

Terms and Conditions

The following general terms and conditions relating to the sale of marine fuels will be applied to those transactions in which ORGANIZACIÓN TERPEL S.A. - hereinafter referred to as "The Seller" - agrees to sell marine fuels to a third party - hereinafter referred to as "The Buyer".

1. Price

- a) 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.
- b) Spot prices shall be offered by Seller, which shall specify their validity and conditions clearly in the quotation.
- c) 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.
- d) 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. Deliveries

a) Deliveries shall be made in the ports or terminals agreed by both parties, by cartank or by barge where this service is available. Buyer or its agent shall notify the Seller of the final requirements at least five (5) working days in advance, and provide a confirmation at least seventy-two (72) hours for deliveries by cartank and forty-eight (48) hours for deliveries by barge (excluding days that are not working days) prior to the time of requested delivery. Such notice and confirmations shall specify the port, the name of the terminal, the name of the vessel, the name of the agent, IMO number, method of delivery, and the requested place and time of delivery, confirming the kind and quantity of marine fuels. For deliveries by cartanks dead freight will be charged when the order is less than the capacity of the vehicle and charging freight "standby" when vehicles are required to be waiting more than 12 hours to deliver. Deliveries shall be made during regular business hours observed in the particular port unless required at other times permitted by local regulations, case in which 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 available in the Seller or its provider's opinion.

Buyer shall make all connections and disconnections of the 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.

b) Deliveries shall be complete, and the title and the risk of loss shall pass and belong to the Buyer, as the marine fuel reaches the flange connecting Seller's delivery hose to the receiving vessel's manifold. Each delivery is deemed to represent a separate contract. If there is a delay caused by Buyer for any reason in a delivery or in the use of barge facilities or a vacant terminal, the Buyer will be required to reimburse the Seller for any expenses incurred by the Seller due to any such delay.

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c) Buyer guarantees that each vessel will be properly crewed, equipped, maintained and operated in compliance with applicable regulations, so as to avoid leakage, spillage, overflow or water or land pollution. Effective communication between the receiving vessel and the Seller's delivery personnel shall be constantly maintained during the entire bunkering operation. Buyer assumes full responsibility for the direction of pumping. Buyer shall indemnify and hold the Seller harmless against any losses, damages (including damage to the vessel and/or to the barge), costs and reasonable attorney's fees that the Seller or its providers may have incurred or for which they may become liable either: (i) as a result of any claim, action, suit, trial, fine, tax, or charge of a similar nature instituted by anyone, including public authorities and corporations, due to any leakage, spillage, overflow, or water or land pollution, except when such losses, damage, costs and expenses arise out of a wrongful or negligent act or omission of Seller or its providers; or (ii) arising out of the wrongful or negligent acts or omissions of Buyer or its vessel associated with any activities hereunder.

d) If an escape, leakage, discharge, spillage, overflow or water or land pollution by marine fuel (hereinafter referred to as "spill") occurs during delivery to the Buyer, Buyer will take such action as is reasonably necessary to immediately stop the spill and to remove the marine fuel and mitigate the effects of such spill. However, notwithstanding the cause of such spill, Seller is hereby authorized, at its option, upon notice to the Buyer or Buyer's agent for the receiving vessel, to incur in such expenses when considered as reasonably necessary, in the judgement of Seller or its providers, and or ordered by any authority in order to remove the marine fuel and mitigate the consequences of such spill. Buyer shall promptly reimburse Seller for any amounts paid by Seller on Buyer's behalf associated with a spill for which the Buyer is later proven to be responsible. Buyer agrees to cooperate fully with Seller in the prevention, recovery and investigation associated with a spill.

e) In the event of a breach by buyer of its payments obligations, seller at its discretion may suspend deliveries until the buyer is in good standing in all its financial obligations.

3.Quantity and Quality Determination

a) 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 or 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 of the barge or pipeline's outturn shall be conclusive. Volume 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 two(2) days maximum, after delivery.

b) The quality of the marine fuel shall be within the minimum/maximum limits of ORGANIZACIÓN TERPEL S.A. current Marine Fuel Specifications for IFOS and to the technical specifications of the marine diesel issued by ECOPETROL, 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. The seller wont be responsible for the qualities of the product once the product is on the buyer tanks of the vessel

c) Product sampling shall be carried out by means of continuous drip whenever possible. The Buyer's representative shall have the right to inspect the sampling equipment and will be provided with a representative sample of the delivery that is sealed, labelled and homogeneous. An identical sample will be retained by the Seller or its supplier for thirty (30) days after the delivery. These samples will be the only evidence acceptable for the parties concerning the quality of the marine fuel provided by the Seller to the Buyer. Complaints and/or claims for deficiency in quality must be based on tests made as soon as possible by a mutually acceptable independent laboratory using the abovementioned samples. The cost of any analysis will be **USD \$1,000** (all included) for any test requested. This charge will be for Buyer account only if test results show off specs product and must be paid immediately after the results.

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Buyer shall inform Seller of such complaints or claims by means of a protest claim as soon as possible, but in no event later than fifteen days (15) days from the date of delivery.

4. Marine Fuels for Export

a) The marine fuels for export purposes to ships on international routes, and marine fuel made from imported oil, may be delivered to the purchaser with tax exemptions, customs and exchange applicable under the customs rules, exchange and current tax, for that Buyer shall ensure delivery of the documents needed to support exports. In case of default by the Buyer, Buyer shall reimburse the seller of any estimated tax or fee, including interest and penalties thereon, arriving to be charged to the seller in case of any inconvenience after delivery due to failure of the buyer or his vessel to be eligible for those benefits, or the necessary evidence within the stipulated period of time according with local tax regulations or other regulations stated by the correspondent authorities (ie internal procedural OT) Buyer acknowledge and understand the tax rules and regulations applicable exchange for acceptance, execution and completion of supply of marine fuel, including those taxes at the municipal, departmental and national rules. Each party shall pay taxes and make the deductions to which this obligation according to the law applicable.

The withholding taxes on an income tax and remittance and timbre and any tax, fee or contribution, direct or indirect, national, provincial or municipal level being caused by reason of the conclusion, execution and payment for the supply, will charge of the party who is bound under the law.

If generated VAT will be paid by the purchaser and shall be discriminated against and / or certified on the invoice by Seller in accordance with current legislation

5. Payment

a) Unless otherwise agreed, payment for each delivery shall be made without discount or deduction in United States Dollars to Seller at its indicated address or account within the period indicated in the quotation. Payment shall not be conditioned upon Buyer's receipt of original delivery documents. In the event payment is not made at the time and in the manner prescribed above, Seller shall have the right to suspend further deliveries hereunder and/or to notify the Buyer that payment has not yet been made for any deliveries hereunder, which is immediately due and payable. Without prejudice to any other lawful rights of the Seller, Seller shall at its option will be entitled to apply, in satisfaction of any obligation owed hereunder by the Buyer, the amount of any monies which may then be or thereafter become owing from Seller to Buyer. Outstanding or pending payments shall bear interest at the maximum legal rate permitted or any part thereof.

b) Sales are made on the credit of the receiving vessels as well as on Buyer's promise to pay, and all the amounts owed shall be maritime liens against such vessels or its sister vessels in favour of Seller and its supplier, regardless of any disclaimer placed upon the delivery documents by the receiving vessel or any third party. This credit can be assigned or cancel by the seller according to its credit policies

c) The value of the invoice must be paid by the buyer within the vendor has been granted in accordance with the relevant negotiations. The deadline will be in calendar days from the delivery of products.

d) However, the seller may review the conditions of credit to the customer and may amend for which it must notify the change in writing to the Purchaser for the following reasons:

- a) If the seller grants a buyer credit limit after a study of credit according to the seller policies.
- b) When the seller finds that the information provided by Buyer for credit analysis is false or insufficient.
- c) In the event of default continues more than thirty (30) calendar days in the payment of the price of the Products.
- d) Return of more than three (3) checks within a period of six (6) months, for causes attributable to the drawer, regardless of the amount of returns.
- e) Breach of any of its obligations under these terms and conditions.
- f) When in the judgment of the seller, the buyer's economic conditions change so that it becomes clear their inability to meet its payment obligations.

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- g) If the legal or natural person dies or disappears Buyer.
- h) At the discretion of the seller.

The provisions contained in this document do not imply in any way that the vendor is required to grant credit in favor of buyer.

When seller grants a credit to Buyer, Buyer irrevocably assigns to Buyer all right, title and interest to all claims and security interests, including but not limited to maritime liens *in rem* (herein, the “ Assigned Liens”) which Buyer may have arising out of any transaction or provision involving any Receiving Vessel, including but not limited to any claim for a maritime lien *in rem* which the Buyer may have against such Receiving Vessel, until seller is fully satisfied, including but not limited to the principal amount of Seller’s sale to or in connection with the Vessel, all interest, attorneys fees and court costs. Seller shall hold exclusive title to and have the exclusive right to exercise and enforce its rights to such Assigned Liens until seller is fully satisfied for all amounts which the Assigned Liens secure. Seller may proceed anywhere in the world, including in the name of Buyer, to assert and recover on its Assigned Liens, including but not limited to in arrest of the Receiving Vessel and or for recovery from creditor of Buyer.

Buyer agrees in turn that it will require any further entity to which it sells the Marine Fuels, to assign to Seller all of such further entity’s Assigned Liens. Buyer further agrees that it will within one (1) day of Seller’s request provide Seller with the identity including email and facsimile address, of any further entity to which Buyer sells the Marine Fuels.

Buyer grants Seller a limited power of attorney to execute on Buyer’s behalf such documents and, generally, any filing which seller may consider helpful to perfect any security interest under these Terms and Conditions.

6.-Contingencies

a) 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.

b) 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.

c) Seller or its supplier shall not be required to make up deliveries omitted due to any of causes specified herein.

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d) 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.

7.-Miscellaneous

a) Notice to either party shall be mailed, faxed, or emailed to it at its indicated address, and shall be deemed given at the expiration of normal delivery or transmission time.

b) The address of ORGANIZACIÓN TERPEL S.A. for the purpose of receiving notice is Cra 7 # 75- 51 piso 8 Bogota, Colombia ; telefax 57-5-3600363;email: bunkers@terpel.com. Seller, owner, or operator shall use above-mentioned address in all communications, via mail, fax or email, with Buyer hereunder.

c) These terms contain the entire understanding between the parties covering the subject matter except as otherwise agreed in the Special Terms.

d) The right of either party to require strict performance shall not be affected by any prior waiver or course of dealing. All rights and remedies are cumulative and election of one remedy shall not exclude another.

e) If the order for marine fuels is placed by Buyer acting as agent on behalf of a disclosed or undisclosed principal. Buyer shall be joint and several liable with the principal for performance of all obligations of the principal, including payment.

f) Seller may assign some or all of its rights and obligations hereunder to another supplier, in which event any such assignee shall enjoy and be entitled to exercise against Buyer any and all rights herein conferred upon Seller. Seller reserves the right to reclaim any marine fuels delivered hereunder by notice to Buyer if Buyer has received such marine fuels from Seller or its supplier while insolvent.

g) The agreement made in accordance herewith, its performance and enforcement (including maritime liens arising hereunder) shall be governed by the law of the Republic of Colombia, however, the Seller reserves the right to initiate legal procedures against Buyer in the courts belonging to Buyers' jurisdiction, where Buyer operates or in the jurisdiction of the courts where any marine seizure or arrest of Buyer's vessel is made.

h) Should any provision hereof be finally determined to be inconsistent with or contrary to applicable law, such provision shall be deemed amended or omitted to conform therewith without affecting any other provision hereof or the validity of these Terms and Conditions.

i) MARPOL samples shall be used exclusively for MARPOL purposes, and not for commercial purposes. The commercial and MARPOL sample will be taken at the bunker barge manifold.

Signature and initials below and each page of these terms and conditions acknowledge that Buyer has received a copy of these Terms and Conditions and on behalf of Seller. Buyer agrees to these Terms and conditions. Buyer by your signature and initials acknowledges that Seller expressly has relied on your acknowledgment of agreement to these terms and conditions as a condition of a provision of Marine Fuel and value of that Marine Fuel and advancement of credit. Buyer agrees that this agreement is independent of any other legal obligation to sign this bunker delivery note.

Sign

(Initials)

END OF STANDARD TERMS AND CONDITIONS FOR ORGANIZACIÓN TERPEL S.A. MARINE FUEL SALES.
Effective - January 1,2012
Updated – June 14,2016

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