



CONOCOPHILLIPS COMPANY  
TERMS AND CONDITIONS OF BASE OIL SALE

1. **ACCEPTANCE OF TERMS**

Seller's acceptance of Buyer's order is expressly made conditional on Buyer's assent to the terms and conditions herein set forth notwithstanding the provisions contained in any purchase order, acknowledgment, acceptance or other document of Buyer. Each delivery of the goods by Seller shall be deemed to be solely upon the terms and conditions of this document; provided, however, that any conflicting provisions of a separate written contract or a written amendment to this document signed by an authorized representative of Seller shall control.

2. **PRICE**

Unless otherwise agreed in writing by the parties hereto, the price for the goods shall be Seller's current price in effect at the time of shipment. A price stated herein may be increased, at Seller's option, including any increase in Seller's transportation cost for the goods (if sold on a delivered basis) placed into effect between the date hereof and the time of shipment.

3. **TAXES**

Any tax, excise or other governmental charge imposed upon the production, sale or transportation of any goods sold hereunder which Seller may be required to pay, shall be paid by Buyer to Seller in addition to the purchase price.

4. **PRICE CONTROLS**

In the event any governmental law, regulation or order prohibits Seller, in its opinion, from collecting from Buyer a price for the goods herein provided for, Seller may without liability to Buyer, cancel Buyer's order as to future shipments by giving Buyer ten (10) days' prior written notice of cancellation.

5. **PAYMENT; CREDIT**

Buyer shall remit payment to Seller in U.S. currency in accordance with the payment term designated in each invoice. Seller shall have the right where permitted by law to assess a delinquency charge on each invoice not timely paid.

Any credit Seller may elect to extend to Buyer shall be upon Seller's credit terms in effect at the time of Seller's acceptance of order. If, in Seller's judgment, Buyer's credit is impaired or unsatisfactory, or if Buyer fails to make any payment due Seller, Seller may suspend deliveries until such time as Buyer has satisfactory credit arrangements with Seller or require Buyer to pay cash in advance.

6. **TITLE; RISK OF LOSS**

In the event Seller arranges transport of goods, title and risk of loss shall pass to Buyer "f.o.b. Buyer's named place" or, in the case of delivery outside of the continental U.S., in accordance with the mutually agreed INCOTERM 2000 provision. However, if the parties hereto specify delivery "f.o.b. Seller's named place, then Buyer shall arrange transport of goods and title and risk of loss shall convey thereto when the goods pass through the flange which connects the loading hose to the carrier's vessel.

7. **DELIVERIES**

If Seller arranges transport of goods, the selection of carrier and routing of shipments shall be at Seller's option. Shipment of goods by Seller shall be made within a reasonable period of time after confirmation of Buyer's order. Seller reserves the right to ship, and Buyer agrees to accept and pay for quantity within 10% plus or minus of the quantity ordered. Seller's weights and/or measurements taken at the shipping point shall control. Product measurement shall be determined by weighing, metering, or other recognized gauging method selected by Seller.

**RAIL:** If Seller arranges transport by rail, Buyer shall promptly unload all tank cars furnished or arranged for by Seller and shall bill and route the empty tank cars as Seller may direct. In the event Buyer shall fail to unload and release to the carrier any tank car within the seven (7) free days allowed, Buyer shall pay to Seller a flat rate per day in accordance with Seller's policy in effect at the time. Computations for the free days and detention charges will be based on the number of calendar days starting when the carrier places the car (either constructive or actual placement) and ending when Buyer releases the car.

**TRUCK:** If Seller arranges transport by truck, Buyer shall promptly unload all trucks and release them within two (2) hours of the trucks arrival. In the event Buyer shall fail to unload and release the truck within two (2) hours of arrival, Buyer shall pay to Seller detention charges in accordance with Seller's policy in effect at the time.

Buyer assumes full responsibility for use and condition of cars, truck, or barges while in Buyer's possession and agrees to (a) compensate Seller for loss or damage to Seller's property, and (b) indemnify and save Seller harmless from any loss or damage to property other than Seller's and from any injuries to persons relating in any way to the use of such car, truck, and barge while such are in Buyer's possession. Buyer further agrees to report to Seller promptly any damage which may be sustained by the car, truck, isotank or barge in Buyer's possession.

8. **CLAIMS**

Claims as to shortage in quantity, defects in quality, or any others, except for demurrage, shall be made by written notice to Seller within seven (7) days after the delivery in question and prior to unloading of goods from the carrier, or such claim shall be deemed waived. Seller shall have the right to inspect the goods prior to unloading if Buyer issues such notification. Upon verification, Seller shall resolve shortages or replace defective products without additional charges, or in lieu thereof, at Seller's option, Seller may refund the purchase price upon return of the products at Seller's expense.

9. **LIMITATION OF LIABILITY**

NOTWITHSTANDING ANY OTHER PROVISION HEREIN AND REGARDLESS OF THE CIRCUMSTANCES, SELLER'S TOTAL LIABILITY TO BUYER FOR ANY AND ALL CLAIMS, LOSSES OR DAMAGES ARISING OUT OF ANY CAUSE WHATSOEVER, WHETHER BASED IN CONTRACT, NEGLIGENCE OR OTHER TORT, STRICT LIABILITY, BREACH OF WARRANTY OR OTHERWISE, SHALL IN NO EVENT EXCEED THE PURCHASE PRICE OF THE PRODUCTS IN RESPECT TO WHICH SUCH CASE AROSE. IN NO EVENT SHALL SELLER BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES. Any cause of action that Buyer may have against Seller arising from the sale of goods hereunder must be commenced within one (1) year after the cause of action has accrued.

10. **LIMITED WARRANTY**  
Seller warrants that the goods sold hereunder shall meet Seller's specifications at time of delivery. OTHER THAN THE FOREGOING, SELLER MAKES NO WARRANTY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THOSE OF MERCHANTABILITY OR FITNESS OF THE PRODUCT FOR ANY PARTICULAR USE OR OTHERWISE, WHETHER USED SINGLY OR IN COMBINATION WITH OTHER SUBSTANCES OR IN ANY PROCESS.
11. **TECHNICAL INFORMATION**  
Any technical advice or assistance furnished by Seller to Buyer with respect to the selection or use of the goods sold to Buyer hereunder shall be given and accepted at Buyer's sole risk, and Seller shall have no liability whatsoever for the use of, or results obtained from, such advice or assistance whether or not based on negligence. Seller shall furnish to Buyer Material Safety Data Sheets and Certificates of Analysis for goods sold hereunder.
12. **PRODUCT DISCONTINUANCE; SPECIFICATION CHANGES**  
Seller may at its discretion: (a) change or alter the quality or specifications of any goods sold hereunder; (b) discontinue the manufacture of any such goods; or (c) discontinue the manufacture of any such goods at a particular manufacturing or blending facility.
13. **EXPORT COMPLIANCE**  
These goods are subject to U.S. export control laws. Each Party shall comply with applicable laws related to the export or re-export of the goods and provide each other such information as may be reasonably necessary to enable the other Party to ensure compliance with applicable export control and customs requirements. The Parties agree to designate either Buyer or Seller as the Party responsible for filing all relevant electronic export information ("EEI") in accordance with all applicable U.S. laws and regulations.
14. **FORCE MAJEURE**  
Neither party shall be liable to the other for failure or delay in performance hereunder to the extent that such failure or delay is due to war, fire, flood, strike, lockout or other labor trouble, accident, breakdown of equipment or machinery, riot, act or request of governmental authority, act of God, or other contingencies beyond the control of the affected party which interfere with the production, throughput, or transportation of the goods sold hereunder or with the supply of any raw material, provided that in no event shall Buyer be relieved of the obligation to pay in full for goods received. The affected party shall use reasonable efforts to remedy the force majeure; provided, however, the settlement of strikes, lockouts, industrial disputes, or disturbances shall be entirely within the discretion of the party so settling. The party affected by an event of force majeure shall give prompt written notice to the other party of the occurrence of such event.
15. **ALLOCATION**  
Seller shall have the right to allocate goods or raw material in a fair and reasonable manner among its customers and own requirements.
15. **GOVERNING LAW**  
**THIS CONTRACT SHALL BE INTERPRETED UNDER AND GOVERNED BY THE LAW OF THE STATE OF TEXAS WITHOUT REGARD TO ITS CONFLICTS OF LAW RULES.**