

## ***PACE PETROLEUM LIMITED***

### ***GENERAL TERMS AND CONDITIONS OF SALE (APPLICABLE TO BUSINESS BUYERS)***

Terms and Conditions of Sale applicable to all sales and deliveries of the Petroleum Products of Pace Petroleum Limited and/or any Associated Company of Pace Petroleum Limited ("the Supplier") to Buyers purchasing Petroleum Products in the course of their trade, business or profession throughout the United Kingdom.

#### ***1. DEFINITIONS***

- 1.1 The term "Associated Company" means in respect of either the Buyer or the Supplier as appropriate to the context any company which at the relevant time is a holding company or a subsidiary or subsidiary undertaking or a subsidiary or subsidiary undertaking (other than the Buyer or the Supplier itself) of any such holding company or a fellow subsidiary undertaking, the expressions "holding company", "subsidiary", "subsidiary undertaking" and "fellow subsidiary undertaking" having the same meanings given to them by Sections 1159, 1161 and 1162 of the Companies Act 2006.
- 1.2 The term "Buyer" shall mean any legal entity (including, but without limitation, a person, partnership, firm, limited liability company [whether publicly owned or privately owned] and an unincorporated organisation) who purchases Petroleum Products from the Supplier.
- 1.3 The term "Delivery Point" shall mean the storage tank into which Petroleum Products are delivered together with all receiving pipework between the point where the delivery hose is connected and the storage tank; the immediate vicinity of the storage tank and receiving pipework; and any structure used to support the weight of the storage tank.
- 1.4 The term "Duty Rebated Oils" shall mean Petroleum Products which carry a lower rate of United Kingdom government excise duty and/or tax than the standard rate of excise duty and/or tax for Petroleum Products on the basis that this lower rate of excise duty and/or tax is subject to conditions, controls or limitations on their use.
- 1.5 The term "Petroleum Products" shall include all products marketed from time to time by the Supplier howsoever defined in any form of agreement to which these Terms and Conditions relate.
- 1.6 The term "Supplier" shall be deemed to include any Associated Company or appointed distributor of the Supplier and these Terms and Conditions shall be construed accordingly.
- 1.7 The term "Working Day" shall mean any day other than a Saturday, Sunday or any day which is a public holiday in England and Wales.

2. ***SCOPE OF CONDITIONS***

2.1 An order from the Buyer on the Supplier for Petroleum Products shall be deemed to be an unqualified acceptance by the Buyer of these Terms and Conditions (and such variation or replacement thereof as shall for the time being be in force). No other condition term or warranty of whatsoever nature (collateral or otherwise) shall be added hereto unless expressed in writing and signed by a duly authorised officer of the Supplier on behalf of the Supplier and no oral stipulation or representation made by any servant or agent of the Supplier shall be held to vary or contradict any of these terms and conditions. The Supplier shall be entitled at any time and from time to time to vary or replace the terms and conditions herein contained without notice.

3. ***DELIVERY***

3.1 The Buyer shall provide safe and convenient access to and egress from the Delivery Point for the vehicles of the Supplier or its agents and all persons driving or accompanying such vehicles from and to the public highway and the Buyer shall not allow any smoking, naked lights or other potential source of ignition for Petroleum Products in the vicinity of the Delivery Point nor permit any stove fire or radiator to function in the vicinity of the Delivery Point.

3.2 The Supplier shall not be bound to deliver, and shall not be liable for any failure to deliver, Petroleum Products over roads or other surfaces affording access to the Buyer's premises which in the reasonable opinion of the Supplier or its employee or agent are either unsafe for delivery vehicles and personnel or present a significant risk of environmental pollution.

3.3 The Buyer is responsible for notifying the Supplier of the maximum weight of delivery vehicle that any roads or other surfaces (including without limitation fittings such as drain covers and gully covers) affording access to the Buyer's premises are capable of supporting and the Supplier shall not be liable for any damage caused to any such access roadway or other surfaces as a result of them not being able to support such weight.

3.4 The Supplier shall not be bound to deliver, and shall not be liable for any failure to deliver, Petroleum Products where the employee or agent of the Supplier reasonably considers that the process of delivering to the Delivery Point or the Delivery Point itself presents a risk of harm to human health, property or the environment in accordance with the terms of the Health and Safety of Work Etc Act 1974, the Environment Act 1995 or any other applicable legislation.

3.5 The Buyer shall indemnify the Supplier in respect of the cost to the Supplier of making any attempted delivery of Petroleum Products which due to the default of the Buyer or his servants or agents for whatsoever reason (including under clauses 3.2 and 3.4) is not or which is only partly carried out.

- 3.6 Petroleum Products shall be ordered subject to such minimum order requirements as the Supplier may require from time to time.
- 3.7 The Buyer shall give to the Supplier at least two full Working Days' notice of the Buyer's requirements for Petroleum Products (or longer notice during periods of peak demand such as the period 10<sup>th</sup> December to 15<sup>th</sup> January (inclusive) , the two weeks leading up to Easter and any period of high general demand) provided that the Supplier shall not be liable for any delay in delivery.
- 3.8 It is a condition of every bulk sale through hose that the quantity shown by the measuring device employed by the Supplier (as may be determined by the Supplier in its discretion and where applicable one which has been approved for the purpose by any authority empowered to regulate the use of liquid fuel measuring equipment) shall be accepted by the Buyer as the true quantity delivered; the Buyer may be represented at the taking of such measurements. In all other cases the quantity shown on the delivery note or invoice shall be conclusive evidence of the amount delivered. The Supplier shall not be responsible for discrepancies in the Buyer's tanks meters dip rods or other measuring devices.
- 3.9 Any obligation of the Supplier to deliver Petroleum Products shall be suspended in the event that directly or indirectly by any cause or circumstances whatsoever reasonably outside the Supplier's control (including in the case of industrial action any action by the Supplier's own employees and in the case of governmental action compliance by the Supplier with any request or instruction of any relevant national or local organisation of the government of the United Kingdom) the Supplier is prevented or hindered:
- 3.9.1 from supplying the Buyer with the whole of its requirements for Petroleum Products as set out in any order from the Buyer to the Supplier;
  - 3.9.2 from obtaining from its usual source of supply all or any of its requirements of crude oil or relevant Petroleum Products; or
  - 3.9.3 from purchasing all or any of its requirements of crude oil and relevant Petroleum Products without paying an increased price when the Supplier is prohibited from increasing or for good commercial reasons the Supplier determines not to increase its wholesale price so as to compensate for such increased price.

#### 4. ***STORAGE***

- 4.1 The Buyer shall provide safe suitable storage ("Storage") for the Petroleum Products which is clearly marked to allow accurate identification of the product stored within and which shall comply in all respects with the full relevant requirements of or regulations made by the United Kingdom government or any governmental body or agency or other competent authority whether local or otherwise.

- 4.2 The Buyer shall ensure that the Storage into which delivery of the Petroleum Products is made:
- 4.2.1 is properly indicated to the Supplier's employee or agent and the Supplier shall not be liable in any way whatsoever for damage arising out of the carrying out by the Supplier's employee or agent of any instructions given by the Buyer or his employee or other person purporting to give instructions on the Buyer's behalf in respect of such delivery;
  - 4.2.2 will at the commencement of any arrangement for the supply of Petroleum Products by the Supplier to the Buyer be properly cleared of all other grades of Petroleum Products;
  - 4.2.3 will accommodate the full quantity of the Petroleum Products ordered by the Buyer and in the case of motor spirit (also known as petroleum spirit, gasoline and petrol) will procure certification to this effect. Such certification shall have regard to the Petroleum (Consolidation) Act 1928 (as amended from time to time) and any other regulations from time to time in force in respect of the storage and use of motor spirit;
  - 4.2.4 has proper connections at the Delivery Point to receive delivery of Petroleum Products and the Buyer will also ensure that the Supplier's employee or agent has access at all times to any key to the Delivery Points. A copy of the key or keys to each Delivery Point shall be given to the Supplier upon request.
- 4.3 Where relevant, the Buyer shall strictly observe all conditions of his Petroleum Storage Licence or any other relevant requirements of or regulations made by the United Kingdom government or any governmental body or agency or any other competent authority whether local or otherwise and without prejudice to the generality of the foregoing shall comply with all requirements or regulations in respect of avoidance of smoking or permitting or suffering naked lights electric or gas stoves or radiators to function in proximity to a tank or inlet pipe into which a delivery of the Petroleum Products is being made or a dip pipe connected to such a tank. The Buyer shall fully indemnify and keep indemnified the Supplier against any damages claims expenses liabilities or costs which may arise as a result of the Buyer's failure to comply with such requirements or regulations.
5. ***RESALE AND ADVERTISING***
- 5.1 The Buyer shall not advertise or sell or permit to be advertised or sold any of the Supplier's Petroleum Products under the Supplier's name or trade marks or trade description except with the express prior consent of the Supplier in writing.
  - 5.2 The Buyer shall not advertise or sell or permit to be advertised or sold under the Supplier's name brand name or trade marks or trade description any Petroleum Products not supplied by the Supplier and shall indemnify the Supplier in respect of any breach of the provisions of this clause.

5.3 Where the Buyer is treated by the Supplier as a consumer the Buyer shall not resell transfer or otherwise dispose of at any time to any other person firm or company any of the Supplier's Petroleum Products sold to the Buyer except for direct use by the Buyer in his business.

6. *PRICE*

6.1 All Petroleum Products are chargeable at the ruling price contained in the Supplier's Wholesale Price Lists in force at the date and place of delivery after taking into account any rebate discount allowance premium or surcharge resulting from the volume purchased credit terms delivery point location or load size which are subject to individual negotiation at the time of contracting. The Supplier reserves the right to vary such rebate discount allowance premium or surcharge at any time.

6.2 All prices are subject to all United Kingdom government or other taxes duties levies charges surcharges assessments or impositions where applicable at the appropriate rate and any variations of the same at any time shall be for the Buyer's account.

6.3 Where the Supplier's Petroleum Products are delivered in returnable packages the Buyer shall pay the appropriate deposit charged by the Supplier thereon.

6.4 The deposits charged and paid on returnable packages will be credited in full on the return of such packages in good condition to the nearest depot of the Supplier. If packages returned by the Buyer are, in the Supplier's opinion, unfit for immediate use the Supplier shall be entitled to retain the deposit paid on them.

7. *PAYMENT AND TITLE*

7.1 The Buyer shall pay for the Petroleum Products by banker's draft or in cash net on or before the delivery of the Petroleum Products or by such other terms and method of payment that have been granted to the Buyer by the Supplier at its absolute discretion before the date of the delivery. In the event that payment is not so made or not made in accordance with any other terms agreed in writing by the parties, the Buyer shall pay to the Supplier interest on any outstanding sums at the rate per annum of two per centum above the base lending rate of Barclays Bank PLC in force at the date of delivery until payment is made such interest to accrue on a daily basis and be calculated on a 365 day year.

7.2 Until full payment of all sums due and all interest thereon has been received by the Supplier in accordance with clause 7.1 for Petroleum Products supplied by the Supplier to the Buyer:

7.2.1 ownership in the Petroleum Products shall remain in the Supplier and should the Petroleum Products (or any of them) for whatever reason be converted into or mixed with any other product whatsoever (whether or not supplied by the Supplier), the conversion or mixture shall be effected by the Buyer in the ordinary course of the Buyer's business and solely as agent for the Supplier but

without incurring any liability on behalf of the Supplier and the Supplier shall have the full legal and beneficial ownership of the product resultant upon such conversion or mixture;

- 7.2.2 notwithstanding anything hereinbefore contained, the Buyer shall as far as is reasonably practicable store the Petroleum Products in such a way that they can be readily identified as being the property of the Supplier;
- 7.2.3 subject to clause 7.2.4 and 7.2.5 below, the Buyer shall be at liberty to sell the Petroleum Products at full market value and in the ordinary course of business (but not to an Associated Company) on the basis that they hold the proceeds of sale on trust for the Supplier and shall be kept in a separate account, and the Buyer shall account therefore to the Supplier on demand, and any such sale shall be a sale of the Supplier's property on the Buyer's own behalf and the Buyer shall deal as principal when making such a sale;
- 7.2.4 the Supplier may at any time revoke the Buyer's power of sale by notice to the Buyer if the Buyer is in default for longer than forty eight hours in the payment of any sum whatsoever due to the Supplier or immediately and without the necessity for a written demand if any bill of exchange, cheque or other negotiable instrument drawn or accepted by the Buyer in favour of the Supplier is dishonoured on presentation for payment or if the Supplier has any doubts as to the solvency of the Buyer or his ability to pay his debts as and when they fall due;
- 7.2.5 the Buyer's power of sale shall automatically cease if a Receiver is appointed over any of the assets or the undertaking of the Buyer or a winding up order is made against the Buyer or the Buyer goes into voluntary liquidation (otherwise than for the purpose of reconstruction or amalgamation previously approved in writing by the Supplier) or calls a meeting of or makes any arrangement or composition with creditors or commits any act of bankruptcy;
- 7.2.6 upon determination of the Buyer's power of sale under clauses 7.2.4 or 7.2.5 above the Buyer shall place the Petroleum Products at the disposal of the Supplier who shall (without prejudice to any other right or remedy of the Supplier) be entitled to, at the expense of the Buyer and without the Supplier being liable for any loss or damage, enter upon any premises of the Buyer for the purpose of removing such Petroleum Products and to remove such Petroleum Products from the premises (including severance from the realty where necessary) and for the purpose of locking and sealing the tanks or apparatus or the storage where the Petroleum Products are sold or stored. If the Supplier exercises its right to remove Petroleum Products under this clause it shall credit the Value of the Petroleum Products against the indebtedness of the Buyer to the Supplier (and for the purposes of this clause "Value" is defined as the amount of money in pounds sterling derived by multiplying the quantity of Petroleum Products removed from the premises by the price per

unit of quantity that was invoiced to the Buyer by the Supplier when the same Petroleum Products were originally supplied to the Buyer).

7.2.7 in determining that the Buyer either has or has not paid for Petroleum Products the Supplier shall apply payments received from the Buyer in increasing order of the age of the debt (that is, for the avoidance of doubt, applying a payment to the earliest dated outstanding debt of the Buyer and then to the next earliest dated outstanding debt and so on) notwithstanding any intentions to the contrary of the Buyer (whether express or implied) and save only for any written agreement to the contrary signed by an authorised officer of the Supplier.

7.3 Notwithstanding the provisions of clause 7.2 the Supplier shall have the right (without prejudice to any other right or remedy available to it) to institute proceedings to recover the full price of the Petroleum Products (or any part thereof remaining unpaid) together with interest thereon as if the same were a liquidated sum recoverable as a debt.

## 8. ***RISK***

8.1 Notwithstanding the provisions of clause 7 the risk in the Petroleum Products shall pass to the Buyer on delivery of the Petroleum Products to the Buyer or his agent and the Supplier shall not after the risk has passed to the Buyer be liable for any loss or damage by or arising out of or in connection with the storage use or handling of the Petroleum Products or otherwise and the Buyer shall fully indemnify and keep indemnified the Supplier against all damages claims expenses liabilities or costs incurred by the Supplier in connection therewith. Where Petroleum Products are delivered in bulk (whether or not through hose) delivery thereof shall be deemed to take place when the Petroleum Products pass through the outlet valve of the loading rack road or rail tank wagon barge tankship or other delivery point (or hosepipe connection where applicable).

## 9. ***INDEMNITY***

9.1 The Buyer shall fully indemnify and keep the Supplier indemnified against all liability including employer's liability in respect of any damage to the property (moveable or immovable) of the Supplier or its employees or agents or of the death or personal injury of the said employees or agents whilst upon the Buyer's premises not being damage death or personal injury caused by the negligence of the Supplier or its said employees or agents.

9.2 The Buyer shall fully indemnify and keep the Supplier indemnified from and against all costs (including the costs of enforcement), expenses, liabilities (including any tax liability and/or penalty imposed by HM Revenue & Customs), injuries, direct, indirect or consequential loss (all of which terms include, without limitation, pure economic loss, loss of profits, loss of business, depletion of goodwill and like loss) damages, claims, proceedings or other legal costs (on a full indemnity basis) and judgments which the Supplier incurs or suffers in respect of a direct or indirect breach or negligent

performance or failure in performance by the Buyer of its obligations under clauses 11.2 and 12.2 of these Terms and Conditions.

#### 10. ***LIMITATION***

10.1 Any difference or dispute relating to the quantity or quality of the Petroleum Products shall be notified to the Supplier within two Working Days of delivery and (relating to price) within ten Working Days of first receipt of the invoice or statement (whichever is the earlier) to which the difference or dispute relates failing which the Buyer shall be deemed to have accepted those Petroleum Products or that price.

10.2 Except as set out in these Terms and Conditions all conditions, warranties and guarantees statutory or otherwise whether express or implied, oral or written and all collateral agreements, statements, descriptions, stipulations or representations (whether oral or written) made by the Supplier whether expressly or impliedly relating to the Petroleum Products their state, quality or fitness or their containers are hereby excluded so far as the law allows.

10.3 Any neglect forbearance or indulgence on the part of either party hereto relating to their rights hereunder shall in no way be deemed a waiver implied or otherwise of such rights.

10.4 Nothing in these terms and conditions shall limit the liability of either the Supplier or the Buyer for death or personal injury caused by negligence.

#### 11. ***SPECIAL PROVISIONS***

11.1 Lubricating oil and grease quantities delivered against the Supplier's delivery note or invoice are approximately litres of 0.9 kilograms weight.

11.2 Duty Rebated Oils supplied against the Supplier's delivery note or invoice must be used by the Buyer in strict accordance with the provisions of the Hydrocarbon Oil Duties Act 1979 as may be amended, modified, extended, re-enacted or consolidated, and all statutory instruments, orders, by-laws, directions and notices made pursuant to it.

11.3

#### 12. ***DATA PROTECTION***

12.1 By submitting an order the Buyer is offering to buy the Petroleum Products and allowing the Supplier to use the Buyer's personal details for the purposes of supplying the Products (including passing on the Buyer's details to subcontractors of the Supplier).

12.2 The Buyer undertakes to provide information, and understands that the Supplier will record such information, about the Buyer's use or intended use of the Petroleum Products including any Duty Rebated Oils. The Supplier may disclose this information to HM Revenue & Customs or any other relevant authority. The Buyer warrants that all

information provided to the Supplier is true, accurate and complete to the best of the Buyer's knowledge and belief.

- 12.3 The Supplier will make searches about the Buyer at credit reference agencies who will provide the Supplier with credit information, including information from the Electoral Register. The agencies will record details of the search whether or not an order proceeds. The Supplier may also make enquiries about the principal parties, partners or directors of the Buyer with credit reference agencies.
- 12.4 The Supplier will monitor and record information relating to the Buyer's trade performance and such records will be made available to credit reference agencies who will share that information with other businesses in assessing applications for credit and fraud prevention.
- 12.5 Information the Buyer provides and the results of any searches made by the Supplier will be used when credit decisions are made about the Buyer and for identification purposes, prevention of money laundering as well as the management of the Buyer's account(s) with the Supplier and/or Associated Companies. It may also be shared amongst Associated Companies to improve the service to the Buyer and for analysis to market other products and services of the Supplier to the Buyer and/or from other companies that the Supplier considers may be of interest to the Buyer.
- 12.6 The Buyer shall promptly notify the Supplier if any circumstances of the Buyer that are material to the Buyer's dealings with the Supplier alter, for example (but without limitation) transfer of purchase ledger function, change of bank account details, change of size of storage tank, change of address of business premises.
- 12.7 Any information provided to the Supplier by the Buyer (including information that is defined as 'personal data' in the Data Protection Act 1998 and any subsequent amendments thereof) may be disclosed by the Supplier to third parties where the Supplier is required to do so by law, the enactment of a statutory instrument, the order of a court with jurisdiction in the United Kingdom, the fulfilment of the Supplier's reporting obligations to either an agency or ministry of the government of the United Kingdom, the fulfilment of the Supplier's reporting obligations to a local government organisation or where the Supplier is required to do so by any person statutorily authorised to obtain them (for example, a Police Officer during the course of an investigation).

13. ***CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999***

- 13.1 The Supplier and the Buyer do not intend that any term of these Terms and Conditions will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person not a party to them.

14. ***LAW AND JURISDICTION***

14.1 The formation, existence, construction, performance, validity and all aspects whatsoever of these Terms and Conditions and any contract of which they form part will be governed by English law. The courts of England and Wales will have exclusive jurisdiction to settle any disputes which may arise out of or in connection with these Terms and Conditions. The Supplier and the Buyer agree to submit to that jurisdiction.

15. ***INVALIDITY***

15.1 If any part of these Terms and Conditions is found by any court or competent authority to be invalid, unlawful or unenforceable in any jurisdiction, then that part shall be deemed not to be a part of these Terms and Conditions but this shall affect neither the enforceability of the remainder of these Terms and Conditions nor the validity, lawfulness or enforceability of that provision in any other jurisdiction.

16. ***RELEASES AND WAIVERS***

16.1 Any liability of the Buyer to the Supplier under these Terms and Conditions may in whole or in part be released, compounded, compromised or postponed by the Supplier in its absolute discretion without in any way prejudicing or affecting any rights in respect of that or any liability not so waived, released, compounded, compromised or postponed.

16.2 No single or partial exercise, or failure or delay in exercising any right, power or remedy by either party shall constitute a waiver by that party of, or impair or preclude any further exercise of, any right, power or remedy arising under these Terms and Conditions or otherwise.

17. ***SUCCESSORS***

17.1 The rights and obligations of the parties shall continue for the benefit of and shall be binding on their respective successors and assigns.

18. ***NOTICES***

18.1 Any notice demand or other communication given or made under or on connection with the supply of Petroleum Products by the Supplier to the Buyer shall be in writing and shall be delivered personally or sent by facsimile transmission (known as 'fax') or sent by first class recorded delivery postal service to the registered office of the recipient where the recipient is a body corporate registered with the Registrar of Companies or to the normal business address of the recipient where the recipient is an unincorporated body.

18.2 Notices shall be addressed to 'The Company Secretary' where the recipient is a body corporate and to 'The Chief Executive Officer' where the recipient is unincorporated.

18.3 Notices shall be deemed to have been duly given or made:

18.3.1 If personally delivered, upon delivery at the address of the relevant party;

18.3.2 If sent by first class recorded delivery post, two Working Days after the date of posting;

18.3.3 If sent by facsimile transmission, upon confirmation of despatch by the transmitting machine unless such confirmation is on a day other than a Working Day or after 5PM on a Working Day in which case Notice shall be deemed to be made at 9AM on the next Working Day.

## 19. RELATIONSHIP OF THE PARTIES

Nothing in these Terms and Conditions and no action taken by the parties pursuant to the sale and purchase of Petroleum products shall constitute, or be deemed to constitute, the parties a partnership, association, joint venture, the agents of each other or any other co-operative entity.