

General Terms and Conditions

for the Sale and Delivery of ETS Allowances

(Edition n. 1 of 10 January 2024)

1. Application

1.1 Except as otherwise agreed to in writing these are the standard terms and conditions ("**Terms and Conditions**") which shall apply to all contracts for the sale and delivery of ETS allowances for greenhouse gas emissions (the "**ETS Allowances**") and/or the provision of related services entered into with Fratelli Cosulich Spa., Fratelli Cosulich Unipessoal SA., Fratelli Cosulich Bunkers (S) Pte. Ltd., Fratelli Cosulich Monaco Sam, Fratelli Cosulich USA LLC; Fratelli Cosulich Bunkers (HK) Ltd, Fratelli Cosulich (HK) Ltd and Fratelli Cosulich Middle East DMCC (the "**Transactions**" and each a "**Transaction**").

2. Definitions

2.1 "**ETS**" shall mean the Emission Trading System as per EU Directive 2003/87 (the "**Directive**") and following amendments.

2.2 "**Seller**" shall mean Fratelli Cosulich Spa., Fratelli Cosulich Unipessoal SA., Fratelli Cosulich Bunkers (S) Pte. Ltd., Fratelli Cosulich Monaco Sam, Fratelli Cosulich USA LLC; Fratelli Cosulich Bunkers (HK) Ltd, Fratelli Cosulich (HK) Ltd and Fratelli Cosulich Middle East DMCC. and their servants, assigns, representatives, wherever applicable.

2.3 "**Buyer**" shall mean the party contracting to buy under each Transaction, including the entity or entities named in the Confirmation. All persons falling within this definition of Buyer shall be jointly and severally liable for and guarantee the performance of all obligations of the Buyer set out in each Transaction.

2.4 "**Parties**" shall mean jointly the Buyer and the Seller (and each of them a "**Party**")

2.5 "**Confirmation**" shall mean a confirmation in writing from the Seller to the Buyer setting forth the particular terms of each sale and delivery of ETS Allowances and/or related services.

2.6 "**Working Day**" shall mean any day which isn't a Saturday, Sunday or public holiday in Portugal, Hong Kong, Singapore, Dubai, Monaco, USA or Italy.

2.8 "**ETS Holding Account**" shall mean a validly operating holding account for ETS Allowances according to the Directive.

2.10 "**Delivery Dates**" shall mean the date on which the Seller shall transfer to the Buyer the title to and ownership of the ETS Allowances under each Transaction according to these Terms and Condition and the Confirmation (each a "**Delivery Date**").

3. Representations and warranties

3.1 Each of the Parties represents and warrants to the other Party (which representations and warranties shall be deemed to be repeated in relation to each Transaction) that:

- a) it is duly organized and validly existing under the laws of the jurisdiction of its incorporation;
- b) it has the power to execute and to perform its obligations under each Transaction;
- c) the conclusion and performance of each Transaction shall not constitute a violation of its constitutional documents or a breach of any contract with a third party;
- d) all respective licenses or authorizations required for the conclusion and performance of each Transaction have been obtained;
- e) its obligations under each Transaction shall constitute legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy or insolvency laws or similar laws affecting creditors' rights generally);
- f) it has entered into each Transaction after a full opportunity to review these Terms and Conditions and the Confirmation, has a full understanding of those terms and conditions and of their risks and is capable of assuming those risks;
- g) it is not relying on any representation of the other Party other than those expressly set out in these Terms and Conditions;
- h) it has negotiated, entered into and executed each Transaction as principal (and not as agent or in any other capacity, fiduciary or otherwise);
- i) it has at all times fully complied with the provisions of the Directive to the extent necessary to permit the Transactions contemplated in each Transaction;
- j) save as provided in the case of Custody Transactions as regulated herein, each Party has and shall maintain an ETS Holding Account for the entire duration of each Transaction;
- k) No Event of Default or Termination Event (as defined herein) has occurred with respect to it and no such event would occur as a result of its entering into or performing its obligations under any Transaction;
- l) no litigation, arbitration or administrative suit or proceeding is pending or, so far as it is aware, is threatened that, if adversely determined, to affect the legality, validity or enforceability of any Transaction or its ability to perform its obligations under any Transaction;
- m) All applicable information that is furnished in writing to the other Party in connection with each Transaction is true accurate and complete in every material respect.

4. Subject matter of the Transactions

4.1 The following kinds of Transactions are contemplated under these Terms and Conditions:

- 4.1.1: Spot Transactions;
- 4.1.2: Deferred Delivery Transactions;
- 4.1.3: Call Option Transactions;
- 4.1.4: Custody Transactions.

5. Seller's Delivery Obligations

5.1 Spot Transaction:

The Seller shall, on the Delivery Date stated in the Confirmation, transfer to the Buyer, on the Buyer's ETS Holding Account indicated in the Confirmation, the quantity of ETS Allowances stated in the Confirmation.

5.2 Deferred Delivery Transaction:

The Seller shall, on each Delivery Date stated in the Confirmation, transfer to the Buyer, on the Buyer's ETS Holding Account indicated in the Confirmation, the quantity of ETS Allowances stated in the Confirmation for such Delivery Date.

5.3 Call Option Transactions:

The Seller shall, on the Delivery Date stated in the Option Confirmation (as defined herein), transfer to the Buyer, on the Buyer's ETS Holding Account indicated in the Confirmation, the quantity of ETS Allowances stated in the Option Confirmation.

5.4 Custody Transaction:

The Seller shall, upon request by the Buyer, on the Delivery Date stated in the Confirmation (or Option Confirmation, as the case may be) transfer to the Buyer but hold on the Seller's ETS Holding Account (at the terms and conditions set out below at clause 9), the quantity of ETS Allowances stated in the Confirmation.

6. Confirmations

6.1 In relation to each Spot Transaction the Seller shall issue a Confirmation to the Buyer detailing (i) the quantity of ETS Allowances, (ii) the price for the sale and delivery of each ETS Allowance (the "Price"), (iii) the Delivery Date.

6.2 In relation to each Deferred Delivery Transaction the Seller shall issue a Confirmation to the Buyer detailing (i) the quantity of ETS Allowance for each Delivery Date, (ii) the initial purchase price (the "**Basic Price**"), (iii) the Delivery Dates.

6.3 In relation to each Call Option Transaction the Seller shall issue a Confirmation to the Buyer detailing (i) the maximum quantity of ETS Allowance for which the Option can be exercised, (ii) the Price, (iii) the amount due by the Buyer to the Seller for the granting of the Option (the "**Premium**"), (iv) the maximum period of time within which the Option can be exercised (the "**Option Period**").

6.4 In relation to a Call Option Transaction, the Buyer, in order to exercise the Option shall issue to the Seller an Option Confirmation detailing (i) the quantity of ETS Allowances for which the option is exercised and (ii) the requested Delivery Date (to be not earlier than 7 days than the date of the Option Confirmation).

6.5 In all cases when a Confirmation is issued by the Seller, the Buyer shall, within 1 Working Day from receipt of such Confirmation, inform the Seller, setting out its position in detail, if it believes that the Confirmation does not accurately reflect the agreed Transaction, otherwise the Transaction will be considered as final and binding. If the Buyer timely informs the Seller that the Confirmation does not accurately reflect the agreed Transaction, the Seller will have the same term as above to inform the Buyer about its position. In case the Seller agrees on Buyer's remarks, the Seller will issue an amended Confirmation accordingly (the "**Amended Confirmation**") and the Transaction will be concluded on the basis of such Amended Confirmation. If instead the Seller does not agree with the Buyer's position, no Transaction will be deemed to have been concluded.

6.6 In relation to each Custody Transaction the Seller shall issue a Confirmation to the Buyer detailing (i) the quantity of ETS Allowances, (ii) the date from which the ETS Allowances are deemed to be taken into custody by the Seller for the account of the Buyer (the "**Initial Custody Date**").

7. Transfers

7.1 Each transfer of ETS Allowances pursuant to a Transaction shall be arranged by the Seller on the Buyer's ETS Nominated Holding Account, (or if a Deposit Transaction has been concluded, on the Seller's ETS Holding Account).

7.2 The Seller shall comply with all necessary formalities to ensure that the ETS Allowances to be transferred are duly recorded on the Buyer's ETS Holding Account, provided that Buyers fulfilled its payment obligation as set forth by clause 8.

7.3 The Seller shall transfer to Buyer the ETS Allowances provided in a Transaction free and clear from any lien, security interest, claims and other encumbrances.

8. Buyer's Payment Obligations

8.1 Spot Transactions:

The Buyer shall pay to the Seller within 1 day from the Confirmation a price equal to Price indicated in the relevant Confirmation multiplied for the number of ETS Allowances indicated in such Confirmation.

8.2 Deferred Delivery Transaction:

8.2.1 The "**Transaction Position**" is equal to Basic Price indicated in the relevant Confirmation multiplied for the number of ETS Allowances of the Transaction.

The Buyer shall pay to the Seller within 1 day from the Confirmation a deposit equal to minimum the 30% of the Transaction Position (the "**Deposit**").

8.2.2 The "**Total Position**" of the Buyer is defined as the sum of all the Transaction Positions for all the Deferred Delivery Transactions agreed between the Seller and the Buyer.

8.2.3 The "**Mark to Market Position**" of the Buyer is equal to the sum of the Allowances of all the Deferred Delivery Transactions multiplied for the Market Price of the ETS Allowance. The "Market Price" of the ETS Allowance is defined as the official price of the Allowance published by Intercontinental Exchange Inc. ("ICE") at the following website: <https://www.ice.com/report/159>

8.2.4 Every day, the Seller will calculate the Mark to Market Position of the Buyer based on the closing value of the Market Price of the previous Working Day. In case the difference between the Total Position and the Mark to Market Position is higher than the Deposit (plus the "Additional Deposit", as defined herein, if any), then the Buyer shall have to pay to the Seller the amount ("**Additional Deposit**") needed to fill the gap between the Mark to Market Position and the Total Position plus the "Deposit" and previous "Additional Deposit", if any. The Seller will inform the Buyer about the need to pay an Additional Deposit by 10 am. (Seller's time), and the Buyer will have to arrange relevant remittance in Seller's favor and submit relevant evidence to the Seller within 3 pm. (Seller's time) of the same day.

8.2.5 On each Delivery Date, the Buyer shall pay to the Seller any remaining outstanding balance between the sums already paid and the Transaction Position for the ETS Allowances of the relevant Transactions.

8.3 Call Option Transaction:

The Buyer shall immediately pay to the Seller an amount equal to the Premium multiplied for the maximum number of Allowances for which the Option can be exercised. When, and to the extent that, an Option is exercised and a Delivery Date is accordingly determined, the Buyer shall pay to the Seller an amount equal to the Price multiplied for the number of Allowances for which the Option is being exercised.

8.4 Custody Transaction:

The Buyer shall pay to the Seller a fee equal to 300 Euro per month (the "**Custody Fee**"), within the fifth working day of each month.

8.5 All payments due by the Buyer in relation to a Delivery Date shall be made in cash in advance and the Seller shall be entitled to refrain from completing the transfer of the ETS Allowances until the relevant amount is actually and irrevocably credited on his bank account.

8.6 The Seller shall timely provide the Buyer with an invoice detailing, for each payment due, the number of ETS Allowances and, as the case may be, the Price, the Basic Price, the Deposit, the Additional Deposit, the Premium.

8.7 All payments shall be made in Euro or in US Dollars at Seller's discretion by direct bank transfer, free of charges for the payee, in immediately available funds on the Seller's Nominated Bank Account indicated in the invoice.

8.8 Save as provided in clause 13.2, all payments shall be made in full, without any deduction or set off and net of any applicable tax withholding.

8.9 In case of delay in a payment (and without prejudice to any other remedy given by these Terms and Conditions to the Seller) the Buyer shall pay interest at the rate of 2% per month.

9. Conditions applicable to Custody Transactions

9.1 In respect of Custody Transactions, Buyers' ETS Allowances shall be deemed to have been placed into Seller's custody at the Initial Custody Date and shall be held by the Seller in custody for account of the Buyer until the Buyer instructs the Seller in writing to deliver them to the Buyer' ETS Holding Account or to a third party's ETS Holding Account designated by the Buyer. The Seller shall comply with such instructions within 5 Working Days.

9.2 Title to and ownership of the ETS Allowances shall remain with the Buyer and the Seller shall not have, save as provided at clause 9.3 below, any proprietary right on them. Any provisions set forth by the applicable law stating that the ETS Allowances are commingled with Seller's assets, in its capacity as depository, is expressly excluded.

9.3 The Seller will have a lien on the ETS Allowances in respect of any sum howsoever due by the Buyer under this Agreement.

9.4 The Buyer shall be entitled to take delivery or to sell, transfer and/or release the ETS Allowances to any third-party in the event of bankruptcy, insolvency or liquidation of the Seller.

10. Force Majeure

10.1 Upon the occurrence of a Force Majeure, either Party may notify the other Party in writing of the commencement of the Force Majeure. Where the notification is from the Party affected by the Force Majeure (the "**FM Affected Party**"), to the extent available to such Party, it should also provide details of the Force Majeure and a non-binding estimate to the extent and the expected duration of its inability to perform its obligations due to the Force Majeure.

10.2 The obligations of both Parties under any Transaction will be suspended for the duration of the Force Majeure. During the continuation of the Force Majeure, the FM Affected Party shall use all reasonable endeavors to overcome the Force Majeure. Upon the Force Majeure being overcome or it ceasing to subsist, both Parties will, as soon as reasonably practicable thereafter, resume full performance of their obligations under each Transaction (including, for the avoidance of doubt, any suspended obligations).

10.3 Where a Force Majeure continues for a period of nine (9) or more Working Days, either Party may, by written notice to the other Party, terminate a Transaction.

11. Events of Default and Early Termination

11.1 The following shall be "**Events of Default**":

- a) for the Buyer, if it fails to make any payment due under any Transaction, if such failure is not remedied within next Working Day after the Seller giving notice to the Buyer of such failure;
- b) for the Seller, if it fails to complete any transfer due under any Transaction, if such failure is not remedied within 3 Working Days after the Buyer giving notice to the Seller of such failure;
- c) for both Parties, if it fails to perform any other obligation under any Transaction and these Terms and Conditions and such failure is not remedied within 5 Working Days after such Party receiving notice from the other Party of such failure;
- d) for both Parties, if any representation or warranty made (or deemed to be made) under these Terms and Conditions proves to have been false or misleading at the time it was made (or deemed to be made).

11.2 The following shall be "**Early Termination Events**":

- a) if a Party is dissolved or liquidated;
- b) if a Party is subject to bankruptcy or other insolvency procedure or makes any general arrangement or composition with creditors;
- c) if a party becomes insolvent or is unable to pay debts generally as they fall due;
- d) if there is a material adverse change in a Party's credit rating or financial ability to perform its obligations under any Transaction;
- e) if there is a change of control of a Party or if such Party is merged or incorporated into another entity;
- f) if a Force Majeure Event continues for a period nine (9) or more Working Days, as per clause 10.3 above;
- g) if due to change in the applicable legislation the performance of any Transaction pursuant to these Terms and Conditions becomes illegal.

11.3 When an Event of Default occurs, the non-defaulting Party can terminate any Transaction by serving notice to that effect to the defaulting Party and the Transaction shall be deemed to be terminated 1 day after receipt of such notice.

11.4 When an Early Termination Event occurs, each Party can terminate any Transaction by serving notice to that effect to the other Party and the Transaction shall be deemed to be terminated 1 day after receipt of such notice.

11.5 If a Transaction is terminated pursuant to clauses 11.3 or 11.4 above:

- a) the Seller shall complete the transfer of any ETS Allowance for which the Buyer has fully and timely paid the amounts set out in clause 8 herein;
- b) in the case of a Deferred Delivery Transaction, the Deposit and any Additional Deposit shall be applied in satisfaction of any sum due by the Buyer to the Seller and any remaining balance shall be returned to the Buyer;
- c) the Seller has the right to immediately liquidate all the Deferred Delivery Transactions agreed between the Seller and the Buyer. The Seller will transfer to the Buyer the proceeds from the liquidation of the Deferred Delivery Transactions, after deducting any sum howsoever due by the Buyer under any Transaction;
- d) in case of a Call Option Transaction, to the extent that the Option has not been in whole or in part exercised, it shall be deemed to be forfeited;
- e) in case of a Custody Transaction, the Buyer shall within three Working Days nominate an ETS Holding Account where the ETS Allowances in custody must be transferred. Failing such nomination Custody Fee will continue accruing and the Seller will have a lien on such ETS Allowances for any sum due to the Seller by the Buyer.

11.6 If this Agreement is terminated pursuant to clause 11.3 above, the Buyer shall indemnify the Seller in respect of any loss, damage, cost or expense caused by such termination.

12. Liability

12.1 These Terms and Conditions sets forth the full extent of the Parties' obligations and liabilities arising out of or in connection with each Transaction, and there are no conditions, warranties, representations or terms, express or implied, that are binding on the Parties except as specifically stated in these Terms and Conditions. Any condition, warranty, representation or other term which might otherwise be implied into or incorporated in these Terms and Conditions, whether by statute, common law or otherwise, is hereby expressly excluded.

12.2 Save as expressly provided otherwise in these Terms and Conditions, and in particular in clause 10.3, neither Party shall be liable under or in connection with any Transaction for any loss of income, loss of profits or loss of contracts, or for any indirect or consequential loss or damage of any kind, in each case howsoever arising and whether caused by tort (including negligence), breach of contract or otherwise.

12.3 Nothing in these Terms and Conditions shall exclude or in any way limit either Party's liability for fraud, or for any damage caused intentionally by either Party or for any damage caused by the gross negligence of either Party.

13. Taxes

13.1 All amounts referred to in these Terms and Conditions are exclusive of any applicable VAT chargeable on the supply or supplies for which such amounts form the whole or part of the consideration for VAT purposes. The VAT treatment of any transfer of ETS Allowances

shall be determined pursuant to the VAT law jurisdiction where the relevant supply or supplies are deemed to take place for VAT purposes. If VAT is properly chargeable on any such supply or supplies, the Buyer shall pay to the Seller an amount equal to the VAT, if any, chargeable in the Seller's jurisdiction; provided, however, that (i) such amount shall only be required to be paid once the Seller provides the Buyer with a valid VAT invoice in relation to that amount and (ii) the Buyer shall be under no obligation to make any payment to the Seller in respect of VAT which the Buyer must self-assess under the reverse charge rule or any similar system in the Buyer's jurisdiction. Each Party shall, to the extent permitted by law, provide the other with any additional valid VAT invoices as required for the purposes of this Agreement and, to the extent required by law, shall correctly account for any VAT properly due in its jurisdiction.

13.2 Subject to each Party's obligations relating to VAT, each Party shall cause all royalties, taxes, duties, levies and other sums (including, without limitation, any stamp, duty, other documentary taxes, climate change levy or other environmental tax or levy) ("**Other Taxes**") legally payable by that Party arising in connection with any Transaction to be paid. In addition, in the event that the Seller is required by law to pay any Other Taxes which are properly for the account of the Buyer, the Buyer shall promptly indemnify or reimburse the Seller in respect of such Other Taxes. In the event that the Buyer is required by law to pay, deduct or withhold any Other Taxes which are properly for the account of the Seller, the Buyer may deduct or withhold such amount of any such Other Taxes from the payments referred to in clause 8 and the Seller shall promptly indemnify or reimburse the Buyer in respect of such Other Taxes not so deducted or withheld.

14. Confidentiality

14.1 Neither Party may make any public disclosure, communication or announcement about the contents of any Transaction or of any of the other information of which it has become aware in connection with any Transaction except:

- a) with the prior written consent of the other Party;
- b) to the extent required by applicable law or a competent court or other competent authority;
- c) to the professional advisers of each Party, provided that each Party ensures that the matters disclosed are kept confidential; or
- d) in respect of information which is lawfully in the public domain.

15. Law and Arbitration /Jurisdiction

15.1 These Terms and Conditions and any Transaction concluded pursuant to these Terms and Conditions shall be governed by English law.

15.2 Any dispute arising under or relating to these Terms and Conditions or to any Transaction shall be referred to arbitration in London.

16. Miscellaneous

16.1 Neither Party may assign or transfer all or part of the Transactions without the prior written consent of the other Party.

16.2 The failure of either Party to enforce or to exercise at any time or for any period of time any term of or any right pursuant to these Terms and Conditions does not constitute, and it shall not be construed as, a waiver of such term or right and shall in no way affect the Party's right later to enforce or to exercise it.

16.3 If any term of these Terms and Conditions is found to be illegal, invalid or unenforceable under any applicable law, such term shall, insofar, as it is severable from the remaining terms, be deemed omitted from these Terms and Conditions and shall in no way affect the legality, validity or enforceability of the remaining terms.

16.4 These Terms and Conditions constitute the entire agreement and understanding of the Parties with respect to its subject matter and supersedes and extinguishes any representations previously given or made with respect to its subject matter other than those given or made in these Terms and Conditions.

16.5 Seller shall not be bound by any conditions of business of Buyer unless such conditions are expressly accepted by Seller in writing signed by a Director of Seller. Where there is any discrepancy or conflict between these Terms and Conditions and the Buyer's conditions of business these Terms and Conditions shall prevail.

16.6 Clauses 12, 14 and 15 shall remain in full force and effect notwithstanding the expiry or termination of any Transaction.

16.7 The relationship of the Parties is that of independent contractors dealing at arm's length. Except as otherwise stated in the present Terms and Conditions, nothing in these Terms and Conditions shall constitute the Parties as partners, joint venturers, fiduciaries or co-owners, or constitute either Party as the agent, employee or representative of the other, or empower either Party to act for, bind or otherwise create or assume any obligation on behalf of the other, and neither Party shall hold itself out as having authority to do the same.

16.8 The Parties shall do and execute all such further acts and things as are reasonably required to give full effect to the rights given under these Terms and Conditions.

16.9 No alteration to or variation of these Terms and Conditions shall take effect unless and until the same is in writing and signed on behalf of each of the Parties by a duly authorized representative.

16.10 Subject to the rights that may accrue to any successor or permitted assignees of the Parties, no provision of these Terms and Conditions is to be construed as creating any rights enforceable by a third party, and all third-party rights implied by law are, to the extent permissible by law, excluded from these Terms and Conditions.