



2023 Edition

General Terms and Conditions

for US Domestic Petroleum Product
Purchases and Sales

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PART I: GENERAL AND DEFINITIONS

ARTICLE 1. GENERAL

Section 1.1. Applicability.

These General Terms for rail, truck, pipeline, and tank Transactions apply to the Special Provisions between Seller and Buyer to which these General Terms are attached or incorporated by reference.

Section 1.2. Agreement Formation.

The Parties are deemed to have entered into a Transaction, and a Transaction becomes effective and binding, upon the Trade Date.

Section 1.3. Priority of Terms.

If there is a conflict between the Special Provisions and these General Terms or between the Special Provisions and the Product Addendum (if applicable), the Special Provisions govern except with respect to Section 8.2 of these General Terms. If there is a conflict between the Product Addendum (if applicable) and these General Terms, the Product Addendum governs.

Section 1.4. Use of Incoterms®.

Whenever the terms FCA, CPT, CIP, DAP, DPU, and DDP are used in these General Terms or the Special Provisions, they have the meanings given to them in Incoterms® 2020, subject to any modifications contained elsewhere in the Agreement. Whenever the term DAT is used in these General Terms or the Special Provisions, it has the meaning given to it in Incoterms® 2010, subject to any modifications contained elsewhere in the Agreement.

In the event of any conflict between any Incoterms® referenced in the Agreement and the other terms of the Agreement, the other terms of the Agreement govern.

Section 1.5. Rules of Construction.

The following rules of construction govern the interpretation of the Agreement, except where the context clearly requires otherwise: a) references to “**days**,” “**months**,” and “**years**” mean calendar days, months, and years unless otherwise indicated; b) the words “**including**,” “**includes**”, and any derivations of such words do not limit the preceding word or phrase; c) any reference in these General Terms to a “**Part**”, “**Article**”, “**Section**”, or “**clause**” are to the corresponding Part, Article, Section, or clause of these General Terms, unless the context requires otherwise; d) any reference to a particular Applicable Law (including conventions), standard, manual, form, or contract will be construed to refer to such Applicable Law, standard, form, or contract as the same may be amended, supplemented, restated, or superseded; e) any reference to a particular Governmental Authority will be construed to refer to any successor Governmental Authority; f) Part, Article, Section, and Clause headings are for convenience of reference only and do not affect interpretation; g) the words “**hereof**,” “**herein**,” and “**hereunder**” and words of similar meaning

refer to the Agreement as a whole and not to any particular provision of the Agreement; h) the word “**shall**” means “has a duty to”, the words “**must**” and “**will**” mean “is required to” (or word(s) of similar import) unless the context clearly requires otherwise, and each of the foregoing is to be interpreted as mandatory and not permissive; i) no rule of construction interpreting the Agreement against the drafter will apply; j) words in the singular include the plural and vice versa; k) words denoting gender include all genders; and l) risk of loss includes risk of damage and/or contamination and/or deterioration.

ARTICLE 2. DEFINITIONS

In addition to terms defined elsewhere in the Agreement, the following terms have the meanings specified below when capitalized throughout the Agreement:

“**Affiliate**” means any entity that, directly or indirectly, controls, is controlled by, or is under common control with the referenced entity, including the referenced entity’s parent. In this definition, “control” means the power to direct the management and policies of an entity, directly or indirectly, whether through the ownership of voting securities, by contract, or otherwise.

“**Agreement**” means and includes the following documents in connection with each separate sale/purchase/exchange entered into by and between Buyer and Seller: a) the Special Provisions, b) these General Terms, and c) the Product Addendum if applicable, and any schedules, exhibits, addendums, or other documents attached or incorporated by reference into any of the foregoing.

“**Anti-Bribery Laws**” has the meaning specified in Section 20.2 of these General Terms.

“**API**” means American Petroleum Institute.

“**API-MPMS**” means American Petroleum Institute Manual of Petroleum Measurement Standards.

“**Applicable Law**” means any applicable statute, law, regulation, ordinance, rule, judgment, rule of law, policy, procedure, order, decree (including any consent decree), permit, approval, license, requirement, or other governmental restriction or any similar form of decision of, or any provision or condition of, any permit, license, or other operating authorization issued under any of the foregoing by, or any determination by, any Governmental Authority having or asserting jurisdiction over the matter or matters in question, whether now or hereafter (unless otherwise specifically limited herein to those only in effect on the date of the Agreement) in effect and in each case as amended (including all of the terms and provisions of the common law of such Governmental Authority), as interpreted and enforced at the time in question.

“**Assigned RINs**” has the meaning specified in Article 27 of these General Terms.

“**ASTM**” means ASTM International, formerly known as the American Society for Testing and Materials.

“**BARG**” means pressure, in units of bars, above or below atmospheric pressure.

“**Barrel**” and “**BBL**” means forty-two (42) Gallons stated at Reference Conditions.

“**Business Day**” means a day on which banks are open for general commercial business in New York, New York.

“**Buyer**” means the Party identified as the buyer (or purchaser) of the Product in the Special Provisions. For Product exchanges, whichever Party is receiving delivery of the Product will be the “Buyer” for that portion of the exchange and will be the “Seller” with respect to the Product such Party is delivering in exchange.

“**California LCFS Program**” means, if and as applicable to the Agreement, the regulations, orders, decrees and standards issued by the Governmental Authority implementing or otherwise applicable to the California Low Carbon Fuel Standard as set forth in 17 CCR § 95480 et seq.

“**CARB**” means California Reformulated Gasoline Blendstock.

“**CARBOB**” means California Reformulated Gasoline Blendstock for Oxygenate Blending.

“**C.F.R.**” means the US Code of Federal Regulations.

“**Credit Support Provider**” means a Guarantor or other Person providing credit support for such Party under the Agreement.

“**Deficient RINs**” has the meaning specified in Article 27 of these General Terms.

“**Drawback**” means a right under Applicable Law to receive a refund, reduction or waiver, in whole or in part, of any customs duties or similar Taxes assessed upon importation.

“**EMTS**” means the EPA Moderated Transaction System, and any replacement or successor system designated by the EPA.

“**EPA**” means the US Environmental Protection Agency.

“**Estimated Price**” has the meaning specified in Section 6.3 of these General Terms.

“**EU**” means the European Union.

“**Event of Default**” has the meaning specified in Section 15.1 of these General Terms.

“**Fees**” mean all Taxes, duties, charges, fees, impositions, assessments, and/or any similar action, process, method, or structure of a monetary nature, by whatever name called, and all increases thereon, now or hereafter imposed, directly or indirectly, on, against, in respect of, or measured by (i) the Product; (ii) any material or component contained in, made into, used to make, or otherwise used for or in the manufacture or production of, the Product; (iii) any matter, element, attribute, or equivalent, or any combination or part thereof, of such Product or such material or component; (iv) any emissions arising or resulting from or related to any of the foregoing in clauses (i) through (iii) above, however generated or released, including from the use, or related to the origin or origination, thereof; or (v) the inspection, sale, purchase, storage, transportation, delivery, or other handling of such Product, materials, components, matter, elements, attributes, emissions, or any item similar to the foregoing.

“**Force Majeure**” has the meaning specified in Section 10.1 of these General Terms.

“**Forward Contract**” has the meaning specified in Article 16 of these General Terms.

“**Forward Contract Merchant**” has the meaning specified in Article 16 of these General Terms.

“**Gallon**” means a US gallon of 231 cubic inches stated at Reference Conditions.

“**General Terms**” means these General Terms and Conditions for US Domestic Petroleum Product Purchases and Sales.

“**Governmental Authority**” means any federal, state, local, foreign government, international regulatory entity, any provincial, departmental or other political subdivision thereof, or any entity, body or authority exercising executive, legislative, judicial, regulatory, administrative or other governmental functions or any court, department, commission, board, bureau, agency, instrumentality or administrative body of any of the foregoing having authority over the Parties.

“**Guarantor**” means, with respect to a Party, another Person who has guaranteed one or more obligations of the Party under the Agreement.

“**Incoterms**®” means the trade terms published by the International Chamber of Commerce.

“**Independent Inspector**” means a duly licensed Person, appointed as mutually agreed by Seller and Buyer, who performs a quantity or quality determination with respect to the Product received or delivered hereunder.

“**Initiate**” means the submission of a sell transaction in EMTS by Seller or Buyer; provided, however, that a Seller is not deemed to have submitted any RINs where either Party cancels such transaction in EMTS before the other Party accepts it in EMTS.

“**Interest Rate**” means an annual rate (based on a 360-day year) equal to the lesser of (i) two percent (2%) over the prime rate as published under “Money Rates” in the Wall Street Journal in effect at the close of the Business Day on which payment was due or (ii) the maximum rate permitted by Applicable Law.

“**IRS**” means the US Internal Revenue Service.

“**Low Carbon Fuel Requirements Program**” means a low carbon fuel program (e.g., the California LCFS Program) that includes and/or implements the applicable Low Carbon Fuel Requirements Regulation.

“**Low Carbon Fuel Requirements Regulation**” means the regulation, rule, order, decree, approval, requirement, or other governmental restriction or permission or any similar form of decision of, or any provision or condition of any pathway, permit, license or other operating authorization issued under any of the foregoing by, a Governmental Authority related to the reduction of carbon intensity in transportation fuels in effect and in each case as amended, modified, or restated from time to time (including all of the terms and provisions of the common law of such Governmental Authority), as interpreted and enforced at the time in question, or any similar Applicable Laws or environmental schemes.

“**Liquidating Party**” has the meaning specified in Article 16 of these General Terms.

“**Losses**” mean all claims, payments, charges, judgments, demands, suits, losses, expenses, costs (including costs of defense and/or settlement, attorneys’ fees, penalties and interest), damages, assessments, liens, fines, penalties (civil, contractual, governmental, or otherwise), causes of actions, and liability of every type and character without regard to amount.

“**Parties**” means both Seller and Buyer and “**Party**” means either Seller or Buyer, as the context requires.

“**Person**” means an individual, corporation, limited liability company, partnership (general or limited), trust, business trust, unincorporated association, joint venture, joint-stock company, or any other entity of whatever nature.

“**Position holder**” has the meaning specified in Section 9.6 of these General Terms.

“**Product**” means the refined petroleum product, crude oil, condensate, liquefied petroleum gas, feedstock, chemical, ethanol, renewable fuel or other substance or material of any nature that is identified in the Special Provisions as being the subject of the sale, purchase, exchange or other transaction between the Parties.

“**Product Addendum**” means, if applicable, the specific Product addendum to these General Terms that is incorporated by reference into or attached to the Special Provisions.

“**Product Transfer Document**” means such document(s) as may be required pursuant to the RFS Program.

“**PSI**” means pounds per square inch.

“**PTO**” means product transfer order.

“**Qualified Replacement RIN**” means a valid RIN of the same D-Code (as that term is defined in the RFS Program) as specified in the Special Provisions and generated either in the same year specified in the relevant Special Provisions, or if RINs generated in the year specified in the Special Provisions are not reasonably available in the market or have expired, the then current compliance year.

“**RBOB**” means reformulated blendstock for oxygenate blending.

“**Reference Conditions**” mean the conditions of temperature and pressure in which measured volumes are to be corrected, as set forth in the Special Provisions and typically based on the location of the transaction. As an example, and for demonstrative purposes only, 60°F and 0 PSI for US based Product.

“**Regulated Status**” has the meaning specified in Section 13.4 of these General Terms.

“**Renewable Fuel**” has the meaning set forth in the RFS Program.

“**RFS Program**” means the Renewable Fuel Standard Program under the Energy Policy Act of 2005 and the Energy Independence and Security Act of 2007 and implementing regulations, including 40 C.F.R. Part 1090 Subpart M.

“**RIN**” means a Renewable Identification Number generated pursuant to the RFS Program.

“**RIN Transfer Date**” has the meaning specified in Article 25 of these General Terms.

“**Sanctions Law**” means any Applicable Law of the US, UK, EU, any EU member state, the United Nations, Canada, Mexico, or Peru applicable to the Parties relating to trade sanctions, embargoes, foreign trade controls or restrictions, export controls, non-proliferation, anti-terrorism, or any similar subject matter.

“**Seller**” means the Party identified as the seller of the Product in the Special Provisions. For Product exchanges, whichever Party is making delivery of the Product will be the “Seller” for that portion of the exchange and will be the “Buyer” with respect to the Product such Party is receiving in exchange.

“**Special Provisions**” means any writing, including a written confirmation sent by facsimile, email, or by other mutually agreed means or other form of written agreement, setting forth the trade details of a particular Transaction and incorporates these General Terms, and if applicable a Product Addendum.

“**Taxes**” means all foreign, federal, state and local taxes, duties, fees and charges of every description, including all motor fuel, excise, gasoline, aviation fuel, special fuel, diesel, environmental, spill, gross earnings or gross receipts and sales and use taxes, however designated, paid or incurred with respect to the purchase, storage, exchange, use, manufacture, production, transportation, resale, importation, exportation or handling of the Product; provided, however, that “Taxes” do not include: i) any tax imposed on or measured by net profits, gross or net income, or gross receipts (excluding, for the avoidance of doubt, any transaction taxes such as sales, use, gross earnings or gross receipts or similar taxes that are based upon gross receipts, gross earnings or gross revenues received only from the sale of petroleum products, which are included in the definition of “Taxes”); ii) any tax measured by capital value or net worth, whether denominated as franchise taxes, doing business taxes, capital stock taxes or the like; iii) business license or franchise taxes or registration fees; or iv) any ad valorem or personal property taxes.

“**Terminal**” means a refinery, terminal, transloading site, storage, or other similar type of delivery, discharge, or loading point.

“**Trade Date**” means the moment on a particular date when the Parties agree orally or otherwise upon the economic terms of a Transaction or, if an amended Transaction, when the Parties have agreed to amendment(s) to the Transaction.

“**Transaction**” means an agreement to sell, purchase, or exchange Product between the Parties.

“**Typicals**” means a quality or characteristic attributed to Product from a particular source, without representation or warranty that any particular cargo or delivery of Product from such source will have that same quality or characteristic.

“**UK**” means the United Kingdom of Great Britain and Northern Ireland.

“**US**” means the United States of America.

“**USC**” means the United States Code.

“**Valero**” means without limitation Valero Marketing and Supply Company or any of its Affiliates.



PART II: TERMS APPLICABLE TO CERTAIN DELIVERIES

ARTICLE 3. FCA, CPT, CIP, DAT, DAP, DPU, AND DDP DELIVERIES - TRUCK AND RAILCAR

Section 3.1. Delivery.

The Product will be delivered from Seller to Buyer as follows:

- a) in the case of FCA deliveries into truck or railcar, into Buyer's designated truck or railcar at the Terminal designated by Seller and set forth in the Special Provisions;
- b) in the case of CPT or CIP deliveries into truck or railcar, into Seller's designated truck or railcar at the Terminal designated by Seller and set forth in the Special Provisions; and
- c) in the case of DAT, DAP, DPU, or DDP deliveries by truck or railcar, at the Terminal designated by Buyer and set forth in the Special Provisions.

Section 3.2. Title and Risk of Loss.

Title to and risk of loss of the Product will pass from Seller to Buyer as follows:

- a) in the case of FCA deliveries, as the Product passes the last discharge flange of the loading Terminal designated by Seller and set forth in the Special Provisions and into Buyer's designated truck or railcar;
- b) in the case of CPT or CIP deliveries, as the Product passes the last discharge flange of the loading Terminal designated by Seller and set forth in the Special Provisions and into Seller's designated truck or railcar;
- c) in the case of DAT, DAP, DPU, or DDP deliveries by or out of truck, as the Product passes from Seller's designated truck into the first intake flange at the delivery Terminal designated by Buyer and set forth in the Special Provisions; and
- d) in the case of DAT, DAP, DPU, or DDP by or out of railcar, upon arrival of the railcar at the delivery Terminal designated by Buyer and set forth in the Special Provisions.

Section 3.3. Measurement of Quantity and Quality, Location, Sampling, Independent Inspection.

- a) Generally, Seller must use calibrated and proved meters to measure quantities delivered into truck and railcar, or if such meters are not available, must use the following (in order of preference): scales located at or near the Terminal, manual railcar measurements, or shore tanks located at or near the Terminal. Buyer must use calibrated and proved meters to measure quantities delivered out of truck

and railcars, or if such meters are not available, must use the following (in order of preference): scales located at or near the Terminal, manual railcar measurements, or shore tanks located at or near the Terminal.

- b) Quantity. The quantity of the Product must be determined in accordance with the latest established API/ASTM standards for the method of delivery. Unless otherwise specified elsewhere in the Agreement, all volumes must be corrected to the Reference Conditions in accordance with the latest supplement or amendment to API-MPMS ASTM D-1250. Metering systems shall conform to the API/ASTM standards then in effect relative to meter calibration/accuracy. The Party responsible for the meters and associated temperature probes used for measurement under the Agreement shall ensure that such meters and temperature probes are calibrated and proved according to applicable API/ASTM standards, but in any event, not less frequently than once every calendar quarter. If requested, Buyer or Seller (as applicable) shall provide documentation to verify calibration/proving of applicable meters. If the other Party has reasonable cause, it will have the right to independently certify, at its own expense, the calibration of such meters and temperature probes.
- c) Quality. The quality of the Product must be determined in accordance with the latest established API/ASTM standards for the method of delivery. If available, the quality of Product must be determined by an automatic, volumetric in-line sampler that has been certified and proven for the applicable Product per API standards. If an in-line sampler is not available or has not been certified and proven, quality must be determined by a volumetric composite of the static tanks before transfer into the receiving transport or a volumetric composite of the static receiving tanks after receipt from the delivering transport.
- d) Location of Measurements. Quantity and quality must be measured at the location where title to and risk of loss of the Product passes from Seller to Buyer.
- e) Measurements by Independent Inspector. Either Party may require the use of an Independent Inspector for measurements, in which case the following provisions will also apply:
 - i) All fees and other charges of the Independent Inspector will be shared equally by the Parties. The Parties shall instruct the Independent Inspector to obtain and retain appropriate samples of the Product for a period of ninety (90) days from the date of measurement.
 - ii) Each Party has the right to have a representative present at the time of loading, discharge, gauging and measurement of Product purchased or sold under the Agreement. Such representative must comply with any applicable dock, Terminal, and/or pipeline facilities' safety procedures or requirements.
 - iii) Regardless of whether either Party elects to have a representative present to observe loading, discharge, gauging and/or measurement, the Independent Inspector's certificates of quantity and quality will be binding upon the Parties, absent fraud or manifest error; provided that Buyer's or Seller's samples, if tested by the original Independent Inspector's laboratory (at such Party's request), or an additional Independent Inspector's laboratory, corroborates the Independent Inspector's quality results.

Section 3.4. Delivery Window and Shipping Documents.

- a) Seller shall make and Buyer shall receive truck and railcar deliveries at such times within the contract delivery window as specified in the Special Provisions. At the time of delivery, Seller shall prepare and furnish Buyer with copies of bills of lading and other shipping papers specified in the Special Provisions.
- b) It is expressly understood and agreed by the Parties that the passage of title and risk of loss as set forth in this Article is not conditioned on delivery or receipt of bills of lading or other documents referenced in Section 6.2 of these General Terms.

Section 3.5. Access Agreement and Right of Refusal.

- a) When accessing the Terminal, Buyer and its employees, agents, and third-party carriers must comply with all operating and safety procedures of the Terminal. Buyer shall inform its employees, agents, and third-party carriers of such procedures and instruct them to comply with such procedures. Buyer shall require that its agents and third-party carriers execute and deliver to Seller, or if Seller is not the owner or operator of the Terminal, to such owner or operator of the Terminal, such agreements as Seller or such other owner or operator may require from time to time in connection with Buyer's (or its agent's or third-party carrier's) access to the Terminal, including a carrier access agreement on terms and conditions customary at the Terminal.
- b) Notwithstanding anything to the contrary express or implied elsewhere in the Agreement, Seller has the right to refuse, on any reasonable ground, to accept any truck or railcar nominated by Buyer. Seller will not be liable for any loss or damage, direct or indirect, which Buyer may suffer as a result of Seller exercising such right.

Section 3.6. Rack Sales – Recurring Liftings.

Unless otherwise stated in the Special Provisions, if the Agreement is for recurring liftings at one or more Terminals, Buyer shall submit to Seller a rack demand forecast by Terminal for each month on or before the fifteenth (15th) day of the preceding month. Using the demand forecast as a guide, Buyer shall withdraw Product on a ratable basis throughout each month and, without Seller's consent, may not withdraw more than one hundred and ten percent (110%) of its forecasted volume in any month (unless otherwise stated in the Special Provisions). If Buyer fails to submit such a forecast, Seller may set volume withdrawal limits in accordance with Buyer's historical withdrawals or as otherwise determined by Seller. In addition, Seller may utilize lifting controls to ensure that Buyer withdraws Product on a ratable basis.

ARTICLE 4. PIPELINE DELIVERIES – INTO PIPELINE, OUT OF PIPELINE, IN-LINE PIPELINE TRANSFERS

Section 4.1. Delivery.

The Product will be delivered from Seller to Buyer as follows:

- a) in the case of into pipeline deliveries, as the Product enters into the pipeline set forth in the Special Provisions;
- b) in the case of out of pipeline deliveries, as the Product exits out of the pipeline set forth into the Special Provisions; and
- c) in the case of in-line pipeline transfers, on the agreed date, as evidenced by the PTO (or other acceptable transfer documentation) issued by the pipeline operator that reflects the delivery on its books and records.

Section 4.2. Title and Risk of Loss.

Title to and risk of loss of the Product will pass from Seller to Buyer as follows:

- a) in the case of into pipeline deliveries, as the Product passes the inlet flange of the receiving pipeline or as the Product otherwise passes the delivery point along the pipeline as specified in the Special Provisions;
- b) in the case of out of pipeline deliveries, as the Product passes the outlet flange of the pipeline or as the Product otherwise passes the delivery point along the pipeline as specified in the Special Provisions; and
- c) in the case of in-line pipeline transfers, at the time of transfer on the agreed date, as evidenced by the PTO (or other acceptable transfer documentation) issued by the pipeline operator that reflects the transfer of title on its books and records.

Section 4.3. Measurement of Quality and Quantity, Location, Independent Inspection.

- a) Quantity.
 - (i) Quantities delivered into pipeline must be measured by Seller using calibrated and proved pipeline meters if available, but if not available, then by terminal tank gauges. Quantities delivered out of pipelines must be measured by Buyer using calibrated and proved pipeline meters if available, but if not available, then by terminal tank gauges. Unless otherwise agreed by the Parties, for all deliveries into or out of pipelines where terminal tank gauges must be used for measurement, the Terminal operator shall determine the quantity of Product delivered. Where delivery is made to or received by common carrier pipeline, the pipeline's meters will govern the determination of quantity measurement.

- (ii) The quantity of the Product must be determined in accordance with the latest established API/ASTM standards for the method of delivery. Unless otherwise specified elsewhere in the Agreement, all volumes must be corrected to the Reference Conditions in accordance with the latest supplement or amendment to API-MPMS ASTM D-1250. Metering systems must conform to the API/ASTM standards then in effect relative to meter calibration/accuracy. The Party responsible for the meters and associated temperature probes used for measurement under the Agreement shall ensure that such meters and temperature probes are calibrated and proved according to applicable API/ASTM standards, but in any event, not less frequently than once every calendar quarter. If the other Party has reasonable cause, it will have the right to independently certify, at its own expense, the calibration of such meters and temperature probes.
- b) Quality. The quality of the Product must be determined in accordance with the latest established API/ASTM standards for the method of delivery. If available, the quality of Product must be determined by an automatic, volumetric in-line sampler that has been certified and proven for the applicable Product per API standards. The quality of Product delivered by pipeline must be in accordance with the specifications set forth by the relevant pipeline.
- c) Location of Measurements. Quantity and quality must be measured at the location where title to and risk of loss of the Product passes from Seller to Buyer.
- d) Independent Inspector. Either Party may require the use of an Independent Inspector for measurements, subject to the prior agreement of the applicable pipeline company having been obtained where necessary, in which case the following provisions will also apply:
- A) All fees and other charges of the Independent Inspector will be shared equally by the Parties. The Parties shall instruct the Independent Inspector to obtain and retain appropriate samples of the Product for a period of ninety (90) days from the date of measurement.
 - B) Each Party has the right to have a representative present at the time of loading, discharge, gauging and measurement of Product purchased or sold under the Agreement. Such representative must comply with any applicable pipeline facilities' safety procedures or requirements.
 - C) Regardless of whether either Party elects to have a representative present to observe loading, discharge, gauging and/or measurement, the Independent Inspector's certificates of quantity and quality will be binding upon the Parties, absent fraud or manifest error, provided that Buyer's or Seller's samples, if tested by the original Independent Inspector's laboratory (at such Party's request), or an additional Independent Inspector's laboratory, corroborates the Independent Inspector's quality results.

Section 4.4. Nominations.

Nominations for pipeline delivery must be given during normal business hours in accordance with the applicable pipeline's policies and time constraints.

ARTICLE 5. TANK DELIVERIES – OUT OF TANK; INTO TANK; BOOK, STOCK, OR INVENTORY TRANSFER

Section 5.1. Delivery.

The Product will be delivered from Seller to Buyer as follows:

- a) in the case of deliveries out of tank (ex-tank transfer), as the Product passes the outlet flange of the storage tank designated in the Special Provisions;
- b) in the case of deliveries into tank (into-tank transfer), as the Product passes the inlet flange of the storage tank designated in the Special Provisions; and
- c) in the case of deliveries by book, stock, or inventory transfer, then on the effective date of transfer as specified in the Special Provisions.

Section 5.2. Title and Risk of Loss.

Title to and risk of loss of the Product will pass from Seller to Buyer as follows:

- a) in the case of deliveries out of tank (ex-tank transfer), as the Product passes the outlet flange of the storage tank designated in the Special Provisions;
- b) in the case of deliveries into tank (into-tank transfer), as the Product passes the inlet flange of the storage tank designated in the Special Provisions; and
- c) in the case of deliveries by book, stock or inventory transfer, then on the effective date of transfer as specified in the Special Provisions.

Section 5.3. Measurement of Quality and Quantity, Location, Independent Inspection.

a) Quantity.

- (i) The quantity of the Product must be determined in accordance with the latest established API/ASTM standards for the method of delivery. Unless otherwise specified elsewhere in the Agreement, all volumes must be corrected to the Reference Conditions in accordance with the latest supplement or amendment to API-MPMS ASTM D-1250. Metering systems must conform to the API/ASTM standards then in effect relative to meter calibration/accuracy. The Party responsible for the meters and associated temperature probes used for measurement under the Agreement shall ensure that such meters and temperature probes are calibrated and proved according to applicable API/ASTM standards, but in any event, not less frequently than once every calendar quarter. If the other Party has reasonable cause, it will have the right to independently certify, at its own expense, the calibration of such meters and temperature probes.

- (ii) For stock transfers, quantities will be as mutually agreed according to the Special Provisions or stock transfer letters of the Parties.

- b) Quality. The quality of the Product must be determined in accordance with the latest established API/ASTM standards for the method of delivery. If available, the quality of Product must be determined by an automatic, volumetric in-line sampler that has been certified and proven for the applicable Product per API standards. If an in-line sampler is not available or has not been certified and proven, quality must be determined by a volumetric composite of the tank.

- c) Location of Measurements. Quantity and quality must be measured at the location where title to and risk of loss of the Product passes from Seller to Buyer.

- d) Measurements by Independent Inspector. Either Party may require the use of an Independent Inspector for measurements subject to the prior agreement of the applicable storage company having been obtained where necessary, in which case the following provisions will also apply:
 - i) All fees and other charges of the Independent Inspector will be shared equally by the Parties. The Parties shall instruct the Independent Inspector to obtain and retain appropriate samples of the Product for a period of ninety (90) days from the date of measurement.

 - ii) Each Party has the right to have a representative present at the time of loading, discharge, gauging and measurement of Product purchased or sold under the Agreement. Such representative must comply with any applicable storage facilities' safety procedures or requirements.

 - iii) Regardless of whether either Party elects to have a representative present to observe loading, discharge, gauging and/or measurement, the Independent Inspector's certificates of quantity and quality will be binding upon the Parties, absent fraud or manifest error, provided that Buyer's or Seller's samples, if tested by the original Independent Inspector's laboratory (at such Party's request), or an additional Independent Inspector's laboratory, corroborates the Independent Inspector's quality results.

Section 5.4. Nominations.

Nominations for deliveries out of tank, into tank, book, stock, or inventory transfer must be given during normal business hours in accordance with the applicable storage company's policies and time constraints.



PART III: TERMS APPLICABLE TO ALL DELIVERIES

ARTICLE 6. PAYMENT

Section 6.1. Payment Terms.

Any payments hereunder must be made to Seller pursuant to the payment terms set forth in the Special Provisions, or if not set forth in the Special Provisions as otherwise notified by Seller. All payments must be made in US dollars without offset, discount, deduction, withholding, netting, or counterclaim by wire transfer of immediately available funds on or before the payment due date to the bank and account designated by Seller.

Section 6.2. Required Documentation.

In addition to any documentation required by Applicable Law, including product transfer documents, if applicable, or as expressly provided elsewhere under the Agreement, payment must be made by Buyer against the presentation of Seller's invoice and the following documents:

- a) FCA Railcar/Truck, CPT/CIP Railcar/Truck, and Delivered By/Out of Railcar/Truck:
 - i) Railcar/Truck bill of lading (as applicable); and
 - ii) The certificate of quality or Independent Inspector's quality report when specifically required by the Special Provisions.
- b) Pipeline: Pipeline meter ticket or other acceptable transfer documentation evidencing inventory transfer.
- c) Book/Stock/Inventory/Tank Transfer:
 - i) PTO (or other acceptable transfer documentation) from the Terminal; and
 - ii) The certificate of quality or Independent Inspector's quality report when specifically required by the Special Provisions.

Section 6.3. Provisional Invoicing.

Where the Parties agree or where it is otherwise not possible or practicable to issue a final invoice prior to the date payment is due, either because pricing cannot be established or because discharge quantities are not then known, Seller has the right to issue, and Buyer shall make payment upon, a provisional invoice with a price that is based upon Seller's estimate of the final price (the "**Estimated Price**"). In preparing such estimate, Seller shall take into account such pricing information as is reasonably available at the time and shall assume that outturn quantity will match the bill of lading quantity. As soon as practicable after all

relevant information is available, Seller shall submit a final invoice to Buyer and i) Buyer shall immediately pay to Seller any amount by which the final invoice amount exceeds the Estimated Price, or ii) Seller shall immediately pay to Buyer any amount by which the Estimated Price received from Buyer exceeds the final invoice amount.

Section 6.4. Split Weekend Clause.

If the payment due date falls on a Sunday, or on a Monday that is not a Business Day, payment must be made in immediately available funds to Seller on the next Business Day after such payment due date. If the payment due date falls on a Saturday, or on a non-Business Day other than a Monday, payment must be made in immediately available funds to Seller on the last Business Day prior to such payment due date.

Section 6.5. Interest.

Any amount payable under the Agreement will, if not paid when due, bear interest from the payment due date until, but excluding, the date payment is received, at the Interest Rate. If a Party accepts payment from the other Party after the payment due date, such action will not waive the Party's right to receive interest and in no circumstance will it be considered as an agreement to provide extended credit. This Section should not be construed as an indication of any willingness on the part of the Party receiving payment to provide extended credit as a matter of course, and will be without prejudice to any rights and remedies which the Party receiving payment may have under the Agreement or otherwise.

Section 6.6. Netting.

With the exception of the netting specifically provided for in Article 16 of these General Terms, neither Party hereto has the right to net or set-off any payments due from it hereunder against any payments due or allegedly due to it or any of its Affiliates from the other Party or its Affiliates in connection with any separate transaction, unless and only to the extent the Parties have entered into a separate master netting agreement or similar agreement that expressly provides for such netting of payments.

Section 6.7. Facsimiles or PDF Transmission.

Invoices, certificates of quality and Independent Inspector's reports may be submitted via facsimile or a PDF file email attachment.

Section 6.8. Change of Banking Account Details.

In the event Buyer receives a request for payment to Seller to be made to a bank account that is different from the bank account set forth in the Special Provisions, Buyer shall be required to verify and re-confirm such request with Seller before any payment is made by Buyer to the bank account set out in such request.

ARTICLE 7. CREDIT

Section 7.1. Financial Responsibility.

If sufficient credit for the transactions under the Agreement is not approved by Seller's or its Affiliate's credit department, within seven (7) days before the first delivery date, or thereafter if sufficient credit has been provided and Buyer either exceeds such credit limit or Seller has reasonable grounds for insecurity as to Buyer's creditworthiness or performance hereunder, Seller may, in its reasonable discretion require Buyer to i) prepay Seller the full amount according to Seller's invoice for any deliveries of Product by wire transfer of immediately available funds at least two (2) Business Days prior to the delivery date, ii) post an irrevocable standby letter of credit that meets the requirements of Section 7.2 of these General Terms, or iii) provide some other form of credit support reasonably acceptable to Seller. In the event the above requirements have not been satisfied within the specified time limits, Seller has the option of terminating the Agreement and/or suspending its performance under the Agreement until the other Party provides such payment. Seller's delivery of Product hereunder prior to Buyer making payment or posting the letter of credit as provided above, will not operate as a waiver of Seller's rights to immediately impose the credit support obligations under this Section or at any future time prevent Seller from promptly exercising any other option, right or remedy that it may have under the terms of the Agreement. The exercise by either Party of any right reserved under this Section will be without prejudice to any claim for damages or any other right under the Agreement or Applicable Law.

Section 7.2. Letter of Credit.

In the event that Seller requires a letter of credit pursuant to Section 7.1 of these General Terms, payment will be covered by an irrevocable standby letter of credit to be issued and the original or the electronic operative instrument received by Seller not later than two (2) Business Days prior to each delivery date (or, in the case where a single letter of credit will cover multiple deliveries two (2) Business Days prior to the first delivery date), in a form acceptable to Seller and issued by an A-rated bank acceptable to Seller. Such letter of credit must be opened with sufficient value as reasonably determined by Seller to cover the aggregate volume of Product to be delivered by Seller multiplied by the aggregate value for such Product. All bank charges related to the letter of credit are for the account of Buyer. The letter of credit will not expire until thirty (30) days after the final invoice due date.

ARTICLE 8. REPRESENTATIONS AND WARRANTIES; QUALITY AND QUANTITY CLAIMS

Section 8.1. Title.

Seller represents and warrants that i) as of the date of delivery of the Product hereunder, Seller has good title to the Product sold and delivered, free and clear of any liens or encumbrances; and ii) Seller has full right and authority to transfer such title of such Product to Buyer.

Section 8.2. Product Specifications.

Product sold or transferred under the Agreement must, at the time that title passes to Buyer, conform to the specifications set forth in the Special Provisions, considering any stated tolerances. Notwithstanding anything to the contrary in the Agreement, no reference to “Typicals” or to “time of delivery” will ever form a part of the Product’s specifications or operate or be construed as a warranty of any sort. Unless otherwise specified in the Special Provisions, Product delivered by pipeline must conform to the transporting pipeline’s specifications.

Section 8.3. Disclaimer of Warranties.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, NOTWITHSTANDING ANY COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE (OR LACK THEREOF) THE PROVISIONS OF SECTION 8.2 OF THESE GENERAL TERMS CONSTITUTE THE SOLE AND EXCLUSIVE OBLIGATIONS OF SELLER WITH RESPECT TO THE SPECIFICATIONS, DESCRIPTION, QUALITY, CONDITION OR FITNESS OF THE PRODUCT, AND, EXCEPT FOR THOSE STATED IN THE AGREEMENT, SELLER MAKES NO OTHER AND EXPRESSLY DISCLAIMS ALL OTHER REPRESENTATIONS, GUARANTEES, ASSURANCES, CONDITIONS AND/OR WARRANTIES, EXPRESS OR IMPLIED INCONSISTENT HERewith, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY, ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, AND ANY IMPLIED CONDITIONS OF SATISFACTORY QUALITY OR FITNESS FOR PURPOSES, AS OTHERWISE APPLICABLE.

Section 8.4 Quality and Quantity Claims.

With the exception of RINs, any claim regarding the quality or quantity of any Product delivered will be waived unless submitted to Seller in writing, together with supporting documentation and reasonable details of the facts on which the claim is based, within sixty (60) days from the date of delivery. The delivery date will be determined by the bill of lading or other shipping document as appropriate for the delivery method. Notwithstanding the foregoing, no claim will be admitted in respect of any deficiency of quantity where the difference between the loaded and discharged quantity is three tenths of a percent (0.3%) of the loaded quantity or less.

ARTICLE 9. TAXES AND FEES; CUSTOMS

Section 9.1. Payment and Administrative Responsibilities.

- a) Unless otherwise specifically provided in the Agreement: i) Seller shall be liable for all Taxes with respect to the Product delivered hereunder, the taxable incident of which occurs before the transfer of title to the Product to Buyer; ii) Buyer shall be liable for all Taxes with respect to the Product delivered hereunder, the taxable incident of which occurs after transfer of title to the Product to Buyer; and iii) all Taxes the taxable incident of which is the transfer of title, regardless of the character, method of calculation or measure of the levy or assessment, will be paid by the Party upon which the Tax is imposed by the applicable taxing authority; provided, however, if such Taxes are payable by Seller, Buyer shall promptly reimburse Seller upon demand.

- b) With respect to rack sales of any Product, all Taxes, and all increases thereon, which are now or hereafter imposed, levied or assessed directly or indirectly by any Governmental Authority on or as a result of the transfer or sale contemplated by the Agreement is strictly for Buyer's account and will, if collectible or payable by Seller, be paid or reimbursed by Buyer on demand by Seller, and incorporated as an additional charge on Seller's invoice. **BUYER SPECIFICALLY AGREES TO HOLD SELLER HARMLESS FROM, AND INDEMNIFY SELLER AGAINST, ANY SUCH IMPOSTS, INCLUDING ANY INTEREST AND PENALTIES THEREON.** If Buyer claims exemption from any of the above imposts, then Buyer must furnish Seller with a properly completed and executed exemption certificate, in the form and within the time limit prescribed by the appropriate taxing authority.
- c) Buyer shall be responsible and liable, whether by payment, reimbursement, or otherwise, for all Fees and amounts equivalent to any Fees.
- d) With respect to any Product imported into the US or a foreign jurisdiction, the importer of record set forth in the Special Provisions shall be responsible for all import arrangements and customs requirements, including all Taxes, duties, fees and related costs in respect of importing the Product.

Section 9.2. Tax Reimbursement.

To the extent a Party (herein referred to as "**Party X**") is required by Applicable Law or otherwise under the Agreement to pay or remit certain Taxes on behalf of the other Party (herein referred to as "**Party Y**") or Party X otherwise pays Taxes for which Party Y is liable, Party Y shall reimburse Party X to the extent Party X paid such Taxes. Party Y's reimbursements of Taxes to Party X will be grossed up as necessary to return to Party X, after payment of any Taxes thereon, the amount actually paid by Party X. A Party is not responsible for any penalties or interest related to the obligations of the other Party in respect of Taxes to the extent such penalties or interest accrue based on the actions or inactions of the other Party.

Section 9.3. Property Taxes.

If any ad valorem, personal property or similar Taxes are assessed against Product sold hereunder, the Party having title to the Product at the time such tax liability is assessed shall be responsible for all administrative compliance and payment of such Taxes.

Section 9.4. Tax Withholding.

- a) Each Party shall provide to the other Party a properly executed IRS Form W-8 or W-9, or such equivalent form as may be appropriate under Applicable Law to enable the recipient to determine if it must withhold any Taxes from payments made by it hereunder. Such forms must be delivered upon the execution of the Agreement and subsequently if the information in such form becomes materially inaccurate or such form expires or becomes obsolete. Each Party further agrees to promptly deliver to the other Party any other tax form or certificate reasonably requested by the other Party, including certifications of federal and state registration.

- b) Each Party shall use all reasonable efforts to reduce required tax withholding on payments made to the other Party hereunder. Notwithstanding such efforts, if payor reasonably concludes that tax withholdings under Applicable Laws are required with respect to payments made hereunder, it shall withhold the required amount and pay it to the appropriate Governmental Authority, and shall promptly provide the other Party with original receipts or other evidence reasonably required and sufficient to allow the other Party to document such tax withholdings adequately for purposes of claiming foreign tax credits and similar benefits.

Section 9.5. Exemptions.

In the event there is an eligible exemption from the imposition of Taxes under Applicable Law, Buyer will provide Seller with the applicable documentation necessary to perfect the exemption. If Buyer does not furnish such exemption documentation or the Agreement is subject to tax under Applicable Law, upon receipt of Seller's invoice, **BUYER SHALL REIMBURSE AND INDEMNIFY SELLER FOR ALL TAXES PAID OR INCURRED BY SELLER, TOGETHER WITH ALL PENALTIES AND INTEREST THEREON.** Buyer's obligation to reimburse Seller includes any Taxes that Seller is assessed due to subsequent discovery of taxability or under audit by any taxing authority until expiration of the relevant statute of limitations.

Section 9.6. Excise Taxes on Product Delivered on Two Party Exchanges.

If Seller is the “**Position holder**” as defined in Federal Tax Regulation § 48.4081-1 (Treas. Reg. § 48.4081-1) or otherwise deemed to be a position holder under other Applicable Law in a Terminal where Buyer receives fuels on exchange under the Agreement, Seller shall treat Buyer as the Person that removes the fuel across the Terminal rack for purposes of reporting the transaction to the IRS or applicable taxing authority. If Seller delivers fuels on exchange under the Agreement from a Terminal where Seller is the Position holder, Seller shall use commercially reasonable efforts to cause the Terminal operator of such Terminal(s) to treat Buyer as the Person that removes the fuel across the Terminal rack for purposes of reporting the transaction to the IRS or applicable taxing authority. Buyer shall be directly liable for payment of all Taxes imposed on the removal of taxable fuels from any Terminal rack where Buyer is treated as the Person that removes the fuel across the Terminal rack.

Section 9.7. Duty Drawback.

Buyer and Seller acknowledge and agree that Seller retains all Drawbacks that may arise under the Agreement. As a result, Buyer (a) expressly disclaims any such Drawbacks and agrees not to use any transactions under the Agreement for any Drawback claim; and (b) as required under Applicable Law, specifically US duty drawback laws and regulations, shall (i) convey, transfer, assign, or otherwise provide any such Drawbacks to Seller and perform any actions, as necessary, to cause the same to occur, (ii) provide Seller with all necessary documents to support the filing of all Drawback claims resulting from the Agreement, and (ii) maintain necessary documents to support such Drawback claims for the applicable record retention period.

Section 9.8. Destination/Export.

To the extent indicated in the Special Provisions that the Product is intended to be exported by Buyer outside the Product's country of origination, Buyer represents and warrants that the Product is intended to, and covenants that the Product will, be exported and has an ultimate destination outside the Product's country of origination. Upon Seller's request, Buyer shall promptly (a) deliver to Seller documents demonstrating that the Product was exported and had a final destination outside the Product's country of origination, including any export or customs documents and any other documents reasonably requested by Seller; or, at Seller's discretion, (b) submit to Seller, or cause the ultimate exporter of the Product to submit to Seller, a written and signed certification (in a form reasonably acceptable to Seller) from an officer of Buyer or such ultimate exporter, as applicable, declaring that the Product was exported and had a final destination outside the Product's country of origination. In the event Buyer breaches any of the representations and warranties or covenants set forth in this Section or fails to perform or breaches any of its obligations in provisions (a) or (b) immediately above, as applicable, then **TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, BUYER SHALL PROTECT, DEFEND, INDEMNIFY AND HOLD SELLER HARMLESS FROM AND AGAINST ALL LOSSES CAUSED BY, ARISING OUT OF, OR RESULTING FROM SUCH BREACH OR FAILURE TO PERFORM BY BUYER.**

Section 9.9. Exporter of Record.

In the event Buyer exports the Product, Buyer shall be the exporter of record and responsible for all export arrangements and customs requirements, including export classification.

ARTICLE 10. FORCE MAJEURE

Section 10.1. Force Majeure Events.

"Force Majeure" means any cause or event reasonably beyond the control of a Party. Examples of Force Majeure include: act(s) of God; perils of the sea; fire; delay of the vessel arising from breakdown or adverse weather; accidents at, closing of, or restrictions upon the use of mooring facilities, docks, ports, pipelines, harbors, railroads, or other navigational or transportation mechanisms, if not caused or contributed to by the fault or negligence of the Party claiming force majeure; natural disasters (such as violent or sustained storms, hurricanes, cyclones, derechos, earthquakes, tidal waves, floods, high-water events, destruction by lightning); considerable cold or heat; war (declared or undeclared); epidemics or pandemics; quarantines; military operations; blockade; revolution; riots, cyber event; acts of piracy; acts of sabotage; disruption or breakdown of, explosions or accidents at or to, or refusal to provide services with respect to, wells, storage plants, refineries, pipelines, terminals, machinery, or other facilities; trade restrictions; strikes, lockouts, or a dispute or difference with workers; labor shortages; good faith compliance with any guidance, guidelines, instruction, orders, or actions, whether voluntary or involuntary, of any Government Authority, or by any Person purporting to represent a government; any reduction in, failure or refusal to deliver supplies of Product or the raw materials or energy used to manufacture such Product from Seller's sources of supply, whether lawful or otherwise; or any other cause of a similar nature as described herein not reasonably within the control of the respective Parties. The term "Force Majeure" expressly excludes a Party's inability to economically perform its obligations under the Agreement.

Section 10.2. Effect of Force Majeure.

Neither Party shall be liable to the other Party if it is delayed, hindered, interfered with, curtailed, prevented or rendered unable by an event of Force Majeure from performing in whole or in part any obligation or condition under the Agreement (except for any payment and indemnification obligations), for so long as the event of Force Majeure exists and to the extent that performance is hindered by the event of Force Majeure; provided, however, that the Party unable to perform shall use commercially reasonable efforts to mitigate and overcome the event of Force Majeure. Notwithstanding the foregoing, i) no Party will be compelled to resolve any strikes, lockouts or other industrial disputes other than as it shall determine to be in its best interests, and ii) Seller will not be compelled to purchase supplies or similar product to make good any shortages arising as a result of Force Majeure and the possibilities of purchasing such supplies or similar products will not be taken into account in determining whether there was a delay, hindrance, interference, curtailment, prevention or inability to perform. During the period that a Party's performance of its obligations under the Agreement has been suspended in whole or part by reason of an event of Force Majeure, the other Party likewise may suspend the performance of all or part of its obligations to the extent that such suspension is commercially reasonable, except for any payment and indemnification obligations arising prior to the occurrence of such Force Majeure event. Demurrage shall not accrue during a Force Majeure event or during its aftermath while the adversely affected Party's performance remains hindered.

Section 10.3. Notice.

If the event a Force Majeure delays, hinders, interferes with, curtails, prevents or renders unable either Party, in whole or in part, to carry out its obligations under the Agreement, such Party may avail itself of its rights under this Article 10 of these General Terms by giving the other Party notice and reasonable detail in writing as soon as practicable under the circumstances after the occurrence of the causes relied upon, or give notice by telephone and follow such notice with a written confirmation by email or pursuant to Article 21 of these General Terms. Delay or failure to comply with this Section shall not deprive a Party of the right to claim relief under this Article but may make such Party liable in damages to the other Party for loss which otherwise could reasonably have been avoided.

Section 10.4. Termination.

In the event that the period of total suspension due to a Force Majeure event continues in excess of thirty (30) consecutive days from the date that notice of such event is given, and so long as such event is continuing, either Party, in its sole discretion, may terminate the obligations of the affected transaction, or transactions if there is more than one affected transaction, under the Agreement by written notice to the other Party, and neither Party shall have any further liability to the other Party in respect of such obligations of the affected transaction or transactions except for the rights and remedies previously accrued.

ARTICLE 11. ALLOCATION

If Seller does not have sufficient supplies of Product to meet the supply obligations under the Agreement and its other product supply obligations, irrespective of the cause or foreseeability of any shortage, then Seller may allocate its available supplies of Product on any basis which in Seller's sole judgment is fair and reasonable including an allocation based on historical or planned deliveries. The shortage creating the need to allocate may be based on any of the following non-exclusive causes: an event of Force Majeure; an actual shortage of Product; a partial or total interruption or loss or shortage of transportation facilities or supplies of Product; a shortage in a contemplated source of supply of Product; a general shortage in Seller's product supply system (including the supply system of Seller's Affiliates); or shortage in the raw materials used to manufacture such Product. Seller shall have no obligation to make up any shortage resulting from an allocation hereunder or be compelled to purchase supplies or similar product to make good any shortage. Furthermore, the Agreement should not be construed in any way to require Seller to purchase Product from an Affiliate of Seller or another third party to supply any or all of the contract volume hereunder.

ARTICLE 12. HAZARD WARNING RESPONSIBILITY

Seller shall provide to Buyer upon request a Safety Data Sheet for each Product covered by the Special Provisions. Buyer acknowledges that there may be hazards associated with the loading, unloading, transporting, handling or use of the Product, which may require that warnings be communicated to or other precautionary action taken with all Persons handling, coming into contact with, or in any way concerned with the Product. Buyer assumes as to its employees, independent contractors and subsequent purchasers of the Product all responsibility for all such necessary warnings or other precautionary measures relating to hazards to Person and property associated with the Product and, furthermore, **BUYER SHALL DEFEND (WITH COUNSEL ACCEPTABLE TO SELLER), INDEMNIFY FULLY AND HOLD HARMLESS SELLER AND ITS AFFILIATES AND THEIR RESPECTIVE AGENTS, OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, SUCCESSORS AND ASSIGNS FROM AND AGAINST ALL LOSSES ARISING OUT OF OR IN ANY MANNER RELATED TO BUYER'S FAILURE TO PROVIDE NECESSARY WARNINGS OR OTHER PRECAUTIONARY MEASURES IN CONNECTION WITH THE PRODUCT.** Compliance with any recommendation contained in the Safety Data Sheet or other safety information does not excuse Buyer from complying with Applicable Law.

ARTICLE 13. COMPLIANCE WITH APPLICABLE LAW

Section 13.1. Compliance Generally.

Seller and Buyer each agree to comply fully in the performance of the Agreement with all Applicable Laws.

Section 13.2. RBOB.

In the event RBOB is purchased or sold under the Agreement, the Parties shall comply with all Applicable Laws related to RBOB, including, when applicable, EPA regulations found at Sections 80.65 through 80.89 at 40 C.F.R. Specifically, Buyer represents and warrants that it is an EPA registered oxygenate blender or that Buyer is an “**intermediate owner**” as that term is used in 40 C.F.R. 80.69(a)(5) and will transfer RBOB purchased under the Agreement only to an EPA registered oxygenate blender. Pursuant to 40 C.F.R. 80.69(a)(6), Buyer shall, if an oxygenate blender, or if Buyer is an intermediate owner require the oxygenate blender, to: (a) blend Seller’s RBOB with oxygenate in accordance with Seller’s written instructions regarding the proper oxygenate type and amount of oxygenate; (b) conduct (and allow Seller to conduct) quality assurance, sampling and testing as required in 40 C.F.R. Part 80; and (c) stop selling any gasoline found to not comply with the standards under which the RBOB was produced or imported.

Section 13.3. Toluene.

Where the Product is toluene, Buyer hereby represents and warrants that Buyer shall not use, sell or otherwise supply, directly or indirectly, the Product in the manufacture, production, formulation or blending of pesticides or pesticide products. Buyer hereby agrees to require substantially the same representation set forth in the preceding sentence from all customers and other parties to whom Buyer sells, provides and/or distributes the Product, or any other Person to Buyer’s knowledge that may in the course of doing business, use, maintain or obtain the Product, where such Product was originally purchased from Seller.

Section 13.4. Low Carbon Fuel Requirements Program Obligation for Bulk Deliveries of Product.

- a) Obligation Transferred. If, with respect to a certain bulk delivery of Product as identified below, the applicable Low Carbon Fuel Requirements Program allows (e.g., the California LCFS Program) and the Agreement provides that the regulated entity status or similar type entity status under such program (“**Regulated Status**”) is to be transferred from Seller to Buyer, then Buyer shall for all intents and purposes have such Regulated Status for purposes of such Product and the following will apply:
 - i) For applicable non-renewable Product under an applicable Low Carbon Fuel Requirements Program (e.g., CARBOB and/or CARB diesel under the California LCFS Program), Seller agrees to transfer, and Buyer agrees to receive, such program compliance obligation with respect to its Regulated Status for such Product in accordance with Applicable Law and the terms of the Agreement. Further, Seller shall provide to Buyer a product transfer document that indicates A) that Seller, as the transferor of such Product, has elected to transfer to Buyer the compliance obligation with respect to its Regulated Status for such Product, and B) the carbon intensity of such Product. Without limiting the foregoing and to the extent applicable under such Low Carbon Fuel Requirements Program, Buyer shall also be responsible in all respects for the base deficit obligation and incremental deficit obligation with respect to such Product.

- ii) For applicable renewable Product under an applicable Low Carbon Fuel Requirements Program (e.g., ethanol under the California LCFS Program), Seller agrees to transfer, and Buyer agrees to receive, such program compliance obligation with respect to its Regulated Status for such Product in accordance with Applicable Law and the terms of the Agreement. Further, Seller shall provide to Buyer a product transfer document that indicates A) that Seller, as the transferor of such Product, has elected to transfer to Buyer the compliance obligation with respect to its Regulated Status for such Product, B) the carbon intensity of such Product, C) the facility number where such Product was manufactured, D) the applicable fuel pathway for such Product, and E) the physical pathway for such Product.

- b) Obligation Retained. If, with respect to a certain bulk delivery of applicable Product under an Low Carbon Fuel Requirements Program, the Agreement provides that the Regulated Status is to be retained by Seller under such program, then Seller shall retain such Regulated Status for purposes of such Product and Seller shall provide to Buyer a product transfer document that indicates A) that Seller, as the transferor of such Product, will retain the Regulated Status and such program compliance obligation for such Product, and B) the carbon intensity of such Product.

ARTICLE 14. NEW OR CHANGED APPLICABLE LAWS

If at any time after the Agreement is entered into, any Applicable Laws are changed or any new Applicable Laws come into effect or are due to become effective, whether because of or as a result of any Applicable Laws or by response to the insistence or request of any Governmental Authority or any Person purporting to act therefor, and if the impact thereof will materially and adversely impact Seller, then Seller has the option, by written notice to Buyer, to request a good faith renegotiation of the affected provisions of the Agreement so as to eliminate or minimize as much as possible the impact of such changed or new Applicable Laws on Seller. If Buyer fails or refuses to negotiate with Seller in good faith, or if the Parties are unable to agree upon changes to the Agreement, within fifteen (15) days after Buyer's receipt of Seller's notice under this Section, Seller has the right to terminate the Agreement immediately at the end of such fifteen (15) day period. Any Product sold prior to such termination will be sold in accordance with the Agreement without adjustment in regard to such new or changed Applicable Laws.

ARTICLE 15. DEFAULT; REMEDIES

Section 15.1. Default.

A Party will be in default hereunder (such events hereinafter defined as an “**Event of Default**”) if: a) such Party fails to make any required payment under the Agreement when due; b) such Party, or such Party's Credit Support Provider, fails to satisfy the credit support requirements agreed between the Parties pursuant to the Agreement or such credit support expires, terminates, or is no longer in full force and effect for the Agreement (if such failure is not remedied within one (1) Business Day after written notice of such failure is given to the Party); c) such Party fails to comply with any material term, provision or covenant of the Agreement (other than the preceding clauses a) and b) immediately above); d) such Party, or such Party's Credit Support Provider, is dissolved, other than pursuant to a consolidation, amalgamation or merger; e)

such Party, or such Party's Credit Support Provider, becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; f) such Party, or such Party's Credit Support Provider, makes a general assignment, arrangement or composition with or for the benefit of its creditors; g) such Party, or such Party's Credit Support Provider, commences, institutes or has instituted or commenced against it a case or proceeding seeking a bankruptcy or judgment of insolvency or seeks or has sought against it any other relief or order for relief under any bankruptcy or insolvency law or other similar law affecting creditor's rights, or a petition is presented for its winding-up or liquidation; h) such Party, or such Party's Credit Support Provider, has a resolution passed for its winding- up, official management or liquidation, other than pursuant to a consolidation, amalgamation or merger; i) such Party, or such Party's Credit Support Provider, seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for all or substantially all of its assets; j) such Party, or such Party's Credit Support Provider, has a secured party take possession of all or substantially all of its assets, or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets; k) such Party, or such Party's Credit Support Provider, files an answer or other pleading admitting or failing to contest the allegations of a petition filed against it in any proceeding of the foregoing nature; l) to the extent the transaction under the Agreement involves RINs, the Initiated RINs accepted by Buyer are or become invalid for purposes of the RFS Program; or m) such Party's Credit Support Provider, takes any other action to authorize any of the actions set forth above.

Section 15.2. Remedies.

- a) In an Event of Default hereunder, the non-defaulting Party may, without prejudice to any other rights or remedies available to it under Applicable Law (but subject to the limitations on a Party's liability expressly set forth in the Agreement), terminate the Agreement upon notice to the defaulting Party. Such termination will be without prejudice to the rights and obligations of the Parties that accrued under the Agreement prior to such termination.
- b) Where an Event of Default has occurred with respect to Buyer, Seller may also elect to suspend all deliveries hereunder, and in such event: i) so long as the Event of Default is continuing, Seller may at any time after suspending delivery elect to terminate the Agreement; and ii) if Seller later elects to resume deliveries, Seller may elect to treat as canceled any and/or all deliveries that it did not make during the suspension period, and in such event Seller has no obligation to make up the quantity of any Product not delivered as a result of the suspension.
- c) Where an Event of Default has occurred with respect to Buyer, Seller may, without prejudice to any other rights or remedies available to it under Applicable Law also elect to exercise any or all remedies available to it under Article 16 of these General Terms, which election and exercise of any such remedies will be without prejudice to the rights and obligations of the Parties that accrued under the Agreement prior to or after such election and exercise.

ARTICLE 16. TERMINATION AND LIQUIDATION

The Parties acknowledge that the Agreement is a **“Forward Contract”** as defined in the US Bankruptcy Code (11 USC Sec. 101 (25)) and the Parties acknowledge they are **“Forward Contract Merchants”** as defined in the US Bankruptcy Code (11 USC Sec.101 (26)). If one Party i) commences a case in bankruptcy or a reorganization or seeks a receivership, or a creditor of such Party commences an involuntary bankruptcy case or a reorganization or seeks a receivership, ii) becomes insolvent or incapable of paying its debts as they become due, or iii) makes a general assignment for the benefit of creditors, the other Party (the **“Liquidating Party”**) has the immediate right, exercisable in its sole discretion, to liquidate and/ or terminate the Agreement and all other forward contracts (as provided by, but not limited to, Section 556 of the Bankruptcy Code) then outstanding between the Parties (whether the Liquidating Party is Seller or Buyer thereunder) by netting and closing out all such contracts at the then current market prices so that each contract being liquidated is terminated except for the settlement payment referred to below. The Liquidating Party shall calculate the difference, if any, between the price specified in each contract so liquidated, and the market price for the relevant commodity as of the date of liquidation (as determined by the Liquidating Party in any commercially reasonable manner), and aggregate or net such settlement payments, as appropriate, to a single liquidated amount. Payment of said settlement payment will be due and payable within one (1) Business Day after reasonable notice of liquidation. The liquidation, netting, and close-out of the Agreement and all other forward contracts is in addition to any other rights and remedies which the other Party may have under Applicable Law.

ARTICLE 17. INDEMNITY

ONCE TITLE TO AND RISK OF LOSS ASSOCIATED WITH THE PRODUCT PASSES TO BUYER AS PROVIDED FOR HEREIN, THEN AS BETWEEN BUYER AND SELLER, BUYER SHALL BE SOLELY RESPONSIBLE AND LIABLE FOR, AND SHALL RELEASE, DEFEND (UPON SELLER’S REQUEST), INDEMNIFY, AND HOLD SELLER, AS WELL AS SELLER’S AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS AND CONTRACTORS, HARMLESS FROM AND AGAINST ALL LOSSES CAUSED BY, RESULTING FROM, OR OTHERWISE ASSOCIATED WITH A) THE RELEASE, SPILL, OR DISCHARGE OF ANY PRODUCT INTO THE ENVIRONMENT, INCLUDING ANY RELATED LOSS OR DESTRUCTION OF, OR DAMAGE TO, ANY PROPERTY, OR ANY INJURY TO OR DEATH OF ANY INDIVIDUAL OR MARINE LIFE, AND B) THE REMEDIATION, CLEAN-UP, REMOVAL, OR DISPOSAL OF ANY SUCH PRODUCT, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SELLER OR SELLER’S AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR CONTRACTORS. THE PARTIES TO THE AGREEMENT HEREBY EXPRESSLY, INTENTIONALLY, KNOWINGLY AND WILLINGLY WAIVE AND DISCLAIM THE APPLICABILITY OF TEXAS CIVIL PRACTICE & REMEDIES CODE SECTION 82.002 TO THE AGREEMENT AND THE PURCHASES AND SALES MADE HEREUNDER, AND HEREBY RELINQUISH ALL RIGHTS WHICH THEY MAY HAVE UNDER THAT STATUTE.

ARTICLE 18. CHOICE OF LAW; JURISDICTION

Except as otherwise provided herein, any controversy, cause of action, dispute or claim arising out of, relating to, or in connection with the Agreement, or the breach, termination or validity thereof, will be governed by the substantive and procedural laws (excluding any conflict-of-laws rules or principles which may refer the laws of the State of Texas to the laws of another jurisdiction) of the State of Texas. The Parties specifically agree that the sole jurisdiction for any claims is in the State or Federal courts having jurisdiction thereof located in Harris County, Texas.

ARTICLE 19. LIMITATION OF LIABILITY

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THE AGREEMENT: A) EXCEPT WITH RESPECT TO ANY INDEMNIFICATION OBLIGATIONS SET FORTH HEREIN, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY INDIRECT, INCIDENTAL, OR CONSEQUENTIAL LOSSES OR DAMAGES, LOST PROFITS (WHETHER DIRECT OR INDIRECT), LOST OPPORTUNITIES, LOST CONTRACTS, LOST PRODUCTION, LOSS OF USE, LOSS OF GOODWILL, OR ANY SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES, WHETHER OR NOT FORESEEABLE, WHICH ARISE OUT OF OR RELATE TO THE AGREEMENT, THE PERFORMANCE OR BREACH HEREOF, OR DEMURRAGE, WHETHER ARISING IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE; AND B) SELLER'S LIABILITY WITH RESPECT TO THE AGREEMENT OR ANY ACTION WHICH ARISES OUT OF OR RELATES TO THE AGREEMENT OR THE PERFORMANCE OR BREACH HEREOF, WHETHER IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE, WILL NOT EXCEED THE PRICE OF THE PRODUCT (OR PORTION THEREOF) WITH RESPECT TO WHICH SUCH LIABILITY AROSE LESS THE SALVAGE VALUE OF THE PRODUCT. NOTHING IN THIS ARTICLE PRECLUDES OR OTHERWISE IMPAIRS SELLER'S ABILITY TO INITIATE LEGAL ACTION AGAINST BUYER TO RECOVER THE PURCHASE PRICE OF THE PRODUCT SOLD TO BUYER BY SELLER IN THE EVENT BUYER FAILS TO FULLY PAY FOR THE PRODUCT AS AGREED HEREUNDER.

ADDITIONALLY, WITH RESPECT TO ANY CLAIMS RELATING TO SELLER'S FAILURE TO DELIVER THE AGREED QUANTITY OF PRODUCT, IN NO EVENT WILL SELLER BE LIABLE FOR MORE THAN THE DIFFERENCE BETWEEN THE PRICE SPECIFIED IN THE AGREEMENT AND THE MARKET PRICE OF SUCH PRODUCT MULTIPLIED BY THE QUANTITY NOT DELIVERED. WITH RESPECT TO ANY CLAIMS RELATING TO VARIATION IN QUALITY FROM THE PRODUCT SPECIFICATIONS, IN NO EVENT WILL SELLER BE LIABLE FOR MORE THAN THE DIFFERENCE BETWEEN THE PRICE SPECIFIED IN THE AGREEMENT AND THE MARKET PRICE OF THE PRODUCT AS ACTUALLY DELIVERED MULTIPLIED BY THE QUANTITY OF SUCH NON-CONFORMING PRODUCT.

Further, and without limiting any shorter time limitations set out in the Agreement with respect to specific matters (such as, but without limitation, time limits for submission of Demurrage claims and claims relating to quantity and/or quality), any actions to enforce any rights or obligations under the Agreement must be filed in court against the other Party no later than one (1) year after the date on which the alleged breach of the Agreement occurred failing which, to the fullest extent permitted under Applicable Law, they will be time barred.

ARTICLE 20. SANCTIONS; TRADE CONTROLS & BOYCOTTS; ANTI-BRIBERY AND ANTI-MONEY LAUNDERING; CONDUCT GUIDELINES

Section 20.1. Sanctions; Trade Controls & Boycotts.

- a) Buyer and Seller each warrants to the other that its performance under the Agreement will comply with all Sanctions Laws.
- b) The Parties agree that the Product purchased and sold under the Agreement will not, directly or indirectly, be acquired from, sold, transferred, or delivered to or through any Person, country, or territory in contravention of any Sanctions Laws.
- c) Buyer shall, upon the request of Seller, provide Seller with appropriate documentation for the purposes of verifying that the final destination and ultimate consignee of any delivery hereunder within five (5) Business Days of the date of discharge of the shipment or within such lesser period if necessary to enable Seller to comply with any governmental requirement or request.
- d) The obligations of Buyer to comply with the above requirements will not be affected by any sale or disposal of the Product in question by Buyer.
- e) If a Party fails (i) to comply with any of the provisions of this Section (or gives the other Party reasonable grounds to believe it is in breach of the provisions of this Section) or (ii) to cooperate with the other Party by providing upon request such other Party with reasonable documentation demonstrating compliance with this Section, then the other Party has the right (without prejudice to any other rights and/or remedies under the Agreement) to immediately terminate the Agreement, suspend receipts or deliveries, as applicable, under the Agreement, and/or, if such other Party is the Seller, then dispose of any undelivered Product under the Agreement in such manner as Seller deems appropriate.
- f) Notwithstanding anything to the contrary herein, nothing in the Agreement should be interpreted or applied so as to induce or require a Party or any of its Affiliates to take, or to refrain from taking, any action in connection with the Agreement that is inconsistent with or would be in violation of US, UK, or Canadian laws, regulations, or requirements applicable to such Party which relate to anti-money laundering, foreign trade or export controls, sanctions, embargoes or international boycotts of any kind whether such are imposed by law, regulation, decree, or instruction of any Governmental Authority or Person purporting to act therefor.

Section 20.2. Anti-Bribery and Anti-Money Laundering.

- a) Notwithstanding anything to the contrary herein, Buyer and Seller each agree to comply with, and use reasonable efforts to ensure that any third parties used by them to fulfill the Parties' respective obligations under the Agreement will comply with all Applicable Laws relating to anti-bribery, anti-corruption, and anti-money laundering applicable to any of the Parties or their Affiliates, including the US Foreign Corrupt Practices Act, the UK Bribery Act, the Canadian Corruption of Foreign Public

Officials Act, the Peruvian Anti-Corruption Law No. 30424, and any other Applicable Law implementing the Organisation for Economic Co-operation and Development's Convention for Combating Bribery of Foreign Public Officials in International Business Transactions (collectively, the "**Anti-Bribery Laws**").

- b) No director, officer, employee or legally authorized agent of either Party will give or receive any commission, fee, rebate, kickback, lavish gift or entertainment, or other things of significant cost or value to any director, officer, employee, or agent of the other Party in connection with the Agreement.
- c) Each Party's financial settlements, billings and reports made in connection with the Agreement must accurately, fairly and in reasonable detail reflect the relevant transactions in each Party's books and accounts.
- d) In connection with the performance of the Agreement, neither Party will, directly or indirectly, pay, offer, give, promise, or authorize the payment of, any monies or other things of value to any government official or an officer or employee of a government or any department, agency or instrumentality of any government; an officer or employee of a public international organization; 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 organization; any political party or official thereof or any candidate for political office; or any other Person at the suggestion, request or direction or for the benefit of any of the above-described Persons, or engage in acts or transactions otherwise in violation of the Anti-Bribery Laws.
- e) If either Party fails to comply with any of the provisions of this Section (or gives the other Party reasonable grounds to believe it is in breach of the provisions of this Section), the other Party (without prejudice to any other rights and remedies it may have under the Agreement) is entitled to terminate the Agreement.

Section 20.3. Conduct Guidelines for Business Partners.

Valero Marketing and Supply Company and its Affiliates are committed to the highest ethical and legal standards in the conduct of their business and expects all their business partners, including suppliers, vendors, contractors, subcontractors, and representatives, with which Valero Marketing and Supply Company and/or its Affiliates conducts business to become familiar with and abide by the policies and principles set forth in Valero's "Conduct Guidelines for Business Partners" available at www.valero.com.

ARTICLE 21. NOTICES

- a) Unless otherwise agreed between the Parties, notification to/from either Party to the other must be in writing and officially be deemed to be given/received: i) immediately if in person; ii) where sent by post within the US to the address specified in the Agreement, on the second (2nd) Business Day after it was posted; iii) for airmail to the address specified in the Agreement, on the fifth (5th) Business Day after it was posted; iv) for facsimile where confirmation of transmission is provided and can be verified, if the recipient's confirmation is received prior to 1630 hours local time on a Business Day then that

Business Day, but if the confirmation is received later than 1630 hours local time on a Business Day then on the next Business Day after the confirmation was received; and v) for nationally recognized courier service, if delivered prior to 1630 hours local time on a Business Day then that Business Day, but if delivered after 1630 hours local time on a Business Day then receipt is deemed to be on the next Business Day after the confirmation was received.

- b) Email correspondence regarding the performance of the Agreement is acceptable except for notices of assignment, Event of Default, Force Majeure, termination, and legal or arbitration proceedings. Email messages must be sent to the address specified for those purposes in the Agreement and are deemed to have been received on that Business Day if sent prior to 1630 hours local time on such Business Day, but if delivered after 1630 hours local time on a Business Day then receipt is deemed to be on the next Business Day. Email messages are at the risk of the sender and are only valid if actually received.
- c) Changes to the contacts and addresses specified in the Agreement must be notified immediately by post or facsimile to the other Party.
- d) Instant messages or electronic “text” messages (such as SMS Format message) are not acceptable means of providing notice.
- e) All references to “local time” in this Article mean local time at the place of receipt.

ARTICLE 22. MISCELLANEOUS

Section 22.1. Assignment.

Neither Party may assign any of its rights, duties, or obligations provided for under the Agreement, in whole or in part, without the prior written consent of the other Party. The above notwithstanding, either Party has the right to assign the Agreement to any Affiliate by providing written notice of such assignment to the other Party and so long as the assigning Party expressly remains jointly and severally responsible for the obligations so assigned with the Affiliate assignee. Any purported assignment of the Agreement in violation of this Section will be void.

Section 22.2. Waiver of Sovereign Immunity.

Each Party hereby represents and warrants that it is acting solely in its commercial capacity in executing and delivering the Agreement, and in performing its obligations hereunder, and each Party hereby irrevocably waives with respect to all claims, disputes, controversies and other matters of any nature whatsoever that may arise under or in connection with the Agreement all immunity such Party may otherwise have or obtain for itself or its property as a sovereign, quasi-sovereign or state-owned entity (or similar entity) from all proceedings (whether legal, equitable, arbitral, administrative or otherwise), attachment of assets, and enforceability of judicial or arbitral awards (be they interim measures or final awards). The provisions of this Section will survive the termination of the Agreement without limitation as to time.

Section 22.3. Trademarks.

Nothing in the Agreement whether express or implied shall be deemed to confer any right upon Buyer to apply any trademark owned by Seller or any of its Affiliates to any Product supplied under the Agreement nor to use such trademark in relation to such Product.

Section 22.4. Rights of Third Parties.

Nothing expressed or implied in the Agreement should be considered or constructed as conferring any rights, interests, obligations or benefits under the Agreement to a Person other than Buyer, Seller and their respective successor and permitted assigns.

Section 22.5. No Waiver.

No waiver of any right under the Agreement at any time will serve to waive the same right or any other right at any future date.

Section 22.6. Right to Audit Books and Records.

Each Party and its duly authorized representatives will have access during customary business hours, subject to such Party's health and safety procedures, to the accounting records and other documents maintained by the other Party which relate to the Agreement and shall have the right at its own expense to audit such records at any reasonable time after the effective date of the Agreement and within one (1) year after the termination of the Agreement. However, a Party can only conduct one (1) audit per year, and the same year cannot be re-audited. In no event will the audited Party be obligated to disclose legally privileged information.

Section 22.7. Independent Contractor.

In performing their respective services pursuant to the Agreement, Seller and Buyer are acting solely as independent contractors maintaining complete control over their respective employees, facilities, and operations. Neither Seller nor Buyer is authorized to take any action in any way whatsoever for or on behalf of the other.

Section 22.8. Survival.

Cancellation, expiration or termination of the Agreement does not relieve the Parties of any obligations that, by their very nature, must survive cancellation, expiration or termination, including all payment and indemnification obligations arising under the Agreement prior to the date of cancellation, expiration or termination. A Party's payment obligation will not be deemed fulfilled until the payment has been credited in full into the Party's bank account.

Section 22.9. Severability.

If a provision of the Agreement (or part thereof) is declared to be illegal, invalid or unenforceable by a court of competent jurisdiction, the remainder of the Agreement and remainder of such provision will not be affected and will continue in full force and effect except to the extent necessary to delete such illegal, invalid or unenforceable provision (or part thereof).

Section 22.10. Amendment.

No amendment to the Agreement will be effective unless agreed to by both Parties and confirmed in writing.

Section 22.11. Relationship of the Parties.

The relationship between Buyer and Seller established by the Agreement is that of purchaser and supplier, and nothing in the Agreement should be construed to constitute the Parties as principal and agent, partners, joint venturers, co-owners or otherwise as participants in a joint undertaking.

Section 21.12. Entire Agreement.

The Agreement represents the entire agreement of the Parties with respect to the matters contemplated by the Agreement, and no oral statements or prior written matter not specifically incorporated in the Agreement is of any force and effect.

Valero

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Valero

No Smoking
Stop Engine

AMERICA'S LARGEST PRODUCER OF RENEWABLE FUELS.

100% RENEWABLE.
100% RESPONSIBLE.

Diesel Valero

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Renewable Diesel #2

renewable Diesel

renewable Diesel
High Energy
Low Carbon
Market



PART IV: ADDITIONAL TERMS APPLICABLE TO RENEWABLE FUELS AND RENEWABLE IDENTIFICATION NUMBERS (RINS) PURCHASES AND SALES

ARTICLE 23. GENERAL PROVISIONS GOVERNING RENEWABLE FUELS AND RINS

In addition to Parts I through III of these General Terms, the following provisions in this Part IV of these General Terms applies to all transactions for the purchase and/or sale of RINs and Renewable Fuel between the Parties to which these General Terms are attached or specifically incorporated by reference.

ARTICLE 24. REPRESENTATIONS AND WARRANTIES

Section 24.1. Representations and Warranties of Seller.

In addition to the representations and warranties set forth in Article 8 and Section 24.2 of these General Terms and unless otherwise stated in the Special Provisions, Seller represents and warrants that, to the best of its knowledge, each RIN Initiated or sold pursuant to the Agreement: i) was properly generated by Seller or, if applicable, was properly purchased or received by Seller and was separated and unassigned pursuant to the RFS Program; ii) is valid under the RFS Program; iii) is of the D-Code (as that term is defined in the RFS Program), K-Code (as that term is defined in the RFS Program), and RIN Generation Year (other than where a later year is permitted in accordance with the Agreement) specified in the Special Provisions (if any) and has not been retired; and iv) if the EPA requests Seller to provide information to the EPA, Seller will observe this request in such form and within such period as the EPA may request in order to carry out any of its functions under the RFS Program.

Section 24.2. Representations and Warranties of Each Party.

Each Party represents and warrants to the other Party that: i) it is a registered user of the EMTS and has completed any registration required by the RFS Program; ii) the Agreement and such Party's performance under the Agreement are in compliance with all its obligations under the RFS Program as the same may apply to the Agreement and such Party's performance thereunder; iii) it has entered into the Agreement as principal (and not as advisor, agent, broker or in any other capacity, fiduciary or otherwise), has a full understanding of the material terms and risks of the Agreement, has made its own independent decision to enter into the Agreement and as to whether the Agreement is appropriate or suitable for it based upon its own judgment and upon advice from such advisors as it has deemed necessary, and it is capable of assuming those risks; and iv) if a Party receives a request from EPA for documents pursuant to EPA's authority under the RFS Program, and the other Party has the documents being requested, the Party that received such EPA request shall notify the other Party in writing and such other Party agrees to cooperate in responding to the EPA's request.

ARTICLE 25. TRANSFER OF RINS

Except as otherwise provided elsewhere in the Agreement, Seller shall transfer to Buyer and Buyer shall acquire from Seller all RINs generated pursuant to the RFS Program for each Gallon of Renewable Fuel sold hereunder, with the value assigned to the specific renewable fuel in accordance with the RFS Program. With respect to the transfer of the RINs under the Agreement, Seller will issue a corresponding Product

Transfer Document, and Seller and Buyer will subsequently cause the transfer of RINs specified in the relevant Product Transfer Document using the EMTS within the time frame set forth in the RFS Program. Title to the RINs will pass from Seller to Buyer simultaneously with and in the same manner as title to the Renewable Fuel or if a RINs only transaction, title to RINs will pass from Seller to Buyer upon Buyer's acceptance of the RIN transaction in EMTS (either such title transfer date is hereinafter referred to as the "**RIN Transfer Date**"). Each of the RINs that is transferred along with the RIN Transfer Date will be listed on the Product Transfer Document and, for RINs only transactions, Seller shall provide all other information required under the RFS Program for separated RINs.

ARTICLE 26. PRODUCT COMPLIANCE

For each delivery of Renewable Fuel, Seller shall provide to Buyer a certificate of analysis, a bill of lading, a delivery ticket, or a loading ticket that certifies that the Renewable Fuel is in compliance with federal and state requirements applicable at the time of delivery. For each delivery of RINs, whether or not sold separately from a Renewable Fuel, Seller and Buyer each shall comply with all applicable provisions of the RFS Program including, those provisions related to generation, separation, transfer, and retirement of RINs.

ARTICLE 27. SELLER'S FAILURE TO INITIATE RINS OR DELIVER VALID RINS

- a) If Initiated RINs accompanying an assigned volume of Product ("**Assigned RINs**") are entered into EMTS in an untimely manner such that Buyer cannot accept the Assigned RINs in the time frame set forth in the RFS Program, then Seller agrees to provide Buyer separated and Qualified Replacement RINs within fifteen (15) Business Days of notification by Buyer in a volume equal to the Assigned RINs that were untimely.
- b) If Initiated RINs accepted by Buyer are or become invalid for purposes of the RFS Program ("**Deficient RINs**"), then, Seller shall, at Seller's sole cost and expense, Initiate Qualified Replacement RINs in a volume equal to the deficient quantity within fifteen (15) Business Days after Seller receives notice (whether from Buyer, from EPA, or from any third party) that the RINs are invalid for purposes of the RFS Program, and shall reimburse Buyer for its direct and actual costs and expenses incurred as a result of Seller's Deficient RINs. If Seller fails to Initiate Qualified Replacement RINs within fifteen (15) Business Days after Seller receives notice, then Buyer may Initiate Qualified Replacement RINs in a volume equal to the Deficient RINs and Seller shall reimburse Buyer for all of its direct, actual, and documented costs and expenses incurred in connection with obtaining and transferring a volume of Qualified Replacement RINs.
- c) If, as a result of Seller's fraudulent or willful misconduct, it sells Buyer Deficient RINs, and such sale results in a Governmental Authority imposing fines and penalties upon Buyer, then notwithstanding anything to the contrary contained herein, Seller shall reimburse Buyer for all such fines and penalties to the extent the fines and penalties are assessed against Buyer as a direct result of the Deficient RINs.

- d) In the event the provisions of this Article are invoked, Seller and Buyer agree to work together in good faith to pursue an efficient, commercial, and practical resolution consistent with the foregoing options (or any combination thereof) in order to cure any default with respect to any Deficient RINs; provided, however, the replacement RINs must be Qualified Replacement RINs unless otherwise mutually agreed.
- e) In the event any Qualified Replacement RINs transferred to Buyer are or become invalid for purposes of the RFS Program, such Qualified Replacement RINs will be treated as Deficient RINs for purposes of this Article.

ARTICLE 28. CHANGE IN LAW

Without limiting any other provision in this Agreement, if at any time after the Agreement is entered into, any Applicable Laws, including the RFS Program or EPA policy or procedure implementing the RFS Program, are changed or any new Applicable Laws come into effect so that the implementation of the Agreement becomes impossible, impractical, or inconsistent with the requirements, protocols, or procedures under the RFS Program, the Parties shall work in good faith to amend the Agreement to conform to such changed or new Applicable Laws in order to maintain the original intent of the Parties under the Agreement. Notwithstanding anything in the Agreement to the contrary, if any Applicable Law, including the RFS Program, is enacted, implemented, modified, amended, or revoked such that Buyer is no longer an obligated party under the RFS Program or the RFS Program is no longer in effect, Buyer has the right to terminate the Agreement with no further obligation upon thirty (30) days' notice to Seller.

ARTICLE 29. EMTS UNAVAILABILITY

In the event EMTS is disrupted or unavailable, the affected obligations of the Parties will be suspended (but not discharged) until EMTS is not disrupted and is available.

ARTICLE 30. LIMITATION OF LIABILITY – FINES AND PENALTIES

EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THE AGREEMENT, INCLUDING ARTICLE 27(c) OF THESE GENERAL TERMS, NO PARTY SHALL PAY OR BE LIABLE FOR ANY FINES OR PENALTIES ASSESSED BY ANY GOVERNMENTAL AUTHORITY, INCLUDING RFS PROGRAM FINES OR PENALTIES.

