

OIL AND GAS MODULE

1. SCOPE

1.1 **Transactions:** The clauses in this Module apply to Transactions in oil and gas. For these purposes, "**Transaction**" means a transaction relating to, or under the terms of which delivery is contemplated of gas oil, fuel oil or natural gas (each an "**energy commodity**").

1.2 **Netting:** Any Transaction to which this Module applies shall be deemed included in the definition of "Netting Transaction" for the purposes of this Agreement and subject to termination and liquidation under the clause headed "Netting" following an Event of Default.

2. MARKET DISRUPTION

2.1 In the event of severe market disruption and/or price volatilities which may result or may have resulted in the current market value of an energy commodity which is the subject-matter of any outstanding Transaction moving to an unusual level, we reserve the right to take one or more of the following courses of action:

- (a) to close out any Transaction where significant loss has occurred or is expected by us;
- (b) to require an immediate delivery to us of an amount of margin or additional energy commodity;
- (c) to decline to renew maturing, or to enter into new, Transactions.

2.2 Business on a Market may from time to time be suspended or restricted in the interests of, inter alia, maintaining a fair and orderly market. In such circumstances we may be unable to enter into or close out Transactions.

3. TITLE AND QUALITY

3.1 **Title Guarantee:** You covenant that you will deliver all energy commodities with full title guarantee. Without limitation, any transfer of an energy commodity pursuant to a Transaction shall be free of any right of retention, pledge, lien, other encumbrance or any other third party right.

3.2 **Representation:** You represent and covenant that there is no encumbrance, nor will you create or permit to exist any encumbrance in respect of any energy commodity which is in our possession or delivered to us by you under any Transaction. You repeat this representation as of the time of entry into any Transaction relating to any energy commodity.

3.3 **Passing of title:** Unless otherwise agreed in writing, property shall pass upon delivery of the energy commodity. Notwithstanding the foregoing, in any Transaction under which

we sell an energy commodity to you, property in the energy commodity shall remain with us until we have received full payment for it.

3.4 **Quality:** Unless otherwise agreed, any energy commodity to be delivered under a Transaction shall be delivered in accordance with the requirements of applicable Market rules or the market by reference to which such energy commodity is described.

3.5 **Risk:** The risk in any energy commodity bought by you will pass to you on delivery. Where an energy commodity is in your possession before the property in it has passed to you, you agree fully to preserve, or procure the full preservation of, its condition and make good any damage or deterioration that may occur, or fully compensate us for any such damage or deterioration.

3.6 **Statutory conditions:** When we transfer an energy commodity to you all statutory and implied conditions and warranties as to title, correspondence to description, quality and fitness for purpose are excluded.

4. **DELIVERY**

4.1 **Applicability of Delivery Provisions:** The provision of this clause shall apply in relation to any Transaction in respect of which delivery of an energy commodity is required but the terms of which do not specifically provide a mechanism for delivery.

4.2 **Delivery - Gas and Fuel Oil:** Gas and fuel oil shall be delivered in bulk and conform to the specifications described in the applicable Market rules, or the market by reference to which such commodity is described. Gas or fuel oil contracts are for the sale and delivery by the seller to the buyer, out of a recognised storage installation or refinery in the Amsterdam, Rotterdam, Antwerp, Flushing or Ghent area, at the seller's option. [This takes place on a delivery day nominated by the [buyer] [seller] in accordance with the applicable Market rules, if relevant, [within a five-day period from the sixteenth to the last day of the contract month, inclusive]]. The buyer has the option to choose the method of delivery: barge, coaster, in-tank or inter-tank transfer.

4.3 **Delivery Costs:** Unless otherwise agreed in writing between us, any costs incurred by us in effecting physical delivery of any energy commodity (including, without limitation, costs in respect of collection, packaging, shipment, storage, warehousing or insurance) shall be borne by you.