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Terms and Conditions 2013

The following general Terms and Conditions for the sale of marine fuels shall apply to those transactions in which AGUNSA (Agencias Universales S.A.) hereinafter referred to as Seller agrees to sell marine fuels to a third party - hereinafter referred to as Buyer.

1. Definition

1.1 Marine fuel is defined as commercial grades of bunker fuel oil or their mixtures offered at the time and place of delivery by Seller according to Chilean specifications.

1.2 Unless otherwise expressly agreed in writing, these Terms & Conditions of Sale shall apply to each and every sale of Marine Fuels as defined herein by or on behalf of AGUNSA its associated companies and/or affiliates ("Seller").

1.3 The agreement shall apply from the time of the Buyer's written confirmation / nomination.

1.4 The standards that set the minimum and maximum limits for the marine fuel parameters will be the current ISO 8217 or Nch 2286/1 for distilled and ISO 8217 or Nch 2286/2 for residual.

2. Price

2.1 The applicable price shall be the one agreed upon at the time and place of nomination for the grade of marine fuel to be delivered. Stemmed prices will be valid no more than ten days (10) from nomination.

2.2 The price excludes government duties or taxes that may be levied by Chile Government (Marine fuels are presently exempt.)

2.3 Unless otherwise agreed, the price shall be offered by Seller and accepted by Buyer for each sale. In order to reach this agreement, a written copy of the requirements, offers and nominations is required.

A written copy refers to faxes, letters, or e-mails. For such purpose the buyer will present a written document addressed to the seller specifying the requirements.

2.4 Buyer shall pay all duties, taxes, fees and costs including those imposed by local authorities as well as other charges associated with the delivery. Seller will make a reasonable attempt to identify such charges in advance.

2.5 Buyer shall pay any expenses incurred due to partial or complete cancellation of a delivery in progress, being carried out by Seller, in accordance with the notice requirements stated in the Deliveries section.

2.6 Buyer shall pay a lump sum fee of US\$ 3,000.- for barge deliveries between 300 and 450 metric tons (total) in Quintero, Valparaiso and US\$ 3,500 in San Antonio Ports (Central Zone). On the other hand Buyer shall pay a cancellation fee of US\$ 10,000 for any cancellation given with less than 3 days or any before delivery.

3. Nominations

3.1 Buyer shall have the sole responsibility for the selection and acceptance of marine fuels. The quality of each grade of marine fuel shall be the usual production quality of that grade being sold by Seller at the time and place of delivery. The Buyer shall have the sole responsibility for any determination of compatibility of marine fuel purchased from AGUNSA with marine fuel already on board the vessel.

3.2 Buyer shall provide Seller at least three (3) days prior written notice of the vessel's agent, date of arrival, bunkering Port, grade and quantity of marine fuel and Buyer's address for invoicing.

3.3 Buyer shall insure that either the Master of a nominated vessel or vessel's agent give not less than two effective working days advance notice to the Seller's local office at each delivery Port, which notice shall identify the Buyer and specify place where and time of delivery is required, time have to be within days well specified in bunker nomination from Buyer. The Master of vessel or vessel's agent shall give immediate notice to Seller of any delays of time of arrival. In case of failure to arrive at the contracted day, Seller will use its best efforts to reschedule Buyer's vessel, but shall be not responsible for any attendant delays or for any damages resulting therefrom. In the specific case of reschedules of Vessels, delayed by weather conditions, berth congestion, draft restrictions, etc. for taking bunkers, policy of "first in, first out", will be used by Sellers.

3.4 If any nomination is given by an agent for a Buyer hereunder, then such agent shall be independently liable, as if it were the principal, for the performance of all the obligations hereunder. Should the quantity requested locally exceed by ten per cent (2 %) the nominated quantity in any grade, Buyer shall give to the Seller, or email / Fax authorization to supply such increased quantity.

4. Delivery

4.1 Vessel buyer shall without charge immediately furnish clear and safe berth alongside vessel's receiving lines and shall render all other necessary assistance to the barge effecting delivery on a 24 hours per day basis.

4.2 Seller shall have the right to shift or require Buyer to shift its vessel at load port, from one berth to another or to anchorage.

4.3 Vessel Buyer shall make all connections and disconnection between the delivery hose and vessel's intake pipe, if necessary, and provide sufficient tanks equipment to receive promptly all deliveries.

4.4 Deliveries shall be made in the ports or terminals agreed by both parties, or by barge where this service is available. Buyer or its agent shall notify the Seller of the final requirements at least five working days in advance, and provide a confirmation at least seventy-two (72) and forty-eight (48) hours (excluding not working days) prior to the time of requested delivery. Such notice and confirmations shall specify the port, the name and type of the vessel, method of delivery, and the requested place and time of delivery, confirming the type and exact quantity of marine fuels. Deliveries shall be made during regular business hours observed in the particular port unless required at other times permitted by local regulations, in which case the Buyer shall pay any extra expenses incurred. Vessels shall be bunkered in turns, and Seller or its provider shall not be liable for any losses or demurrage incurred by Buyer due to any delay in the Delivery of marine fuels due to any circumstances or prevailing conditions that are not within the control of Seller. When deliveries are made by barge, the Buyer shall, without charge, immediately furnish a clear and safe berth alongside vessel's receiving lines. Deliveries made in Terminals or by barge may not be done when a clear and safe berth is not available in the Seller. Buyer shall make all connections and disconnections of delivery hose to the vessel. If the vessel calls a port only to buy marine fuels, it shall maintain the Seller informed, every eight (8) hours of its ETA, in order to coordinate the service and avoid delays. Buyer shall

inform the Seller of its intention to make a bunkers-only stop when Buyer asking for a quotation. If Buyer does not inform Seller of such intention, Buyer shall not hold Seller responsible for any delays or extra costs.

4.5 Vessel's will be bunkered as promptly as possible, but Seller shall not be liable for demurrage, detention, or any other or different damages due to any by weather (whether usual or unusual), congestion at the terminal or prior commitments of available barges or when security is compromised according to Supplier's judgment.

4.6 Anything herein to the contrary notwithstanding, Seller obligation to make any delivery hereunder is at times subject to the availability to Seller at the Port at which delivery is requested of the particular grade of marine fuel requested by Buyer.

4.7 The Seller reserves de right to cancel any nomination without liability on the part of the Seller and without prejudice to any rights the Seller might have against the Buyer if the Vessel does not arrive at bunkering point within the delivery range agreed between both parties in written nomination.

4.8 In the case of failure to arrive at the bunkering place on contracted day, the Seller shall endeavor its best efforts to re-schedule the Buyer's Vessel, but shall not be liable for any attendance delays not for any damage resulting therefrom. In case of re-schedule in all cases the policy of "first in, first out" will be used by Seller.

4.9 In case that the Buyers fails to take the whole quantity nominated, the Buyer shall be liable for any cost resulting for such failure.

4.10 Before performing delivery Master or Chief Engineer will be invited to make the checklist prior replenishment, signing/stamping "Letter of Readiness" after reading carefully all provisions herein mentioned.

4.11 Considering local procedures, not allowing Sellers to keep Marine Fuels at storage, being forced to act on the spot basis with local sources; a policy of "+/- 10% "over quantity written nominated can be

5. Quantity and Quality Determinations

5.1 The quality and quantity of the marine fuel shall be determined by Seller's personnel using Seller's equipment according to Seller's official methods.

Buyer shall be present or represented when such quality determinations and quantity measurements are taken, but whether or not Buyer or Buyer's representative accepts or declines such invitation, Seller's determination of quality and quantity shall prevail and be binding.

After such quality determination and quantity measurements are taken, the Letter of Readiness mentioned in 4.10 shall be signed/stamped by Vessel's Staff.

5.2 Quantity shall be determined by the Seller or its providers from the gauge or meter on shore or from the ullage of the tanks of the barge and truck. This determination shall be conclusive, but Buyer shall have the right to be present or be represented by an independent petroleum surveyor at the time of the measurement. If agreed by the Seller and the Buyer in advance, the surveyor's measurement on the barge and truck or pipeline's outturn shall be conclusive.

Volume IFO (s) shall be adjusted to 60°F, or to 15°C, at Seller's option, according to existing ASTM-IP Petroleum Measurement tables currently called ASTM D-1250-80 (IP200/52) or the equivalent API standard currently called MPMS Chapter 11.1. Complaints about quantity shall be made to Seller's or its suppliers' representative at the time of the delivery and confirmed in writing within ten (10) days maximum, after delivery.

5.3 The quality of the marine fuel shall be within the minimum/maximum limits of Agunsa's current Marine Fuel Specifications, herein below, which form part of these Standard Terms by reference or as otherwise mutually agreed in writing between Buyer and Seller. THERE ARE NO GUARANTEES OR WARRANTIES, EXPRESS OR IMPLIED, OF MERCHANTABILITY, FITNESS OR SUITABILITY OF THE MARINE FUEL FOR ANY PARTICULAR PURPOSE OR OTHERWISE WHICH EXTEND BEYOND THE DESCRIPTION CONTAINED HEREIN. The standards that set the minimum and maximum limits for the marine fuel parameters will be the current ISO 8217 or Nch 2286/1 for distilled and ISO 8217 or Nch 2831 for residual.

5.4 Seller shall draw two representative sealed samples of each marine fuel delivered. Buyer may attend or be represented during such sample taking in which event he shall countersign each sample and may retain one sealed and countersigned sample. The sealed samples shall be deemed conclusive and binding as to quality of the delivered marine fuel.

5.5 Unless otherwise agreed, the quality of the Marine Fuels shall be stated from a composite sample taken at the loading source.

6. Payment

6.1 Buyer shall make payment (without any deduction, discount, or set off whatsoever) U.S. dollars to Seller's account at a Bank designated by Seller.

Payment shall be deemed to have been made on the date when full payment is credited to Seller's account and Seller's head office has been duly informed that payment has been received.

6.2 Buyer may not at any time or for any reason assert a set off or invoke any counterclaim or other right as basis for withholding payment.

6.3 When marine fuel is supplied on a credit basis, full payment shall be received by the due date specified in Seller's email / fax / mail invoice. If the established credit period expires on a day when Seller's Bank is closed for business, then credit period end at the day before the Seller's Bank is open for business. Seller will in due course provide Buyer by ordinary email / fax / mail with a commercial invoice and a copy of a bunker receipt.

6.4 Seller's email invoice and/or mail / fax invoice, shall be based on advise as to the quantity delivered and other charges and surcharges if incurred, and payment made pursuant to 5.1 above shall be subject to such subsequent adjustment as may be necessary on receipt by the Seller of further delivery details.

6.5 If marine fuel is supplied on a credit basis and full payment is not received by the due date, Buyer shall immediately be in default. A service charge of 2 % a month will be assessed on all late payment and shall be payable as subsequently directed to Seller. This shall be in addition to any other remedies which Seller may have by reason of such default.

6.6 If Buyer is in default of full payment, or if its financial condition in the Seller's opinion becomes impaired, or if proceedings in bankruptcy or insolvency is instructed by and or against Buyer, or in the cause of liquidation or dissolution of Buyer, any all postponed or deferred payments including interest thereon, shall

become immediately due and payable and Seller reserves the right to offset same against any debts to Buyer or its affiliates.

Exercise of any such rights shall be without prejudice to Seller's rights to recover damages or losses sustained and resulting from any default by Buyer, and Seller shall have the right to suspend deliveries hereunder.

6.7 Seller reserves the right to modify or terminate any credit arrangement without notice and to demand payment in advance, further security or payment in anticipation of maturing invoices prior to accepting any marine fuel nomination.

The amount due and payable by Buyer hereunder shall become a maritime lien on the vessel to which the marine fuel is delivered; and taking of any additional security measures by Seller shall not operate as a waiver of this provision.

Buyers agreed that Seller may set off any claim against Buyer, against any amount due and owing to any Buyer's affiliates.

7. Title & Risk

7.1 All deliveries shall be deemed complete and title and risk of losses shall pass to Buyer when the marine fuel has passed the flange, connecting the delivery facilities provided by Seller. Thereafter Seller shall in no event be responsible or liable for any losses or damage and the Buyer shall assume all risk of loss or damage including but not limited to deterioration or evaporation of the Marine Fuels delivered.

8. Liability

8.1 Seller shall not be liable for any damage which the Buyer or any third parties sustain because of the alleged negligence or misconduct of Seller's contractors in the execution of the nomination or delivery.

8.2 Seller does not warrant, nor shall be deemed to warrant the safety of any place(s) or facility (ies) where Buyer's load s and assumes no liability in respect thereof except for loss or damage demonstrably caused by its failure to exercise reasonable care.

9. Delay

9.1 If Buyers, agents, its servants, vessel's officers or vessel crew causes any delay to Seller's facilities in effectuating deliveries of fuels oils, Buyer shall pay demurrage to Seller at Seller's established rates and reimburse Seller for any and all other expenses in connection therewith.

10. Force Majeure & Contingencies

10.1 Seller shall not be in breach of its obligations hereunder the extinction if that performance is prevented, delayed or (in the sole, but reasonable judgment of Seller) made substantially more expensive as a result of any or more of the following contingencies:

1. Any cause beyond reasonable control of the Seller.
2. Labour disturbance, whether involving the employees of Seller otherwise and regardless whether the disturbance could be settled by acceding to the demand of a labour group.
3. Compliance with a request or order of a government authority or person purporting to act therefore.
4. Shortage on raw material, transportation equipment, manufacturing capacity, or marine fuels from Seller's then contemplated source of supply thereof or generally, not demonstrated by Buyers to be due to Seller's lack of diligence.
5. Weather condition, Berth congested at source and/or any labour disturbance involving Employees of said Refinery (ENAP).
6. Seller shall not be liable for any loss, damage or demurrage resulting from any breach, delay, or non-performance to the extent such is caused by: (i) any governmental act or compliance by that party with any order, request, or control of any governmental authority or person purporting to act thereof whether or not such order or request is later determined to be invalid (including compliance with or implementation of any order, request, plan or program of any authority created by governments); or (ii) the interruption, unavailability, or inadequacy of marine fuels, or any constituent thereof, or any facility of production, manufacture, storage, transportation, distribution or delivery, because of wars, hostilities, public disorders, acts of enemies, sabotage, strikes, lockouts, labor or employment difficulties, fires, acts of God, accidents, breakdowns, weather conditions, or any other cause whatsoever that is not within the control of Seller including, but not limited to, the failure, cessation, termination or curtailment in whole or in part of any of the existing or contemplated sources of supply of Seller of marine fuels or the crude oil or petroleum products from which such marine fuels are derived. Seller and its suppliers shall not be required to remove any such cause or replace the affected source of supply or facility if it will involve additional expense or a departure from its normal practices. If the seller is responsible of any damage or demurrage to the vessel, the maximum amount that could be pay (for all costs or extra costs) is US\$50.000., amount to which any arising liability of the Seller will be limited to.
7. In the event of an actual or anticipated shortage of supply that directly or indirectly prevents Seller from fulfilling its own requirements as well as those of its customers including its affiliated companies and Buyer, Seller may allocate available quantities of marine fuels to it and its customers in its discretion but in a fair and reasonable manner. In the event that any governmental authority imposes any form of price control, rationing, allocation, or other emergency measures on Seller's sales of marine fuels at the port where Buyer desires to purchase marine fuels, then Seller has the right to: (i) suspend or cancel deliveries of any marine fuels contracted for in accordance herewith for such period or periods as Seller may determine required to resolve uncertainties raised by such governmental actions; or (ii) allocate such quantities of marine fuels to the Buyer as Seller may determine to be appropriate; or (iii) cancel any further commitments to make deliveries under these terms.
8. Seller or its supplier shall not be required to make up deliveries omitted due to any of causes specified herein.
9. Buyer shall not be liable for any loss, damage or demurrage resulting from any breach, delay or non-performance to the extent such is the result of any cause that is not within the control of Buyer and the vessel taking delivery hereunder; provided, however, that nothing contained herein shall: (i) relieve Buyer of its obligations to pay for marine fuels delivered by Seller or its supplier and to make such payments in the manner specified elsewhere in these terms and conditions; or (ii) affect the obligations of Buyer to reimburse Seller to the extent Seller incurs any expense due to any delay by Buyer in the use of delivery or barging facilities or in vacating the terminal as elsewhere provided in these terms.

11. Claims

11.1 Buyer waives any and all claims against Seller with respect to any claimed shortage on quantity, unless Buyer or Buyer's representative shall give written notice both to the terminal operator and to the Seller at the time of loading. In all cases the Seller's figures under local Customs survey will prevail, and in

no any case vessels figures should be taken into consideration. Seller shall also be notified in writing of any claimed defect in the quality immediately after such alleged defects are discovered. Each of the foregoing preliminary notices shall be followed by a formal written notice of claim to Seller containing all details necessary to allow evaluation of the claim. IF BUYER FAILS TO GIVE ANY INITIAL NOTICE OR IF THE FORMAL WRITTEN NOTICE IS NOT RECEIVED BY THE SELLER WITHIN EIGHT (8) DAYS AFTER DELIVERY OF THE MARINE FUELS TO VESSEL, ANY CLAIM SHALL BE CONCLUSIVELY DEEMED TO HAVE BEEN WAIVED.

11.2 Any complain of variation of quality shall be admissible only in both a) and b) are fulfilled:

1. a fully documented claim presented to the seller within days mentioned in 11.1, from the date on which the replenishment has been completed, and,
2. it includes a copy of the report of analysis carried out by the inspection company on the samples taken and mentioned in the BDR's is in discordance with the agreed quality differing by a greater amount than the reproducibility and repetition as per applicable standards.

11.3 The results of a new analysis shall be conclusive and binding for both parties and will determine each party's liabilities in this matter. Cost of analysis will be borne by the Seller if product is off specification and will be borne by the Buyer if it is within specification.

12. Waiver

12.1 No waiver by either party of any breach of any of the terms and conditions herein contained to be performed by the other party shall be construed as a waiver of any succeeding breach of the same or any other term and condition.

13. Indemnity

13.1 Buyer shall indemnify Seller against any and all damages and liabilities arising out of resulting any act(s) or omission(s) of Buyer, its servant, agents, vessel's officers or vessel's crew in connection with marine fuel delivery. Indemnification shall include all costs, reasonable attorney's fees and other damages included but not limited to, the cost of compelling Buyer's compliance with these terms and conditions of sale and delivery

14. Environmental Protection

14.1 If any spills occur while marine fuels are being delivered, Buyer shall promptly take such action as is reasonably necessary to remove the spilled marine fuels and to mitigate the effects of such spills. Buyer shall co-operate and render such assistance as is required by the Seller in the course of such action.

All expenses, claims, losses, damages, liabilities and penalties arising from such spills shall be borne by the party that caused the spill by a negligent act or omission. If both parties have acted negligently, all expenses, claims, damages, liabilities and penalties shall be divided between the parties in accordance with the comparative degree of negligence. Buyer shall give Seller all documents and other information concerning any spill, any program for the prevention thereof, that are required by Seller or required by law or regulation applicable at the time and place of delivery.

15. Notices

15.1 Unless otherwise provided, all notices, statements and other communications including invoices to be given, submitted or made hereunder by either party to the other, shall be sufficiently given if in writing and send by post, by telegraph or telex to the address designated by Buyer for invoicing or to the Seller at the address stated in the opening of the Terms & Conditions herein. Either Party may change its designated address by giving fifteen (15) days prior written notice of its new address to the other party.

16. Cancellation & Breach

16.1 If because of the occurrence of any of the events referred to Section 10.1 there is in Seller's sole discretion such a shortage of Seller's supply of the quality and grade of marine fuel or other petroleum products sold hereunder at the loading ports designated herein the Seller is unable to meet its own planned requirements and those of this subsidiary and affiliates companies and its requirements for sales to the other customers of all kind or otherwise. Seller may without liability withhold reduce, suspend or cancel deliveries hereunder to such extent as Seller consider necessary in the circumstances.

16.2 Notwithstanding the provisions of Section 10.1 and 16.1 Buyer shall not be relieved of any obligation to make payments hereunder in U.S. dollars for all marine fuels delivered hereunder.

16.3 Under no circumstances shall Seller be obligated to purchase or acquire marine fuels to replace supplies lost as a result of any of the events enumerated in Section 10.1 Should Seller thereafter purchase or otherwise acquire additional marine fuels of the same grade and quality, whether from a current supplier or otherwise. Seller shall not be required to allocate any such marine fuel to Buyer.

16.4 Performance shall be excused as provided herein even through the occurrence of the contingency in question may have been foreseen or be foreseeable all the time of nomination acceptance or subsequently become foreseeable.

17. Additional Provisions

17.1 No claim shall be made and no recovery shall be had hereunder for any indirect special, incidental or consequential damages.

17.2 This Terms & Conditions of Sale shall be governed by the Chilean law applicable in local Courts, to the exclusion of any other legal system. Each party expressly submits itself to the jurisdiction of the Chile local Courts without prejudice to Seller's right to enforce maritime liens in any appropriate Court.

17.3 This Terms & Conditions of Sale shall be governed by the Chilean authorities and procedures, being duly advised that Seller is not allow in any circumstance to keep bunker products (locally tax exempt products) at storage, being forced following local procedures to buy on the spot basis only at the local Oil majors duly authorized by local government as bunker product sources. In any case said sources will guarantee quality of bunker products.

17.4 There is no implied warranty of workmanlike performance with respect to this Terms and Conditions of Sale other than services provided by employees of Seller in conjunction with the delivery of marine fuels as provided for in this Terms and Conditions of Sale.

17.5 This Terms and Conditions of Sale contains the entire agreement of the parties with respect the subject matter hereof and there are no other promises, representations or warranties affecting it and shall not be modified or amended in any except in writing signed by both parties.

18. Marine Fuels for Export

a) Marine fuels intended for export use or imported under bond, and drawback marine fuel manufactured from imported crude, if available, may be delivered to Buyer without payment by the Buyer of the applicable sales (VAT) or use tax, customs duty, tariff, fee, or other tax or charge thereon; provided however, that Buyer shall reimburse the Seller for any such tax or charge assessed, including interest and penalties thereon, if charged to the buyer, or for any drawback denied after delivery by reason of the failure of the Buyer or its vessel to qualify for those benefits, or to furnish the necessary evidence within the required period of time specified according to the local applicable taxing, customs or other regulations.

T&C for AGUNSA – Agencias Universales S.A.
Effective January 1, 2013