



FROM: RECOPE, SAN JOSE, COSTA RICA

REF.: RECOPE CI-06-2019

March 26 – 27, 2019

RECOPE S.A. is pleased to invite you to make a formal offer for the supply of **ANHYDROUS ETHANOL non denatured**, to be delivered by vessel at port Moin, Atlantic Coast, Costa Rica or at the following RECOPE's terminals on the country: Moin, El Alto, La Garita and Barranca, pursuant to the terms and conditions of this request for proposal.

This invitation does not constitute a public bid and is governed by the rules of the ordinary activity of RECOPE's acquisition regulation. This invitation is not a promise or compromise to contract the bidder. Moreover RECOPE reserves the right to award this tender to one or more different companies or reject one or all the offers, according to its best interest. With the formal presentation of the offer the bidder accepts the terms and conditions of this request for proposal.

BUYER: RECOPE S.A.

We consider your offer is the best and final and in this case we will not invite participants to do a second bid process.

This tender consists of two parts: PART I (SPECIFIC CLAUSES) and PART II (GENERAL CLAUSES).

PART I. SPECIFIC CLAUSES

1. VOLUME, CARGO SIZES AND DATES

Option 1 - DELIVERY BY VESSEL

One Anhydrous Ethanol non de-natured cargo of 90.000 barrels ($\pm 10\%$ at seller's option) Net Standard Volume at 20 °C, to be delivered at port Moin on last week of April - first week of May 2019 or nearby date. The parties shall agree a three-day discharge window at port Moin, at the time of the award.

RECOPE may require two additional cargoes of 50.000 barrels ($\pm 10\%$ at seller's option) each one, at RECOPE's option, during the period July – December, 2019. Cargoes to be nominated at least 35 days prior the first day of the delivery window.

OPTION 2 TANK TRUCKS:

Up to 90.000 barrels ($\pm 10\%$ seller's option) Net Standard Volume at 20 °C of anhydrous ethanol non denatured, to be delivered during the period May – August, 2019. Ethanol can be delivered since May 6th at least 10 trucks per day. By May 24th RECOPE delivered volume has to be 20.000 barrels between different locations. RECOPE will give the seller a weekly distribution.

After May 24th delivery will continue at minimum 10 trucks per day and up to 15 trucks. Deliveries from Monday to Friday, if necessary would be on Saturday but RECOPE will advise in advance.

Volume to be delivered per terminal as follows (average per month):

| | MOIN | EL ALTO | LA GARITA | BARRANCA | TOTAL |
|----------------|-------------|----------------|------------------|-----------------|--------------|
| Barrels | 1 600 | 10 700 | 14 100 | 6 200 | 32 600 |
| m ³ | 255 | 1 700 | 2 240 | 985 | 5 180 |
| Gallons | 67 200 | 449 400 | 592 200 | 260 400 | 1 369 200 |

2. DELIVERY

Option 1 - VESSEL:

DAT/CIF/CFR, pier 5.1, port Moin (port Limón), Costa Rica Atlantic coast, Incoterms 2010.

DAT (delivery at terminal), pier 5.1, port Moin (port Limón), Incoterms 2010: quantity on the basis of shore tanks at discharge port (Net Standard Volume at 20 °C) and quality on the basis of vessel's tanks at discharge port.

CIF/CFR, pier 5.1, port Moin (port Limón), Incoterms 2010: quantity on the basis of shore tanks at load port (B/L figures). RECOPE's preference is quality on the basis of vessel's tanks at discharge port. If the quality is based on loadport tanks and there is only one shore tank to be used for the cargo, RECOPE can accept the quality based on that tank. In any case quality based in hand blend sample is not acceptable.

For CIF cargoes, RECOPE requires insurance coverage according to Clause "C" of Lloyd's Institute, for the products once aboard the vessel, including losses above 0.25% and direct and indirect product contamination among other coverages. If you quote CIF, please indicate the types of coverages the insurance includes.

RECOPE prefers the use of small vessels (LOA 140 meters maximum), according to the volume of the cargo. Also vessels under 140 m does not have night restriction at port Moin and have better chance to berth under adverse sea weather conditions (swells).

Option 2 - TANK TRUCKS:

DAP (RECOPE'S TERMINAL) INCOTERMS 2010

RECOPE will have up to 2 days to discharge the tank trucks. Most of the time they can be discharged the same day or next one, so they can be returned to the origin. Occasionally RECOPE may need the tank trucks for more than 2 days. For those cases, bidder should indicate in the offer, a fixed daily cost rate in order to adjust the price for the additional days.

RECOPE will do the best effort to discharge the product as soon as possible to avoid delays.

The bidder is responsible to comply with all Costa Rica's national regulation and permits required to circulate with anhydrous ethanol (which is considered dangerous goods) on national roads.

The volume for payment would be the Net Standard Volume at 20 °C according to flow meter measurement, shore tank or weight (scale) at discharge terminal.

3. QUALITY SPECIFICATIONS

Option 1 - VESSEL:

Certified by independent inspectors on samples drawn from vessel's tank(s) at discharge port or load port for CIF/CFR deliveries, and vessel's tanks at discharge port for DAT deliveries. RECOPE's preference is quality on the basis of vessel's tanks at discharge port regardless of the Incoterms (CIF/CFR and DAT).

Vessel must guarantee the inspector will be provided with the conditions to take a representative sample from every tank, according ASTM standards top, middle and bottom samples.

Seller should assure the quality within specification, uncertainty method cannot be used as a tolerance to set final results, therefore try to avoid results on border line.

Option 2 - TANK TRUCKS:

Certified by independent inspectors on samples drawn from shore tank before loading (sampling and analysis should be not older than 2 weeks prior loading). Besides that, water content, ethanol, density, appearance should be done to each tank truck loaded separately.

At RECOPE'S terminal, each truck will be sampled and water content, ethanol, density, appearance should be done before discharge.

The inspector will be jointly nominated and the costs to be shared equally among the parties, if any party requires the inspection service. The same applies for sampling of the products and determination of quality, either if the analysis are run at the inspector laboratory or witness at a third party laboratory.

Seller should assure the quality within specification, uncertainty method cannot be used as a tolerance to set final results, therefore try to avoid results on border line.

Table 1. Non-denatured anhydrous ethanol specifications.

| CHARACTERISTIC | UNITS | LIMITS | | METHOD |
|----------------------------------|----------|-------------------|---------|-------------------|
| | | Minimum | Maximum | |
| Sediments | | Absent | | ASTM D4176 |
| Appearance | | Clear and bright | | ASTM D4176 |
| Color | | Undyed (see note) | | Visual inspection |
| Acidity (as acetic acid) | mg/kg | | 70 | ASTM D1613 |
| | | | | ASTM D7795 |
| Ethanol content | volume % | 99,0 | | ASTM D5501 |
| Methanol content | volume % | | 0,5 | ASTM D5501 |
| Electric conductivity | μS/m | | 500 | ASTM D1125 |
| | | | | EN 15938 |
| Copper | mg/kg | | 0,07 | ASTM D1688 |
| Inorganic Chloride | mg/kg | | 1,5 | ASTM D512 |
| | | | | ASTM D7319 |
| | | | | ASTM D7328 |
| Specific gravity | | | Report | ASTM D891 |
| | | | | ASTM D4052 |
| | | | | ASTM D1298 |
| Existent sulfate | mg/kg | | 3,0 | ASTM D7318 |
| | | | | ASTM D7319 |
| | | | | ASTM D7328 |
| Humidity (diluted water content) | mass % | | 0,5 | ASTM E203 |
| | | | | ASTM E1064 |

| | | | | |
|---|-----------|--|-------|-----------------------|
| | | | | EN 15489 |
| Washed gum content | mg/100 mL | | 4,0 | ASTM D381 |
| Non-volatile material | mg/100 mL | | 10 | ASTM D1353 |
| Total sulfur content | mg/kg | | 10 | ASTM D2622 |
| | | | | ASTM D4294 |
| | | | | ASTM D5453 |
| C3-C5 saturated alcohols (anhydrous) FUSEL | mg/kg | | 3 000 | EN15721 ASTM D5501 |
| Phosphorus content | mg/L | | 0,5 | EN 15487 |

Note. No dyes added.

4. LAYTIME

FOR VESSEL DELIVERY ONLY:

36 hours SHINC + 6 hours NOR for 90.000 (+/-10%) barrels and 24 hours SHINC + 6 hours NOR for 50.000 (+/-10%) barrels no matter if it is considered part cargo, laytime should not be less than that. LAYTIME will begin at NOR + 6 hours or when all fast (whichever occurs first), and shall terminate upon cargo hoses disconnection.

PLEASE INDICATE THE VESSEL'S DEMURRAGE RATE, PER DAY PRORATE (PDPR) FOR EACH CARGO. THIS DEMURRAGE RATE WILL BE INCORPORATED IN THE EVALUATION OF YOUR ECONOMICAL OFFER.

See details of LAYTIME in PART II General clauses, clause 9.

5. DELIVERY DATES COMPLIANCE

If the vessel arrives after the last day of the given window, it would be subject to penalization. Every day of the delay of the cargo will be penalized at full daily demurrage rate of the vessel (pro-rated). This delay will be calculated starting 48 hours after last day of agreed discharge window until the notice of readiness is tendered.

The amount of the penalty will be deducted from the cargo invoice without liability from RECOPE.

In the event of one delayed delivery of 10 days or above, RECOPE will evaluate the performance of the contract and may decide to terminate the contract without any liability whatsoever without prejudice of demanding the payment damages (including, but not limited to, consequential damages), loss of profits, attorney's fees, court costs, and cost of importing emergency cargo, etc. RECOPE will evaluate in a case by case basis against all support documentation provided by the supplier.

6. INSPECTION

In Costa Rica, RECOPE has a contract with oil test international (OTI) for discharge port inspection; please confirm if OTI is acceptable. This is the only company established in Costa Rica approved by RECOPE and only one officially accredited in the country by now.

Other inspection companies may send the personnel from outside of the country and should apply higher book rates plus expenses such as transportation of inspector, stay and meals. RECOPE will add these extra costs to your offer to evaluate the final cost. RECOPE's share of the cost of inspection services at both ports is taken into account in the economical evaluation of the offers.

For all cargoes including DAT, DAP or other delivered cargoes RECOPE will participate at loading and discharge port inspection.

Offers should indicate how the inspection costs at discharge port will be paid/shared.

See details of INSPECTION, part II, General Clauses, Clause 12.

7. DISCHARGE LOGISTIC AND PROCEDURES FOR TANK TRUCK

Each tank truck will be sampled by RECOPE or the independent inspector. Analysis of each sample will be performed at RECOPE laboratory before discharge of the product. This procedure could take 30 minutes approx. The terminal can receive product from Monday to Friday, from 7:00 to 17:00 hours, if necessary Saturday or Sundays RECOPE will advise in advance.

8. COSTARRICAN AND FOREIGN TRUCKS AND TANK TRUCKS:

Costa Rica's trucks must comply with documentation below, foreign trucks must comply with local regulations from the country where the equipment is registered.

1. Awarding of public service for clean product transport as per COSTA RICA DECRETO EJECUTIVO 36627-MINAET "Reglamento para la Regulación del Transporte de Combustible", issued by Ministerio de Ambiente y Energía (MINAET) (TC) o (CR).
2. Copy of valid calibration tables issued by Costa Rica Metrology Laboratory (LACOMET)
3. Certificate of real loading capacity authorized issued by "DEPARTAMENTO DE PESOS Y DIMENSIONES" OF MINISTERIO DE OBRAS PUBLICAS Y TRANSPORTES (MOPT).
4. Copy of valid technical revision (revisión técnica de RTVE).
5. Trucks must comply with the valid transit law for danger and explosives materials.

Tank trucks must comply with the following technical requirements:

- Tank trucks, tubes must be stainless steel or aluminum.
- Truck must be labeled with rhombus fire in both doors (as per United Nations regulations) both sides of the truck must say inflammable or dangerous material.
- Top hatches must be suited with seals in the top to guarantee that no water or dust may enter into the tank truck.
- Tank truck must have pressure-vacuum relief valves or breathers on the top in perfect working conditions to guarantee a good and safe operation when loading and discharging ethanol.
- From 1 to 4 compartments.
- Each truck must have at least two extinguishers of chemical powder: one in the cabin (5 pound min) and one on the tank (20 pounds min) duly charged.

Related to the condition of the trucks, tanks:

- Valves, hoses, hatches, seals must be in good condition in order not to have leaks.
- Tires must have minimum 2 millimeters

- Perron must have railing and be safe to go up
- Gangway on top de tank should have nonskid material to avoid slip
- Electrical system of the truck and tank should be cover with insulating material

RECOPE will revise each truck during the period of the contract and any deficiency must be corrected or the tank can be replaced for next delivery. Dedicated exclusively to transport alcohol, while it is under ethanol contract with RECOPE.

Truck drivers must know the characteristics of the product they are handling, safety rules and have the Material Safety Data Sheet (MSDS) with them on the truck.

7. PRICE

U.S dollar currency, price should be The Average Platt's Ethanol Assessment for Chicago for all publication dates during the month of loading the product, plus/minus a premium expressed in United States Dollars per gallon at 20 °C. The reference price to be used shall be the mean of high and low quotations Platts Ethanol Chicago (Platts code AALRI00).

Indicate clearly the premium in both numbers and letters. In case of discrepancy prevails the correspondent to lower premium.

Indicate the reference prices to be used if prices are not published on B/L date.

8. ENQUIRIES

All enquiries to be addressed to:

DIRECCION COMERCIO INTERNACIONAL DE COMBUSTIBLES

TEL : (506) 2284-4945 / 2284 4940 / 2284-4666

e-mail: patricia.camacho@recope.go.cr

mariano.loaiza@recope.go.cr

hazel.brenes@recope.go.cr

ATTN : Patricia Camacho / Mariano Loaiza / Hazel Brenes

9. TERM TO SUBMIT OFFERS

The offers must be submitted on **April 3rd, 2019, from 8:00 hours to 10:00 hours Costarican time**, to the following email account: suministros-concursos@recope.go.cr (attach offer in pdf file). RECOPE will not take into consideration any offer received beyond the hour and date specified above. If, for any reason the system rejects the email, it will be the bidder responsibility to immediately notify RECOPE in order for the institution to take the appropriate actions. Any problem must be notified to the following phone number: (506) 2284-4666 / (506) 2284-4941.

10. OFFER'S VALIDITY

The offer submitted by the bidder must have a minimum validity date from **April 3rd to April 10th, 2019, 17:00 hours Costarican time**.

11. AWARDING

RECOPE will analyze the offers and award the contract between **April 3rd to April 10th, 2019**. If RECOPE deems it necessary, it may extend such term in which case will notify the bidders to extend the term of their offers accordingly.

12. TIE BREAKER CLAUSE

In the event that two or more bids are submitted and the evaluation of bids shows a tie in the total costs (price plus other related costs considered in the evaluation), competing for the first place, RECOPE would ask these bidders to present on additional round an improvement in the price in order to define the winner. If the tie remains, RECOPE shall invite tied bidders to a session at a place, time and date certain, to select the winning bid at random.

13. INTERNATIONAL OBLIGATIONS COMPLIANCE

Pursuant to the resolution of the United Nations Security Council S/RES/2379 of the 21st of September, 2017; S/RES/2368 of the 20th of July, 2017, and the previous concomitant resolutions, with the objective to fight against terrorist groups benefiting from trade in oil (crude and products), the Refinadora Costarricense de Petróleo S.A.-RECOPE will not consider any offer from companies controlled or located on areas under control by the Islamic State in Iraq and the Levante (Isil, also known as Daesh), Al-Nusrah front (ANF) and other individuals and groups associated with Al-qaida, or any other terrorist group. The bidder may not claim ignorance of the origin of the product offered. Bidders must fill the document "**Affidavit of the Origin of the Product**", included at the end of this tender.

PART II. GENERAL CLAUSES

1. RISK AND TITLE

The bidder accepts that the risk and title applies as the provisions of INCOTERMS 2010.

2. SUPPLY SOURCE AND LOAD PORT

Bidders must indicate intended supply source and load port. Offers including more than one intended supply source will be preferred.

It is also important to indicate if the intention is to do part cargoes (different parcels for different customers).

3. PAYMENT TERMS

Preferably open account via direct wire transfer 30 days after the Bill of Lading (B/L) date (hoses disconnected at load port).

Other credit options, like 45 and/or 60 days after B/L, would be accepted and included on the evaluation process.

For the economic analysis only, shorter/longer credit period will be evaluated at an annual interest rate of 2% compare with the standard 30 days from B/L payment terms.

In the event that the due date of payment is before the discharge of the cargo, the parties shall agree a new due date.

In case the seller fails to provide the cargo pursuant the specified quality and quantity conditions, RECOPE, at its own discretion and without any liability, may withhold any payment and/or terminate the contract.

Letter of Credit:

The cost of the establishing of letter of credit (L/C) will be taken into consideration in our economical evaluation, at the cost for RECOPE which is 1% annual. This evaluation will consider the establishment of the L/C, 5 days before

the start of loading and to be valid 10 days after the date of payment. If the L/C has to be established at an earlier date and be valid for a longer period, the cost of this additional period also will be taken into consideration.

For your consideration, please find below the list of Banks to be used by RECOPE for the emission and/or confirmation on the Letter of Credit:

- DAVIVIENDA COSTA RICA
- BLADEX (BANCO LATINOAMERICANO DE COMERCIO EXTERNIOR)
- SCOTIABANK
- BNP PARIBAS
- BICSA (BANCO INTERNACIONAL DE COSTA RICA)

Payment procedure:

RECOPE can initiate the payment procedure with faxed or scanned copies of the documents (invoice and B/L). However, the originals (B/L and invoice) must be sent to RECOPE, addressed to Dirección de Comercio Internacional de Combustibles. The original documents must be in possession of such administrative unit at least 3 working days before payment date. Otherwise, RECOPE will not be responsible for any payment delays.

4. INVOICING

As per an internal regulation of the Costa Rica customs authority, all commercial invoices have to contain the following information:

- a. Seller's name and address
- b. Full description of the merchandise or goods subject of the transaction (type, quantity, price per unit and total weight).
- c. Net and gross quantity
- d. INCOTERMS
- e. Place and date of issue of the invoice
- f. The invoice has to be signed and stamped, and indicates position and the name of person who signs it.
- g. The invoice should be printed in the company stationary with its letterhead and logotype.

For the calculation of the cargo economics and the final price, **four decimals in cents per gallon price to be used.**

Documents required for direct wire transfer: first and second B/L, original and signed invoice, Certificate of Origin and original certificate of insurance for CIF offers. Documents should be sent to RECOPE's offices via courier, ATTENTION DIRECCIÓN DE COMERCIO INTERNACIONAL DE COMBUSTIBLES.

5. DOCUMENTATION

The following documents should be issued:

- (3) original Bill of Lading
- Original signed commercial invoice
- Quality and quantity certificate issued by independent inspector for every port
- Certificate of Origin
- Cargo Manifest
- Original insurance policy certificate for CIF offers, RECOPE indicated as beneficiary and must be sent before vessel's arrival.
- Certificate of Carbon Footprint.

6. QUANTITY DETERMINATION

Quantity shall be determined based on this preference: as per CHAPTER 17 OF API MANUAL OF PETROLEUM MEASUREMENT STANDARD (CHAPTER 17): 1) flow meters, 2) static shore tanks, 3) vessel measurements corrected by vessel experience factor (VEF) (VEF determined as per the API CHAPTER 17, SECTION).

B/L quantity must be certified by independent inspector at load port.

The independent inspector will periodically check flow meter is duly calibrated; shore tanks shall be static, out of critical zone (when they have floating roof) and have valid calibration tables. If the inspector determines that shore tank measurements are not accurate for some reason, then vessel measurements will be adjusted by VEF, if available. VEF can be used for part cargoes when cargo represents at least 70% of vessel capacity.

Quantity determination procedures shall be according to the latest approved methods of API in the MANUAL OF PETROLEUM MEASUREMENT STANDARDS.

Commingled cargo is not accepted, unless previous authorization is obtained from RECOPE.

7. IN TRANSIT LOSS AND REMAINING ON BOARD (ROB)

This clause applies only for cargoes which the quantity determination is based on load port figures.

The bidder accepts that the maximum acceptable loss for each product is as follows, considering B/L and shore outturn figures at discharge port. The formula for this calculation is: (shore outturn figures at discharge port minus B/L figures) divided by B/L figures. Seller should guarantee coverage of difference between the minimum claimable insured loss and the correspondent percentage.

| PRODUCT | MAX. LOSS ACCEPTABLE |
|---|----------------------|
| GASOLINE, DIESEL, JET FUEL, FUEL OIL, IFO, LPG, ETHANOL | 0,15 % |
| MTBE, AV GAS, ASPHALT | 0,30 % |

For UNLEADED MOGAS RON 91 and UNLEADED MOGAS RON 95 cargoes, maximum loss acceptable will be calculated considering the sum of both grades of gasoline, due to RECOPE uses one line for both gasolines. For the rest of the products, even combined cargoes, the loss will be calculated each product for separate, due to each product uses an independent line.

Remaining on board (ROB): any measurable and pumpable cargo left in the vessel, will be deducted from the invoice, at CIF/CFR/DAT cost price. The volume is to be determined by the independent inspector.

8. SCHEDULING

RECOPE will schedule and nominate the cargoes with 35 days previous notice to the seller, providing a three-day discharge window at Port Moin. The seller shall confirm the cargo latest 25 days before the first day of discharge window.

9. LAYTIME

Specific LAYTIME for each product, see Part I. Particular clauses of this tender.

If a vessel arrives within the discharge window, laytime shall commence when vessel is all-fast or 6 hours after notice of readiness (NOR) is tendered, whichever occurs first and ends upon cargo hoses disconnection.

If a vessel arrives after the last accepted day of the allowed discharge window, laytime shall commence when vessel is all-fast.

Because of night restriction at Port Moin, (see item 10), the lay days end at 16:00 hours of the last day of the discharge window.

If a vessel arrives before its accepted discharge window, time shall begin at 6:00 hours of first day of such window or when vessel is all-fast whichever occurs first.

For laytime calculation purposes, a maximum of 2 hours for stripping will be considered.

Laytime will finish at discharge port upon hoses disconnection.

Time not to count as laytime (but not limited) or time on demurrage, if vessel is on demurrage, as laytime when spent:

- On and inward passage moving from anchorage area to berth, even if lightering has taken place (from anchor aweigh until vessel is all-fast).
- Awaiting time for gangway down, beginning from all-fast to gangway down.
- Time waiting for and spent by official authorities to grant free pratique, except if it occurs simultaneously with boarding the vessel by RECOPE terminal personnel. Beginning from gangway down to free pratique granted. Visit on bay for sampling does not imply free pratique granted.
- Due to breakdown, inefficiency or other cause attributable to the vessel.
- As result of strike, lock out, stoppage or restraint of labor of master, officers or crew of the vessel, or tugboats, or pilot.
- Shifting or vessel movement (maximum one shifting).
- Inspection time on the vessels tanks and taking of samples (if cargo is DAT and it was not sampled on bay prior to berthing), maximum of 4 hours to deduct.
- Awaiting time for laboratory results, (when contract is DAT and quality is based on discharge port)
- If free pratique is refused, the vessel will be placed in quarantine. In such circumstances it cannot be ready to discharge and laytime will be not run until quarantine restrictions have been lifted.
- When all or part of such demurrages is incurred due to fire or explosion at discharge port in/or about the plant of charterer, shipper or consignee of the cargo, if arises or results from an act of God, act of war, riot, civil commotion, etc., the rate of demurrage shall be reduced to one half for the period of such demurrage or part thereof.

10. NIGHT RESTRICTION

In Port Moin, Costa Rica, for operational safety reasons, according to port authority regulations for the Atlantic coast, any vessel over 140 meters (459,32 feet) of LOA will not be berthed between 16:00 hours until 06:00 hours of the following day. Therefore, for vessels over 140,00 meters arriving Port Moin after 16:00 hours, the laytime will commence at 06:00 hours of the following day or nor plus 6 hours, whichever is greater of the two.

11. BAD WEATHER CLAUSE

In case of bad weather or rough sea condition at discharge port, that make not possible berthing maneuvers or stay the vessel alongside the berth, the demurrage rate will be reduced to 50% during the first 96 hours, and thereafter

100% at RECOPE's account. Port Authority will determine if it is safe to berth and maintain the vessel at berth securely. Smaller vessels (under 140 meters of LOA) have a better opportunity to be berthed during rough sea condition.

If vessel is more than 140 meters of LOA, port authority may consider not berthing a vessel due to its own characteristics (LOA, dead weight and draft), despite another small vessel could be berthed.

As a reference to determine high swell or rough sea condition, RECOPE will use the Buoy Weather Daily Forecast report (www.bouyweather.com, buoy location 10.0 n, 83.05 w). In the past and according to the experience, vessel could not berth with waves over 5,5 feet. In any case, is the Port authority who will finally decide if berthing can be done.

12. INSPECTION

For CIF/CFR deliveries, quantity and quality will be determined at loading port or discharge port by and independent petroleum inspector. RECOPE will participate at loading port inspection.

RECOPE's preference is quantity on the basis of shore tanks at discharge port and quality on the basis of vessel's tanks at discharge port.

For invoicing purposes, when outturn figures are used, RECOPE's first option is to use shore tanks figures. Quantities based on vessel's tanks corrected by VEF at discharge port will be used as last option.

For DAT deliveries, quantity and quality will be determined at discharge port by an independent petroleum inspector. RECOPE will also participate at loading port inspection.

The inspector will be jointly nominated and the costs to be shared equally among the parties. The same applies for sampling of the products and determination of quality either is run analysis in inspector laboratory or witness at a third laboratory.

Findings of independent inspector will be binding for all the parties for invoicing purposes and any claims, except of manifest errors or fraud.

RECOPE's share of the cost of inspection services at both ports is taken into account in the economical evaluation of the offers.

13. NOTICES

The seller shall send to buyer and terminal (directly by the vessel or through its port agents) estimated time of arrival (ETA) messages immediately upon sailing from load port and 96/72/48/24 hours before arrival to discharge port (if applicable).

If vessel fails to give ETA messages to discharge port, laytime shall commence when the vessel is all-fast at the berth.

Any ETA variation more than 2 hours within 24 hours of arrival to load or discharge port should be reported to the authorities.

14. NOTICE OF READINESS (NOR)

Notice of readiness (NOR) in Port Moin, Limon, Costa Rica must be tendered at anchorage area only which has the following coordinates:



LATITUDE: 10° 01'50" N (10 GRADES 01 MINUTE 50 SECONDS NORTH)
LONGITUDE: 83° 05'43" W (83 GRADES 05 MINUTES 43 SECONDS WEST)

15. VESSEL NOMINATION, CHARACTERISTICS AND REQUIREMENTS

Vessel nomination to be sent with the updated questionnaire Q 88 (latest version), at least 7 days before the first day of loading. The demurrage rate to be indicated as per charter party at the time of vessel nomination.

RECOPE shall notify seller of its acceptance or rejection of the nominated vessel within 1 working day after the nomination.

Nominated vessel should not be older than 15 years and should be classified by a first class classification society. IMO approval and OCIMF compliance.

ISPS compliance is required; RECOPE and port authority are entitled to verification of this.

Vessel to be used should have civil responsibility and pollution insurance coverage for one billion dollars and this certificate to be available for RECOPE's or port authority verification, on request.

To assure a safe berthing vessel should have: 2 bow, 2 stern and 2 main deck winches in perfect working conditions, with a min holding power of 30 tons. Vessels without inert gas system (IGS) and/or winches as described above will not be accepted.

Vessels should have adequate bollards and bits in order to receive 3 headlines, 3 stern lines, 4 breast lines and 4 spring lines.

Vessel must be able to provide minimum 16 ropes of minimum 3 inches diameter of adequate length and material (four for replacement if necessary) and be prepared to receive minimum 8 mooring shore wires at bow and stern as spring lines or breast lines, when required by the terminal.

For the avoidance of the doubt acceptance of any vessel shall not constitute a continuing acceptance of such vessel for any subsequent voyage.

16. PUMPING

Seller must guarantee that the vessel is capable of discharging full cargo within 24 hours and that vessel is able to maintain a minimum pumping pressure of 125 PSI at vessel's rail or vessel to give a minimum pumping rate as per below:

| PRODUCT | MINIMUM DISCHARGE RATE (bbl/h) |
|-----------|--------------------------------|
| DIESEL | 10.000 |
| GASOLINES | 10.000 |
| JET FUEL | 4.000 |
| FUEL OIL | 8.000 |
| MTBE | 4.000 |
| LPG | 2.000 |
| ETHANOL | 3.000 |

If due to unsatisfactory performance, the vessel is unable to meet the minimum discharge rate requested by shore during the discharge, all time exceeding will be deducted from laytime or time on demurrage. Moreover, if vessel seems likely that it will cause demurrage to another vessel due to pumping inefficiency, buyer has the option to unberth the vessel and all the time spent waiting anchored outside the port and the cost of re-berthing the vessel, will be for seller's account.

DISCHARGE FACILITIES:

PIPELINE LENGHT: 3,5 km approx.

| PRODUCT | HOSE DIAMETER (in) | LINE (in) | FLANGES (PSI) |
|-----------------|--------------------|-----------|---------------|
| DIESEL | 2X 8 | 20 | 150 |
| JET FUEL | 1 X 8 | 16 | 150 |
| FUEL OIL | 2 X 8 | 20 | 150 |
| GASOLINES, MTBE | 2 X 8 | 20 | 150 |
| LPG | 1 X 8 | 10 | 200 |
| AV GAS | 1 X 6 | 6 | 150 |
| ETHANOL | 1X8 | 10 | 150 |

For the purposes of this clause, the independent inspector will record the discharge pressure at vessel's rail and this log will be the official pressure to be used.

Multi-grade cargoes must be discharged simultaneously.

17. DISCHARGE PORT (PORT MOIN) CHARGES

a) The following charges at Port Moin will be paid directly by RECOPE to port authority:

- Mooring/unmooring and pilot services (atención a la nave)
- Tug boat services
- Dockage (muellaje)
- Time at berth
- Local taxes

If the vessel is un-berthed for causes attributable to the vessel or seller, the cost of the port charges to re-berth the vessel will be for seller's account.

B) The charges for reception and clearance of the vessel is for seller's account

C) Port charges do not include marine agency fees, consular fees (legalization of documents by Costa Rican consulate) or other charges.

18. MARINE AGENTS AT DISCHARGE PORT

RECOPE reserves the right to accept or reject the marine agent if RECOPE is not satisfied with the service or if the service is affecting or delaying operations.

19. DISCHARGE PORT DESCRIPTION AND FACILITIES

DEAD WEIGHT: 60 000 MT MAX
 BASIN DEPTH: 14.0 METERS BELOW SEA LEVEL
 MAX DRAFT: 12.3 METERS (SW)
 MAX LOA: 213 METERS
 BEAM: NO RESTRICTIONS
 STORAGE TANKS ALTITUDE: APPROX. 4 METERS ABOVE SEA LEVEL.

20. BILL OF LADING (B/L) DATE ESTABLISHMENT

For cargoes already at storage, the B/L date will be set on the disconnection of hoses after loading at the terminal.

If the supplier is loading two or more parcels for RECOPE, B/L date will be set on the date of completion of loading of each parcel.

If the supplier is loading the cargo for RECOPE and another client, then the B/L date for RECOPE's parcel will be set on the date of completion of this parcel, for the case when the vessel continues loading the second parcel for another client and the hose continues connected.

When products are loaded at different terminals, ports or pier, each parcel should have its own B/L date, according to each hose disconnection.

RECOPE will not accept any cargo unilaterally decided by the seller, already on the water with an established B/L date. For those cargoes, the seller should propose the cargo to the buyer and indicate the B/L date, load port and the country of origin. Consequently, both parties can determine how to establish the quantity, quality, pricing days and payment period. The seller must send a copy of the product quality and quantity report at load port, witnessed and issued by an independent inspector, address to operational contact at DIRECCION DE COMERCIO INTERNACIONAL DE COMBUSTIBLE at RECOPE.

21. CLAIMS

Demurrage claims from seller to buyer, and quantity, quality and others claims from buyer to seller must be sent with copy of the supporting documents (inspector report, letters of protest, copy of owners claim, copy of charter party, among others). If any claim is not received by the counterparty in writing with the supporting documentation within 60 days (demurrage claims) and 90 days (quantity and quality claims) after the date of conclusion of discharge (hoses disconnection), it should be deemed, waived and extinguished. Both parties must do their best effort to resolve and conclude all claims in an expedite form in a reasonable time period.

In order to verify the demurrage claim, a copy of the final claim invoice issued by the freighter should be presented in each case. If seller cannot demonstrate that there was a claim from the vessel, RECOPE will not pay any claim from seller.

22. PRODUCT CONTAMINATION

If by any cause beyond RECOPE's control, contamination of products shall occur during the loading, transportation or discharge, due to negligence or fault of the vessel's crew, or failure of machinery, seller shall bear the expenses incurred to reprocess those products and redeliver it at Port Moin, or degradation cost, whichever be the case, or propose alternative measures for RECOPE to be able to file the claim against vessel.

23. OIL POLLUTION

The vessel will be required to be properly insured against the event of oil pollution and will need to carry certified copies of the respective P&I club. Such documents may be requested at disport prior to discharge of the cargo.

24. INSURANCE

The awarded company must file, a copy of the general, particular and special conditions of the insurance policies in order for RECOPE to determine if such conditions are acceptable. The insurance must cover at least:

A. Product: at least 110% of its CIF value.

B. Vessel: the vessel will be required to be properly insured with a civil liability policy (CLC) for, at least, one billion us dollars and will need to carry certified copies of the respective P&I club. Such documents may be requested at discharge port prior to discharge of the cargo.

RECOPE reserves the right to request any other insurance condition it deems appropriate as a necessary requisite for the contract's signature. Any change in the general and/or the specific conditions of the insurance must be notified to RECOPE within a term no greater than five working days since the modifications are agreed with the insurance company.

25. SUBCONTRACTING

If the vendor subcontracts portions of its undertakings under this contract to subcontractors, the vendor shall be the only responsible party before RECOPE for the performance by any such subcontractor as if performed by the vendor for such purposes, the vendor must submit to RECOPE any information of subcontractors if requested.

26. FORCE MAJEURE

No party shall be liable for any default or delay in the performance of its obligations under this contract if and to the extent such default or delay is caused, directly or indirectly, by anything outside that party's reasonable control including, without limitation, fire, flood, lightning, power outage, earthquake, elements of nature or acts of god, riots, civil disorders, rebellions or revolutions in any country, strikes, lockouts, or blockades (or other similar workers' actions that can be compared thereto).

In such event, the non-performing party shall use best efforts to recommence performance or observance of the obligation(s) so affected whenever and to whatever extent possible. However, the non-performing party shall be excused from further performance or observance of the obligation(s) so affected for as long as such circumstances prevail and such party continues to use best efforts to recommence performance or observance whenever and to whatever extent possible without delay. Any party so delayed in its performance shall immediately notify the party to whom performance is due by telephone (to be confirmed in writing within two (2) days of the inception of such delay) or email, and describe at a reasonable level of detail the circumstances causing such delay.

27. CONTRACT TERMINATION

In case of material breach of this contract by either party not remedied within a maximum term of 10 calendar days from the other party's notice of breach thereof or in case either party should become insolvent (generally unable to pay its debts as they become due) or is the subject of a bankruptcy, conservatorship, receivership or similar proceeding, or makes a general assignment for the benefit of its creditors, the other party shall have the right to terminate the contract with immediate effect. The non-defaulting party shall then have the right to collect damages, including, but not limited to, consequential damages, loss of profits, attorney's fees, etc. For the avoidance of the doubt, the remedy period will be executed without prejudice of the penalties that apply.

28. JURISDICTION

Pursuant the article 3 of Costa Rican procurement act (Ley de Contratación Administrativa, n° 7494) and article 64 of its regulation (Reglamento a la Ley de Contratación Administrativa, Decreto Ejecutivo N° 33411 – H), in principle and as a general rule, any dispute, controversy or claim arising out of or in connection with the contract or the breach, termination or invalidity thereof shall be filed in the Costa Rican courts in accordance with the Costa Rican laws.

However, considering the special nature of this contractual activity (international commercial trade), and once verified the existence in this procedure of the qualified circumstances that make it legally appropriate, RECOPE may consider and assess offers that propose, as the applicable jurisdiction in order to file and settle eventual monetary disputes arising during the contract's execution period, the laws and courts of the state of New York, United States of America or the laws and courts of England.

29. FORMALIZATION:

The contractual relationship originated in this tender shall be governed by the clauses established in this terms of reference, technical aspects of the bid and award agreement. The contractual relationship takes effect once notified the award process to the supplier. Other general terms and conditions would apply only to those concepts not specified in the documents listed above.

Erick Solano Carmona
Dirección de Comercio Internacional de Combustibles

Shirley Calderón Quesada
Secretaría de Actas
Comité de Contratación de Combustibles



DOCUMENT TO BE FILLED BY THE BIDDERS

AFFIDAVIT OF THE ORIGIN OF THE PRODUCT

I, the undersigned (*NAME AND PERSONAL PARTICULARS*), legal representative of the company (*NAME AND COMPANY PARTICULARS*), declare under oath and warned of the legal consequences of my statements the following: **FIRST:** That in compliance with the United Nations Security Council Resolutions S/RES/2379 of the 21st of September, 2017; S/RES/2368 of the 20th of July, 2017, and the previous concomitant resolutions, the company (*COMPANY NAME*) is not directly or indirectly related to Al Qaeda, ISIS, al-Nusrah or any other terrorist group or carrying out illegal activities. **SECOND:** That the oil marketed by the company (*COMPANY NAME*) does not come either directly or indirectly, neither totally nor partially from territories, nor from companies controlled or located in territories, under the control of the Islamic State in Iraq and the Levant (also known as Daesh), Al-Qaeda, ISIS, al-Nusrah, or any other persons, groups, companies or entities associated with them. **THIRD:** That the money received for the purchase covered by the bidding proceedings (*DESCRIPTION OR NUMBER OF THE BIDDING PROCEEDINGS*) will not be delivered, transferred, used or directed to finance any type of activities of subjects or entities directly or indirectly related to the Islamic State in Iraq and the Levant (also known as Daesh), Al-Qaeda, ISIS, Al-Nusrah, or any other persons, groups, companies or entities associated with them. I ATTEST THAT THE FOREGOING IS TRUE AND I AM AWARE OF THE CRIMINAL AND CIVIL LIABILITY THAT BOTH I AND MY PRINCIPAL CAN INCUR IF MY STATEMENTS ARE FALSE. ISSUED IN THE CITY OF (*NAME OF THE CITY*) AT (*HOUR*) HOURS ON THE (*DATE*) DAY OF (*MONTH*), (*YEAR*)

Signature: _____

Name: _____