisions. It shall be narrowed down to 3 days for a tanker or 1 day for a barge. Vessel party to notify other party of the narrowed range no later than 5 days prior to first day of original delivery window for a tanker or no later than 1 day prior for a barge. In the case of CIF, CFR, CPT or CIP deliveries, the delivery period at the load port shall be specified in the confirmation. The agreed layrange for the discharge port shall be 3 days and must fall within the delivery range for the discharge port specified in the special provisions. Vessel party to notify other party of the layrange no later than 5 days prior to first day of original delivery window. If seller fails to nominate the 3-day layrange, layrange to be based on the ETA as given within 24 hours of departure from the load port, with the layrange established 1 day prior, the day of, and 1 day after the ETA date. <p>(Section 9)</p>	<ul style="list-style-type: none"> Provisions in 2008 GTCs removed. FOB/Ex-Ship: Laydays shall be specified in the Special Provisions or determined in accordance with the procedures in the Special Provisions. CFR/CIF: Indicative Discharge Date: Seller may provide buyer with a range of dates for arrival of vessel at the discharge terminal but, unless expressly stated otherwise in writing, it is an estimate only, not a binding commitment. <p>(Parts 5-7, Section 4)</p>
19. Vessel Nomination	<ul style="list-style-type: none"> Separate notification deadlines and information requirements for tankers versus barges. Tankers: Nomination due as soon as practicable after agreement and no later than <u>10</u> days prior to the first day of the layrange (FOB and DES) or seller's load window (CIF and CFR). The following information is required: <ul style="list-style-type: none"> a) Name of tanker and operator b) Pertinent physical characteristics of tankers c) Any other information required or requested by terminal or terminal party d) For FOB, full written instructions regarding the particulars and destination of the bills of lading and such other customary loading terminal documentation which may be required. Barges: Nomination due as soon as practicable after agreement and no later than <u>2</u> days prior to the first day of the layrange (FOB and DES) or <u>3</u> days prior to seller's load window (CIF and CFR). The following information is required: <ul style="list-style-type: none"> a) Barge name and registration number 	<ul style="list-style-type: none"> No separate notification and information requirements for tankers versus barges. However, information requirements vary based on delivery term. Both timelines and information requirements have been modified as set out below. FOB: Nomination due no later than the <u>5th</u> day prior to the first day of the laydays. The following information is required: <ul style="list-style-type: none"> a) A completed and accurate Q88 or the information that would be required. b) Grade and approximate quantity c) ETA of vessel d) Destination of vessel prior to arrival at load terminal e) Full written instructions regarding the particulars and destination of the bills of lading and such other customary terminal documentation which may be required f) Full details of cargo on board or to be loaded if loading a part cargo CIF/CFR: No nomination due date. The following information is required: <ul style="list-style-type: none"> a) a, b, c and f under FOB above.

Term	2008 GTCs	Key Changes in 2015 GTCs
	<ul style="list-style-type: none"> b) Identity/quantity of prior cargo c) Tug and barge owner/operator's name and address d) if appropriate, the consignee's name and address, the end destination (if differs from consignee) e) full documentation instructions. <p>(Section 41)</p>	<ul style="list-style-type: none"> b) The vessel/charterer's agent at the discharge terminal c) For sales afloat whereby goods will be laden onboard more than one vessel, the name of each vessel, date built and flag d) Confirmation that vessel complies with the vessel requirements set forth in Appendix A to the GTCs • Ex-Ship: No nomination due date. The following information is required: <ul style="list-style-type: none"> a) Everything under FOB above. b) Confirmation that vessel complies with the vessel requirements set forth in Appendix A to the GTCs <p>(Part 5, Section 5; Part 6, Section 7; Part 7, Section 5)</p>
<p>20. Vessel Acceptance and Rejection</p>	<ul style="list-style-type: none"> • Acceptance/Rejection: Terminal party to accept or reject vessel as soon as practicable, acceptance not to be unreasonably withheld. Terminal party may later reject vessel on any reasonable ground if vessel is involved in any incident or more recent information becomes available, but only prior to passing of title. • Liability: Terminal Party not liable for consequences of rejection or of application of any regulations or requirements of agreement. • Notice of Discharge Port: For DES, CIF or CFR, buyer to notify seller of the discharge port at same time as notice of acceptance of vessel (if not specified in Special Provisions). • Instructions re: BOL: For CIF/CFR, buyer to provide written instructions regarding destination of bills of lading and other customary loading documentation at same time as notice of acceptance. <p>(Section 41 and 43)</p>	<ul style="list-style-type: none"> • Acceptance/Rejection: Terminal party to accept or reject vessel by written notice within 1 business day of receipt of nomination. Clarification that terminal party to have right (in the case CIF/CFR, prior to passing title) to: <ul style="list-style-type: none"> a) reject on any reasonable ground, including where vessel is unacceptable under terminal party's documented vessel assurance requirements, b) in the case of FOB or Ex-Ship, refuse on any reasonable ground to load or discharge any vessel named in a nomination, and c) to reject a vessel after a prior acceptance if more recent information becomes available that indicates vessel or crew is unsafe for the voyage. • Liability: In the event of a rejection, delay or other restriction of the vessel as a direct result of the application of applicable law, the requirements of the relevant section of the GTCs or the requirements of Appendix A: <ul style="list-style-type: none"> a) The terminal party is not liable for the consequences or time consumed as a result thereof b) Vessel party is liable for any direct costs or damages incurred by terminal party c) The vessel party's nomination and NOR obligations under the agreement will be unaffected. • Notice of Discharge Port: In the case of CIF/CFR and Ex-Ship, within 1 business day of receipt of nomination buyer shall notify seller of the final discharge terminal (if not already specified). Seller must accept or reject the discharge terminal within 1 business day after receipt of buyer's notice, such acceptance not to be unreasonably withheld. • Instructions re: BOL: In the case of CIF/CFR, within 1 business day of receipt of nomination buyer shall provide full written instructions regarding the particulars and destination of the bills of lading and such other customer load terminal documentation. <p>(Part 5, Section 5.4; Part 6, Section 7.4; Part 7, Section 5.4)</p>
<p>21. Vessel Requirements</p>	<ul style="list-style-type: none"> • Tankers: Vessel party must use reasonable efforts (including a requirement in the charter party) to require the vessel have full and valid P&I insurance and valid pollution liability insurance with a P&I Club that is a member of International Group of P&I Clubs. • Barges: Vessel party must use reasonable efforts (including a requirement in the charter party) to require the vessel have P&I insurance, including liability for cargo loss and damage for the full value of the cargo, and valid pollution coverage with a limit equal to or exceeding statutory requirements of \$2,000 per barrel for dirty goods and of \$1,000 per barrel for clean goods, or the requirements set out by applicable law at the loading or 	<ul style="list-style-type: none"> • Vessel requirements moved to an appendix. • Tankers: Substantially the same as 2008 GTCs except that "reasonable efforts" is replaced with an obligation to "ensure" that the vessel has such coverage. • Inland Barge: Vessel party to ensure that the barge has insurance coverage from a fixed premium insurer, including coverage for liability for loss and damage to goods for the full value of the goods, and pollution coverage with a limit not less than \$100,000,000 USD. • Drug and Alcohol: Substantially the same as the 2008 GTCs, except that it does not require compliance with IMO but does require compliance with the

Term	2008 GTCs	Key Changes in 2015 GTCs
	<p>discharge port, and towers liability coverage. with a P&I Club that is a member of International Group of P&I Clubs.</p> <ul style="list-style-type: none"> • Drug and Alcohol: The Vessel shall be manned, operated and maintained so as to fully comply with (i) the standards set out in ISGOTT, (ii) appropriate IMO recommendations, and (iii) the OCIMF Guidelines for the Control of Drugs and Alcohol On-board Ship (1990), each as amended from time to time. <p>(Sections 49, 60 and 61)</p>	<p>flag state requirements.</p> <ul style="list-style-type: none"> • New provision requiring vessel that are loading/discharging a cargo to operate at all times in the “closed operations” mode (with tank apertures closed and with vapors being emitted only by means of the dedicated venting system designed to disperse vapour clear of working areas and ignition sources). • New provision, applying if it is required by law for the vessel to be fitted with an inert gas system, requiring that the inert gas system to be in good order, operative and the cargo tanks inerted at all times in order to berth/load/discharge. • New provision requiring the vessel to comply with applicable ballast water management regulations in effect for its flag state and the ports called. <p>(Appendix A)</p>
22. Insurance	<ul style="list-style-type: none"> • CFR: Responsibility for securing insurance, if any, is for buyer. • CIF: Seller to procure insurance against marine risks for value of cargo plus 10%. To be in accordance with the standard American Institute Bulk Liquids – Average Clause, with the benefit accruing to buyer. Seller not required to procure insurance against, war, strikes, riots or civil commotions except upon written request by buyer at least 2 New York banking days prior to commencement of loading. • DES: Responsibility for securing insurance, if any, is for buyer. • Additional vessel insurance: If seller incurs additional insurance or war risk insurance premium in excess of those prevailing at the date of the agreement, the cost of such additional insurance/premium is payable by buyer to seller in addition to the price payable pursuant to the agreement. Seller reserves the right to not undertake a voyage through any areas that pose specified risks or abnormal delay or to undertake any activity that in the vessel’s master’s opinion poses a risk to vessel, cargo or crew. If the vessel does undertake the voyage in any such circumstances, buyer agrees to reimburse seller for additional insurance. <p>(Section 23)</p>	<ul style="list-style-type: none"> • CFR: Neither party has any obligation to the other party to secure insurance. • CIF: Requirements line up with the 2008 GTCs except that the general requirement to be in accordance with the standard American Bulk Liquids – Average Clause, the insurance is required to be in accordance with the provisions of a Marine Cargo Insurance Policy subject to Bulk Oil Causes SP-13C, or at seller’s option, Institute Cargo Clauses (A). • Additional requirements have been added to the additional insurance clause requiring seller to obtain quotes for additional insurance or premiums and provide the buyer with seller’s recommendation to obtain additional insurance together with such quotes. Buyer to make determination as to whether to obtain the additional insurance and buyer will be liable for cost. • FOB/Ex-Ship: No language included to address insurance obligations. <p>(Part 6, Section 5)</p>
23. Charterparty Conditions	<ul style="list-style-type: none"> • No such provision included. 	<ul style="list-style-type: none"> • New provision specifying the terms that must be included in the charterparty between the seller and the vessel, such as specifying seller as responsible for payments, treatment of pumping off expenses, procedures in the event trade sanctions or law interfere with discharge at original port , discharge without presentation of BOL or at a different place than is named on the BOL, permitted operations after completion of loading. <p>(Part 6, Section 6)</p>
24. Arrival of Vessel	<ul style="list-style-type: none"> • Terminal party and terminal to be notified of ETA at 72, 48, 24 and 6 hours prior to arrival. After 24 hour ETA notice, terminal to be notified if ETA changes by 6 hours or more. After 6 hour ETA, terminal to be notified when ETA changes by 2 hours or more. • For CIF/CFR, vessel party to notify terminal party of ETA at discharge port within 24 hours of sailing from load port. <p>(Section 46)</p>	<ul style="list-style-type: none"> • Vessel party to notify terminal party and terminal of ETA upon request and in accordance with the standard reporting procedures of the terminal. The 72/48/24/6 hour notification requirement has been removed. CIF/CFR notification requirement removed. • FOB and Ex-Ship: If NOR not tendered by the end of the last day of the laydays, the terminal party is entitled to recover from vessel party any damages available under the agreement or at law. If not crude oil and NOR not tendered within 5 days of the last day of the laydays, terminal party may terminate the agreement. If crude oil and NOR not tendered within 10 days of the last day of the laydays, terminal party may terminate the agreement. <p>(Part 5, Section 6; Part 6, Section 8; Part 7, Section 6)</p>

Term	2008 GTCs	Key Changes in 2015 GTCs
25. Lightering	<ul style="list-style-type: none"> • Lightering not permitted without prior approval. • Expense and risk of lightering is the responsibility of the requesting party, and requesting party indemnifies the other party for any losses costs, damages and proceedings arising from lightering. • Lightering vessel is subject to other party's prior acceptance. • Lightering to be in compliance with ICS and/or OCIMF ship-to-ship transfer guide. • All time used for lightering is for the requesting party's account. • Liability under the lightering provision is not subject to the limitation of liability in Section 30 of the GTCs. (Section 53) 	<ul style="list-style-type: none"> • Lightering provision contains the same substantive provisions as the 2008 GTCs, with the exception of the following: <ul style="list-style-type: none"> a) Lightering no longer requires prior approval but requires written notice to the other party. b) Lightering to be in compliance MARPOL Annex I as amended by Resolution MEPC.186 (59), Chapter 8, Regulations 40-42 (in addition to ICS/OCIMF ship-to-ship transfer guide). c) Under CFR/CIF and Ex-Ship transactions, if buyer is the requesting party, all time used for lightering is for the requesting party's account. The GTCs do not specify whose account time used for lightering is for in any other circumstances. • New detail is included setting forth the basis on which a party may reject a lightering vessel. • New provision (i) requiring operations to be performed at a location that is safe and acceptable to both the vessel owner and the other party, (ii) requiring the requesting party to notify the place of lightering when NOR is tendered and (iii) specifying the location of lightering to be the berth for purposes of the laytime and demurrage provisions. • New provision clarifying that if there is a dispute as to quantity when lightering, the figures of the nominated vessel shall prevail, subject to the section on quantity and quality claims. (Part 5, Section 6.7, Part 6, Section 8.4, Part 7, Section 6.5)
26. Ancillary Costs at Terminal	<ul style="list-style-type: none"> • Dockage and service fees, including mooring, fresh water, steam, and oily slops receipts, and all duties and other charges on the vessel, are for vessel party's account. (Section 50(iii)) 	<ul style="list-style-type: none"> • The list of specific costs was expanded. Taxes on vessel carved out due to coverage in tax section. • For CFR/CIF transactions, the Buyer is responsible for such costs, except where Worldscale specifies costs as being for the vessel owner's account. • Claims for reimbursement due within 180 days of title transfer. (Claims would have been subject to general 90 day time bar in 2008 GTCs) (Part 5, Section 6.7; Part 6, Section 8.5; Part 7, Section 6.5)
27. Vessel Categories for Marine Provisions	<ul style="list-style-type: none"> • Different laytime and demurrage terms are specified for "Tankers" and for "Barges". • "Inland Barge" means any combination of boats and barges with the ability to function as a flotilla or as single units which are certified to operate only within the U.S. inland waterways. • "Tanker" means any self-propelled tanker, or any barge, whether such barge is under tow or sailing as an integrated unit, which is certified for ocean service. 	<ul style="list-style-type: none"> • Different laytime and demurrage terms are specified for "Tankers", "Ocean-Going Barges" and "Inland Barges". In most cases, the Ocean-Going Barge terms line up with the Tanker terms. • "Tanker" and "Inland Barge" have the same definitions as they did in the 2008 GTCs. • Ocean-Going Barge means an ocean-going barge that is a nonself-propelled vessel of at least 100 gross tons making voyages beyond the Boundary Line (as defined in 46 CFR Part 7).
28. Part Cargo Laytime and Demurrage	<ul style="list-style-type: none"> • Running Laytime: Terminal party is liable for its pro-rata share of running laytime based on the volume loaded/discharged as a percentage of the total gross cargo volume loaded/discharged (time at the berth and waiting for the berth). See row 29 for allowed laytime for part cargo deliveries. (Section 55(iv)) • Demurrage: Terminal party is liable for its pro rata share of demurrage incurred at the port or terminal based on the volume loaded/discharged for its account as a percentage of total gross volume of cargo loaded/discharged. (Section 57) 	<ul style="list-style-type: none"> • Running Laytime: For FOB, the provision tracks 2008 provision but only applies to time waiting for the berth (not time at the berth). However, the provision no longer applies at all to CIF/CFR and Ex-Ship. (Part 5, Section 7.1.1(b)) • Demurrage: Tracks 2008 provision. (Part 5, Section 7.1.1(a); Part 6, Section 9.1.1; Part 7, Section 7.1.1) <p>See row 29 for allowed laytime for part cargo deliveries.</p>

Term	2008 GTCs	Key Changes in 2015 GTCs
29. Allowed Laytime	<ul style="list-style-type: none"> • Tankers: 36 hours for tankers weighing more than 15,000 summer deadweight tons and 24 hours for tankers weighing 15,000 summer deadweight tons or less. • Barges: As specified in special provisions, or, if not specified in special provisions, as specified in the voyage charterparty, or if no voyage charter party, three hours plus (the volume loaded in barrels divided by 3,000) or three hours plus (the volume discharged in barrels divided by 2,500). • Part Cargo: For tankers loaded or discharged at more than one port, terminal or berth, laytime allowed at each port is based on the percent by volume loaded at the port of the gross volume for the voyage. See also row 28 for provisions addressing part cargo deliveries. (Section 54) 	<ul style="list-style-type: none"> • Tankers and Ocean-Going Barges: <ul style="list-style-type: none"> a) For FOB, four different allowed laytimes that range from 12 hours to 36 hours based on four volumetric tranches ranging from 24,999 or fewer barrels to 150,0000 barrels or greater. b) For CIF/CFR, seven different allowed laytimes that range from 12 hours to 24 hours based on seven volumetric tranches ranging from 24,999 or fewer barrels to 150,0000 barrels or greater. c) For Ex-Ship/tanker, 36 hours for full cargo. If partial delivery, pro-rata portion thereof based on the delivered cargo volume as a percentage of the full cargo volume for the voyage. d) For Ex-Ship/ocean-going barge, seven different allowed laytimes that range from 12 hours to 24 hours based on seven volumetric tranches ranging from 24,999 or fewer barrels to 150,0000 barrels or greater. • Inland Barges: If cargo is 25,000 barrels or greater, allowed laytime equals 3 hours plus (i) the amount specified in the charterparty, or, in the absence thereof, (ii) one hour for each 2,500 barrels discharged. Never less than 12 hours. • Part Cargo: Allowed laytime provision that applies specifically to part cargo deliveries was removed, except for Ex-Ship/tanker provision specified above. The other tanker and barge allowed laytime provisions referenced above apply to both part cargo and full cargo deliveries. See also row 28 for provisions addressing part cargo deliveries. (Part 5, Section 7.2; Part 6, Section 9.2; Part 7 Section 7.2)
30. Public Dock Clause	<ul style="list-style-type: none"> • When a vessel is loaded at a public dock, laytime shall commence when the vessel is all fast. (Section 55(v)) 	<ul style="list-style-type: none"> • Public dock clause applies to FOB transactions only and a definition of public dock has been added. "Public dock" means any marine terminal facility for handling cargo to or from vessel requiring a wharf, dock, quay or buoy, that is (i) not operated by the seller or any of its affiliates, and (ii) which berths vessels on a first come, first served basis, subject to dock availability. (Part 5, Section 7.3.3; Part 6, Section 9.1.1; Part 7, Section 7.1.1)
31. Laytime/Demurrage Events Counting as One half Running Laytime	<ul style="list-style-type: none"> • Delay arising from the following events, if not within control of the terminal party, shall count as one half running laytime/demurrage: <ul style="list-style-type: none"> a) Adverse tidal conditions that could not reasonable have been predicted b) Adverse weather c) Blockage of access to a port due to a casualty or wreck d) Fire, explosion, breakdown or failure of equipment, plant or machinery in or about the port e) Act of war, labor dispute, strike, riot, civil commotion, or arrest or restrain of princes, rulers or people in or about the port, or f) Any other cause whether or not of the same class or kind, reasonably beyond the control of either party. g) an act in or inaction of the port authority, pilots, Coast Guard or other security agency over which neither party has control. (Section 55) 	<ul style="list-style-type: none"> • New language clarifies that the one half running laytime provision applies after laytime has commenced. • The list of one half running laytime events from the 2008 GTCs was removed and replaced with a cross reference to Force Majeure Events, such that delays arising from Force Majeure Events count as one half running laytime/demurrage.ⁱ • New time limit for one half running laytime events provides that if the Force Majeure Event continues for a period of 15 days, the delay shall count as full running laytime/demurrage.ⁱⁱ (Part 5, Section 7.3.5; Part 6, Section 9.3.3; Part 7, Section 7.3.3; Part 1, Section 8)
32. Laytime Exceptions	<ul style="list-style-type: none"> • Among other exceptions, time consumed by reason of local law, regulations or intervention by local authorities is a running laytime exception. (Section 56) 	<ul style="list-style-type: none"> • Time consumed by reason of local law, regulations or intervention by local authorities counts as one half running laytime, per (a) under Force Majeure Event definition in endnote 1. • All other running laytime exceptions are substantially the same as the ones in the 2008 GTCs.

Term	2008 GTCs	Key Changes in 2015 GTCs
33. Timebar for Demurrage Claims	<ul style="list-style-type: none"> Vessel party must deliver demurrage claim in writing to terminal party within 90 days of the date of disconnection of discharge hoses, or, in the case of FOB transactions, within 90 days of the bill of lading date. Claims must be accompanied by supporting documentation, including a copy of the vessel's port log or the cargo inspector's time sheet, or vessel agent's time sheet, a copy of the charter party or charter party recap, NOR document, laytime statement, discharge pumping logs, and any notices of protest that may have been issued with respect to delays. In addition, any demurrage claim for a barge shall be accompanied by a copy of the barge owner's demurrage invoice and laytime statement, or the vessel party's time charter invoice and time calculation. Limitation of liability clause pertaining to delay and demurrage is included. (Section 57(ii)) 	<ul style="list-style-type: none"> The 90 day time bar for demurrage claims remains, but the specific list of required supporting documentation was taken out. Instead, the provision requires the vessel party to set out the demurrage calculation in the claim and to include with the claim "all supporting documentation substantiating each and every constituent part of the calculation". No limitation of liability clause was included in the time bar for demurrage claims section. (Part 5, Section 7.1.2; Part 6, Section 9.1.4; Part 7, Section 7.1.2)
34. Taxes	<ul style="list-style-type: none"> Buyer is responsible for all taxes on the goods or arising from actions related to the goods after title passes to buyer. Buyer is also responsible for the New York Motor Fuel Excise Tax, the Tennessee Fuel tax or any similar taxes that have been prepaid by seller but are to be passed on to buyer in accordance with industry practice. Seller is responsible for all taxes on the goods or arising from actions related to the goods before title passes to buyer. Additional provisions address taxes in respect of vessels for FOB transactions, documentation regarding exemptions, seller's right to reimbursement of indirect taxes, registration with IRS for purposes of the federal manufacturers excise tax, applicable state tax registrations, changes to state registration number(s), federal employer identification number or exemption certificates and reimbursements of penalties or interest incurred as the result of the paying party's negligence. (Section 22) 	<p>The tax provision under the 2015 GTCs contains substantially similar provisions to all of the provisions in the 2008 GTC and, in addition, includes the following new provisions:</p> <ul style="list-style-type: none"> Each party <u>indemnifies</u> the other party in respect of the taxes for which it is responsible. New provision clarifying buyer obligations regarding taxes in respect of vessel at discharge port for CIF/CFR and seller obligations regarding such taxes for Ex-Ship transactions. New Quebec Motor Fuel Tax provision added that requires buyer to be responsible for and indemnify the Seller for any Quebec Motor Fuel Tax incurred on goods delivered into Quebec. New provision specifying that seller is not be the importer of record. New NAFTA provision added providing that, for Mexican/USA or Canadian/USA border transactions, the goods are not eligible for NAFTA preferential duty treatment, except where: (a) Seller provides documentation verifying eligibility in advance; (b) Seller warrants that such "goods" qualify as "2710: Petroleum oils and oils obtained from bituminous minerals, other than crude" under the US Harmonized Tariff Schedule. (Part 1, Section 5)
35. Payment	<ul style="list-style-type: none"> Discount, offset, counterclaim etc.: The payment provision did not include standard language requiring payment to be made without any discount, deduction, withholding, offset or counterclaim. Payment Documents: Payment for the goods to be made against <ul style="list-style-type: none"> a) seller's invoice b) one properly issued and endorsed clean original bill of lading (for international marine movements, three of three (3/3) property issued and endorsed clean original bills of lading are required) c) copies of certificates of quantity, quality and origin, or copies of equivalent documents as issued by the loading terminal or pipeline company. If payment documents are unavailable on the payment date, Buyer will pay against Seller's indemnity in form and substance acceptable to Buyer in U.S. dollars by wire transfer. If the payment date is not stated in the Special Provisions, the payment date shall be two (2) banking days following receipt of invoice and supporting documents. 	<ul style="list-style-type: none"> Discount, offset, counterclaim etc.: Standard language requiring payment to be made without any discount, deduction, withholding, offset or counterclaim was added. (Part 1, Section 6.1) Payment Documents: This provision has been expanded to include greater detail on the types of supporting documents and the respective delivery mode. <ul style="list-style-type: none"> a) For FOB/CIF/CFR Vessel deliveries : <ul style="list-style-type: none"> US Coastwise Tankers, Ocean-Going Barges and Inland Barges: a copy of the certificates of quantity and quality or Inspector's Report as issued in accordance with the agreement showing the quantity and quality of goods loaded.)Non-US tankers: 3/3 original bills of lading properly issued and endorsed to the order of the Buyer, a copy of the valid certificate of origin, and a copy of the certificates of quantity and quality of the goods loaded. b) For Ex Ship deliveries, a copy of the certificates of quality and quantity as issued in accordance with the agreement; a copy of a valid

Term	2008 GTCs	Key Changes in 2015 GTCs
	<ul style="list-style-type: none"> (Sections 15) 	<ul style="list-style-type: none"> certificate of origin. c) For all pipeline deliveries, a copy of the pipeline ticket containing the information identifying the transaction, the net volume transferred and the quality of the goods; d) For DAP, DAT, FOB and FCA truck deliveries, a copy of the monthly statement issued by ExTex, or successor/substitute company. e) For case of Ex Tank, Into Tank, In Situ deliveries, a copy of the certificate of quantity and quality (or equivalent documents) for the goods issued at the terminal/pipeline. • New appendix containing form of letter of indemnity. • The payment date under the 2015 GTCs has been changed to three (3) Business Days. • (Part 1, Section 6)
36. Financial Responsibility	<ul style="list-style-type: none"> If the reliability or financial responsibility of the seller under any transaction governed by this agreement becomes impaired in the reasonable opinion of the other party, the party may require the other party to post financial assurance in the form of the requesting party's choosing, and either an irrevocable standby letter of credit opened by a "Qualified Institution", or a guaranty. "Qualified Institution" means (i) U.S. commercial bank or trust company with at least AA- long term rating by S&P or Aa3 deposit rating by Moody's and assets in excess of 50 billion or (ii) a first class international bank acceptable to the requesting party. Financial assurance shall be in an amount equal to the requesting party's good faith estimate of its total net financial exposure to the other party for the transactions subject to the agreement. (Section 19) 	<ul style="list-style-type: none"> The financial responsibility provision tracks the provision in the 2008 GTCs, with the following changes: <ul style="list-style-type: none"> a) Prepayment added as a third form of financial assurance, b) Any letter of credit must be in a form substantially similar to the form in Appendix D. c) Any guaranty must be in a form substantially similar to the form in Appendix F d) New clarification that the requesting party may determine its financial exposure in any reasonable manner. e) The ratings requirement for a Qualified Institution was decreased to A-long term credit rating S&P or A3 deposit rating Moody's. The assets requirement of 50 billion was replaced by a net total equity requirement of 10 billion. The Qualified Institution must not exceed any of the requesting party's internal credit limits in place at the time of the establishment of the letter of credit. Finally, a first class international bank may be a qualified Institution if it is "reasonably" acceptable to the requesting party (the reasonableness standard is new.) (Part 1, Section 7)
37. Force Majeure	<ul style="list-style-type: none"> Definition: Standard specific events are listed in the definition of Force Majeure (e.g. fire, explosions, hostilities of war etc.). In addition, any event meeting the general definition of force majeure will be a force majeure. But the listed events do not have to satisfy the general definition to constitute a force majeure. (The general definition is any event, whether foreseeable or unforeseeable, that is reasonably beyond the control of either party to the extent such event prevents or interferes with the performance of the agreement, including any transaction, which, by the exercise of due diligence, such party could not have been able to remedy, avoid or overcome.) Exclusions: Among other exclusions is a failure of performance of any person other than the parties. Payment failure may not be excused under force majeure. Termination: Term transactions may be terminated by the party that is not claiming force majeure if a force majeure causes the suspension of sales and deliveries for 30 days or more. Disruption to Seller's Source or Buyer's Use: If the delivery point is at a trading hub, then the inability due to force majeure of Seller to supply 	<ul style="list-style-type: none"> Definition: All of the standard specific events that are listed (e.g. fire, explosions, hostilities of war etc.) must also meet the general definition of force majeure in order to be a force majeure event. Exclusions: The failure of performance of any third party has been removed from the list of exclusions. Inability to pay due to a lack of funds was added as an exclusion, and payment failures generally were removed from the force majeure exclusions. Notice provision tracks 2008 GTCs but adds a new requirement that the party declaring force majeure use commercially reasonable efforts to mitigate and overcome the effects of the force majeure. Termination: Right to terminate term transactions was removed. Two new termination rights were added as follows: <ul style="list-style-type: none"> a) if performance of delivery obligation is not permanently impossible or commercially impracticable, but is delayed, hindered, reduced or interfered with, either party may terminate if the force majeure event continues beyond the earlier of (a) midnight after the last day of the agreed Delivery Period or (b) such time as the force majeure event no longer excuses performance.

Term	2008 GTCs	Key Changes in 2015 GTCs
	<p>goods from the originally intended source shall not excuse Seller's performance, and the inability of buyer to use the goods for the originally intended purpose or resell to originally intended purchaser shall not excuse performance.</p> <ul style="list-style-type: none"> Disruption to Seller's Source, Delivery Not at a Trading Hub: If the delivery point is not a trading hub and seller is unable to source from the originally intended source, the obligation of seller to supply goods from other sources shall be determined in accordance with Section 2-615 of the Uniform Commercial Code. (Section 37) 	<ul style="list-style-type: none"> b) If performance of any obligation other than as set out in (a) above is delayed, hindered, reduced or interfered with, the affected obligation will be immediately postponed without liability for damages, penalties and other contractual sanctions until such time as the force majeure event no longer excuses performance. Disruption to Seller's Source or Buyer's Use: The provision remains in the GTCs, in substance, but the excuse to performance is unavailable where the context of the transaction clearly demonstrates that the parties intended otherwise (which includes where the delivery point is a trading hub). Disruption to Seller's Source, Delivery Not at a Trading Hub: This provision remains in the agreement but is expanded to include circumstances where seller's inability to perform results from a pipeline allocation. (Part 1 Section 8)
38. Limitation of Liability	<ul style="list-style-type: none"> Limitations of Liability: Neither party is responsible for special, indirect, contingent, incidental or consequential damages. (Sections 30 and 31) 	<ul style="list-style-type: none"> Limitation of Liability: The following changes have been made: <ul style="list-style-type: none"> a) A carve-out was added expressly dis-applying the limitations of liability where the agreement expressly requires liability (including Default and Liquidation; Setoff section). b) In addition to the limitations specified under the 2008 GTCs, neither party is liable for "punitive" and "exemplary" damages. c) The limitation of "contingent" and "incidental" liabilities was removed. d) Specifically, recovery of the following damages is prohibited: 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. The Indemnity provision remains substantially the same. (Part 1, Sections 9.1 and 9.2).
39. Time Bar (general notification of claims timebar and litigation time bar)	<ul style="list-style-type: none"> General claims time bar applying to claims other than taxes and demurrage, requires a written claim within 90 days of title transfer, accompanied by evidence fully supporting the claim. See also row 10 (quality and quantity claims) and row 33 (demurrage claims). (Section 21) 	<ul style="list-style-type: none"> General claims time bar requiring notification of claim within 90 days was removed. Specific claim notification requirements for quality and quantity claims and demurrage were retained as described in row 10 (quality and quantity claims) and row 33 (demurrage claims). New litigation time bar added requiring legal proceedings in respect of any claim (other than tax claims or claims for an indemnity) to be filed within 1 year of the date on which the cause of action has accrued. Any time limits (e.g. time limits for notification of claims such as quality and quantity claims or demurrage claims) would apply in addition to the litigation time bar. (Part 1, Section 10)
40. Default and Liquidation; Setoff	<ul style="list-style-type: none"> Events of Default: The following events (in abbreviated form) are Events of Default: <ul style="list-style-type: none"> a) The occurrence of a bankruptcy/insolvency type event b) A party is dissolved c) Merger without assumption Liquidation: If an Event of Default has occurred, the performing party may close out the agreement and all other forward contracts between the parties, among other remedies. (Section 20) 	<ul style="list-style-type: none"> The following <u>new</u> Events of Default (in abbreviated form) have been added into the 2015 GTCs: <ul style="list-style-type: none"> a) Failure by defaulting party to make, when due, any payment in excess of \$5,000,000 on or before the third business day; b) Failure to provide financial responsibility c) Failure of party or its credit support provider to comply with any credit support document d) The expiration or termination or other failure of a credit support document e) A party or its credit support provider repudiates a credit support document f) Material breach of agreement subject to 30 day grace period Liquidation:

Term	2008 GTCs	Key Changes in 2015 GTCs
		<ul style="list-style-type: none"> a) If the Event of Default is a bankruptcy/insolvency or dissolution event, the performing party may, among other remedies, close out all “Trading Forward Contracts” and all “Specified Forward Contracts” b) For any other Event of Default, the performing party may, among other remedies, close out all Trading Forward Contracts (but not Specified Forward Contracts, other than pursuant to the terms thereof) <ul style="list-style-type: none"> • “Trading Forward Contracts” means all forward contracts between the parties other than Specified Forward Contracts. • “Specified Forward Contracts” means forward contracts between the parties where the BP party is the downstream refining and marketing business or Air BP divisions of BP Products North America Inc. • Forward contracts refers to either a forward contract or a master netting agreement as defined in the Bankruptcy Code (11 U.S.C. Sec. 101(25) and (38A)) • Full set-off rights (as were available also under the 2008 GTCs) are available to the performing party regardless of the particular Event of Default. <p>(Part 1, Section 11)</p>
41. General Compliance with Law; Ethics; Anti-Corruption	<ul style="list-style-type: none"> • The agreement shall be subject to all applicable laws. • If a provision violates any applicable laws, such provision shall be voided and the remainder of the agreement shall continue in full force and effect. If the voidance has a material adverse economic effect on a party, that party may terminate upon written notice. • If applicable, the parties agree to comply with the Equal Opportunity Clause; the Affirmative Action Clause for disabled veterans and veterans of the Vietnam Era; the Affirmative Action Clause for Handicapped Workers; 48 C.F.R. Chapter 1 Subpart 19.7 regarding Small Business and Small Disadvantaged Business Concerns; 48 C.F.R. Chapter 1 Subpart 20.3 regarding Utilization of Labor Surplus Area Concerns; Executive Order 12138 and regulations thereunder regarding subcontracts to women-owned business concerns; Affirmative Action Compliance Program (41 C.F.R. 60-1.40); annually file SF-100 Employer Information Report (41 C.F.R. 60-1.7); 41 C.F.R. 60-1.8 prohibiting segregated facilities; and the Fair Labor Standards Act of 1938 as amended, all of which are incorporated in the agreement by reference. <p>(Section 35)</p> <ul style="list-style-type: none"> • Separate “Ethics” and Anti-Corruption sections of the document (Sections 32 and 33) 	<ul style="list-style-type: none"> • General compliance with law requirement is retained, with the clarification that applicable law is deemed to include the laws of the US and UK. Further, the clause clarifies that it requires all goods and the use of any transportation method to comply with applicable law. • The clause voiding any provision in the agreement that violates law and providing a termination right in the event of a material adverse economic effect has been removed. • Specific references to applicable law (e.g., Affirmative Action Clause etc.) moved to Part 1, Section 16 (Severability, Rules and Regulations). • New notification requirement in the event of any violation or alleged violation with respect to the goods or with respect to transport used in a transaction. <p>(Part 1, Section 12)</p> <ul style="list-style-type: none"> • The substance of the “Ethics” and “Anti-Corruption” sections from the 2008 GTCs was moved from separate sections to the general compliance with law section, resulting in one compliance with law provision that covers all matters. The provision was expanded to require each party to comply with laws relating to sanctioned individuals. Additional changes to the language expand and clarify the coverage of the ethics and anti-corruption provisions from what was in the 2008 GTCs.: <p>(Part 1, Section 12.2)</p>
42. Notices	<ul style="list-style-type: none"> • No provision included. 	<ul style="list-style-type: none"> • New notice provision included that specifies permissible methods of providing notice (including e-mail) and when such notices will be deemed to be received. E-mail notices are not permitted for notices pursuant to the default/liquidation provision and the assignment provision. Sender bears the risk of a failure in transmission of e-mail notices. <p>(Part 1, Section 15)</p>
43. Assignment	<ul style="list-style-type: none"> • Neither of the Parties shall assign the agreement or any rights or obligations hereunder without the previous consent in writing of the other party, which will not be unreasonably withheld or delayed. In the event of an assignment in accordance with terms of this Section, the assignor will 	<ul style="list-style-type: none"> • Clause from 2008 GTCs was retained. • New clause added voiding any assignment not made in accordance with the agreement. • New clause added permitting the assignment of receivables by seller

Term	2008 GTCs	Key Changes in 2015 GTCs
	remain responsible for the proper performance of the agreement. (Section 25) (Section 25)	without buyer's consent, subject to compliance with applicable law and Buyer's account opening procedures. (Part 1, Section 14)
44. Counterparts	<ul style="list-style-type: none"> No Counterparts provision included. 	<ul style="list-style-type: none"> New Counterparts provision providing that the Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile transmission and by email), each of which will be deemed an original. (Part 1, Section 25)
45. Sovereign Immunity	<ul style="list-style-type: none"> No clause included. 	<ul style="list-style-type: none"> Clause requiring each party to waive any rights of sovereign immunity. (Part 1, Section 28)
46. New and Changed Regulations	<ul style="list-style-type: none"> New and changed regulations clause provided a party with a renegotiation right if there were a change in regulation that had a material adverse effect on the party under the agreement. If the parties failed to agree on a modification to the agreement to address the material adverse effect, the party affected would have the right to terminate the agreement.. 	<ul style="list-style-type: none"> The new and changed regulations clause was deleted.
47. Biofuel with RINs	<ul style="list-style-type: none"> No provisions addressing biofuels or RINs. 	<ul style="list-style-type: none"> New Part 8 of GTCs provides terms specific to trading biofuels with RINs.

ⁱ “**Force Majeure Event**” is defined as a cause, whether foreseeable or unforeseeable, that is reasonably beyond the control of the party declaring force majeure, and, which such party could not have reasonably mitigated or overcome, including, so long as such events meet the aforesaid standards, any of the following:

1. Compliance with law or guidelines/requests of a governmental authority or international organization;
2. Restriction or cessation of production of Goods due to requirement of any government authority
3. Hostilities of war, embargoes, blockades, civil unrest, riots or disorder, terrorism, or sabotage
4. Fires, explosions, lightning, maritime peril, collisions, storms, landslides, earthquakes, floods, and other acts of God;
5. Strikes, lockouts, or other labor difficulties (whether or not involving employees of the seller or buyer), provided that settlement of strikes and other labor difficulties shall be wholly within the discretion of the party having difficulty, or
6. Disruption or breakdown of production or transportation facilities, equipment, labor or materials, including the closing of harbors, pipelines or other transportation routes.

“**Force Majeure Event**” expressly excludes:

1. Lack of a market or unfavourable market conditions.
2. A party's failure to apply for, obtain or maintain any permit, license, approval or right of way necessary under law for the performance of any obligation.
3. Inability to economically perform.
4. Delay in payment if the sole cause is a lack of funds of such party.

ⁱⁱ “**Force Majeure Event**” is defined as a cause, whether foreseeable or unforeseeable, that is reasonably beyond the control of the party declaring force majeure, and, which such party could not have reasonably mitigated or overcome, including, so long as such events meet the aforesaid standards, any of the following:

5. Compliance with law or guidelines/requests of a governmental authority or international organization;
6. Restriction or cessation of production of Goods due to requirement of any government authority
7. Hostilities of war, embargoes, blockades, civil unrest, riots or disorder, terrorism, or sabotage
8. Fires, explosions, lightning, maritime peril, collisions, storms, landslides, earthquakes, floods, and other acts of God;
9. Strikes, lockouts, or other labor difficulties (whether or not involving employees of the seller or buyer), provided that settlement of strikes and other labor difficulties shall be wholly within the discretion of the party having difficulty, or
10. Disruption or breakdown of production or transportation facilities, equipment, labor or materials, including the closing of harbors, pipelines or other transportation routes.

“**Force Majeure Event**” expressly excludes:

-
11. Lack of a market or unfavourable market conditions.
 12. A party's failure to apply for, obtain or maintain any permit, license, approval or right of way necessary under law for the performance of any obligation.
 13. Inability to economically perform.
 14. Delay in payment if the sole cause is a lack of funds of such party.

Reed Smith
July 16, 2015

Melissa McGoogan
Counsel, Houston
(713) 469-3681
mmcgoogan@reedsmith.com

The information contained in this communication is general in nature and is not intended to be comprehensive, nor to provide legal advice. You should not rely on the information contained in this communication as if it were legal or other professional advice. © Reed Smith LLP 2015.