#### AGREEMENT FOR STOCK EXCHANGE

(Article 10 of the Agreement for Storage of Liquid Fuels)

Version: 06/2007

ANNEX 2

To the Agreement for Storage of Liquid Fuels dated \_\_\_\_\_\_\_\_\_\_\_\_

**Agreement for Stock Exchange**

This Agreement for Stock Exchange (hereinafter the “**Agreement**”) is executed on \_\_\_\_\_\_\_\_\_\_\_\_ in Tallinn

between:

**AS Eesti Varude Keskus**, registry code 11124171, address Veerenni 38B, 10138 Tallinn, Estonia, (hereinafter the “**Depositor**” or “**Estonian Stockpiling Agency**”) represented by Priit Enok, who is acting pursuant to law and Articles of Association of the Estonian Stockpiling Agency,

and

........................., registry code ........................., address ......................... (hereinafter referred to as **the Storage Operator**) represented by ........................., acting pursuant to law and Articles of Association of the .........................,

hereinafter separately and jointly referred to as **the Party** or **the Parties**.

1. **General provisions**
	1. Subject to the terms and conditions of this Agreement the Storage Operator shall exchange the Products in the Separate Storage due to quality reasons (fresh-keeping, changes in quality) once during the term of each respective Single Storage Contract, unless otherwise stipulated in a Single Storage Contract executed between the Depositor and the Storage Operator. For avoidance of doubt, the Storage Operator shall exchange the Products from each tank where the Products are stored and preserved in the Separate Storage once during the term of the respective Single Storage Contract. The Stock Exchange effected under this Agreement shall not be subject to any additional remuneration, including, but not limited to the Handling Fee and the Additional Expenses.
	2. The Parties may agree in a separate agreement indicated in Article 2.4 that the third party shall perform the obligations of the Storage Operator stipulated in this Agreement and respective separate agreement.
	3. For the period of Stock Exchange the Storage Operator shall transfer, free of charge, to the ownership of the Depositor the substitute stock with volume, quality and specification corresponding to the respective parameters of the respective Products to be exchanged (hereinafter “the **Substitute Stocks**”), unless otherwise agreed by the Parties. During the period of the Stock Exchange of the Products, the obligations and rights deriving from the Agreement for Storage of Liquid Fuels shall continue to apply, unless otherwise stipulated in this Agreement.
	4. The Depositor shall have the right to order from a third person the Stock Exchange of the Products from each respective tank. In such case, the Storage Operator shall have no obligation to perform the Stock Exchange of the Products from the respective tank pre-agreed herein. The Storage Operator shall have no right to claim any remuneration for handling of the Products or additional works and services reasonably necessary for the performance of the Stock Exchange by the respective third party.
2. **Procedures**
	1. The Depositor shall have the right to instruct the Storage Operator in which particular tank the Storage Operator shall exchange the Products. The Storage Operator shall perform the exchange of the respective Products without unreasonable delay from the receipt of the respective instruction of the Depositor, unless otherwise agreed by the Parties. The Parties may agree on the schedule of the Stock Exchanges to determine the order of the tanks in which the Storage Operator shall exchange the Products and the respective deadlines.
	2. Before the commencement of the Stock Exchange, the Depositor shall have the right to demand that additional qualitative requirements shall be applied to the Products after Stock Exchange compared to the qualitative requirements for the Products before Stock Exchange. In such case, the Depositor shall reimburse the Storage Operator the difference of prices (if any) agreed by the Parties prior to the commencement of the Stock Exchange. In case the Parties do not reach agreement on such reimbursement, the Depositor shall be free to assign the Stock Exchange to a third party.
	3. The Storage Operator shall notify the Depositor of the commencement of the Stock Exchange indicating simultaneously the Substitute Stocks at the latest 14 days before commencing the Stock Exchange. Any and all Stock Exchanges shall require prior written instruction or consent of the Depositor.
	4. The conditions of Stock Exchange may be further stipulated in detail in a separate agreement between the Depositor and the Storage Operator. Such separate agreement stipulate, inter alia, the following:
* Product/Quality
* Quantity
* Settlement price
* Timeframe of the Stock Exchange
* Transfer of ownership of the Substitute Stocks or submission of the bank guarantee if the delegated stocks will be offered as the Substitute Stocks
* Documentation
* Customs duty/taxes
* Costs, where applicable
* Billing terms
	1. In case the Parties fail to find agreement as a separate agreement stipulated in Article 2.4, the Storage Operator shall perform the Stock Exchange pursuant to the terms and conditions of this Agreement.
	2. Unless otherwise agreed by the Parties in the separate agreement stipulated in Article 2.4, the following provisions shall apply with regard to the transfer of the ownership title to the liquid fuel:
		1. If the Storage Operator passes the Substitute Stocks to the Depositor, the ownership title to the Substitute Stocks shall transfer to the Depositor at the time, when the relevant entry in the storage accounting has been made by the Storage Operator, provided that the Depositor has consented to such transfer.
		2. After transfer of the ownership title to the Substitute Stocks from the Storage Operator to the Depositor, the ownership title to the Products to be exchanged shall be transferred from the Depositor to the Storage Operator within the reasonable period at the time determined by the Depositor. The ownership title to the Products to be exchanged shall transfer to the Storage Operator at the time, when the relevant entry in the storage accounting has been made by the Storage Operator, provided that the Depositor has notified the Storage Operator of its express intention to transfer the Products to be exchanged from the Depositor to the Storage Operator. Under no circumstances shall the ownership title to the Products to be exchanged transfer to the Storage Operator before the transfer of the ownership title to the Substitute Stocks from the Storage Operator to the Depositor.
		3. The ownership title to the exchanged Products after the Stock Exchange shall transfer to the Depositor at the time when the relevant entry in the storage accounting has been made by the Storage Operator, provided that the Depositor has consented to such transfer. The return of the respective Substitute Stocks to the Storage Operator shall be executed in the same manner vice versa. The Depositor shall have the right to retain the title to the Substitute Stocks in case of difficulties in supply (*varustamisraskused*) (as defined in Article 1(2) of the Liquid Fuel Stocks Act of the Republic of Estonia, RT I 2005, 13, 66). The Depositor shall notify the Storage Operator of its intention to retain the title to the Substitute Stocks as soon as possible.
		4. The Storage Operator shall procure that volumes of the liquid fuel which are transferred to the Depositor as the Substitute Stocks or as the exchanged Products are free from any rights of the Storage Operator and any third party and of any encumbrances or other legal restraints.
	3. Unless otherwise agreed by the Parties in the separate agreement stipulated in Article 2.4, the Storage Operator shall exchange the Products within 2 (two) months from date of the transfer of the ownership title to the Products to be exchanged from the Depositor to the Storage Operator.
	4. The Depositor may, at its sole discretion, waive the requirement to transfer the ownership title to the Substitute Stocks from the Storage Operator to the Depositor if subject to the terms and conditions of the separate Agreement for the Delegated Liquid Fuel Stocks, the Storage Operator provides, free of charge, the acceptable delegated volumes to the Depositor and procures the transfer of the ownership title to the respective volumes to the Depositor upon demand of the Depositor without any payment (on the occasion of the difficulties in supply) and in addition to that opens an appropriate bank guarantee accepted by the Depositor (hereinafter “the **Bank Guarantee”**). The Bank Guarantee shall be valid at least 14 days beyond the estimated deadline for the completion of Stock Exchange, as indicated in the schedule of the Stock Exchange (Article 2.1) or in the respective separate agreement stipulated in Article 2.4 (if executed) or in Article 2.7. If the completion of the Stock Exchange shall be delayed, the Storage Operator shall extend the respective Bank Guarantee. In such case, the Storage Operator shall notify the Depositor of a new deadline for the completion of Stock Exchange at the latest one-week before the expiration of the Bank Guarantee and procure an extension of the validity of the Bank Guarantee until at least 14 days beyond the new deadline. The Depositor shall have the right to file a claim against the respective bank based on the Bank Guarantee at the earliest one week before the Bank Guarantee expires if by that time the Stock Exchange has not been completed and the ownership title to the exchanged Products has not been transferred to the Depositor. The Depositor shall also have the right at any time to file a claim based on the Bank Guarantee if the Depositor does not receive the ownership title to the respective volumes on the first demand of the Depositor (on the occasion of the difficulties in supply as defined in Article 1(2) of the Liquid Fuel Stocks Act).
	5. The applicable fiscal (e.g. excise tax) and customs regulations shall be followed by the Storage Operator concerning all activities and volumes of liquid fuel related to the Stock Exchange. The Storage Operator shall coordinate the process of the Stock Exchange with the Depositor in each individual case.
	6. The Storage Operator shall maintain the proper and clear records and other documentation reflecting the volumes transfers during the period of Stock Exchange in a manner that also in case of the Co-mingled Storage of the Substitute Stocks an explicit allocation (by fraction) of the Depositor’s co-ownership part is sufficiently clearly recorded and identifiable.
	7. The Storage Operator shall procure that the volume of the Products after the Stock Exchange exactly corresponds to the respective Returnable Volume pursuant to Article 6.2 of the Agreement for Storage of Liquid Fuels. If in exceptional cases a lower or excessive volume is supplied by the cargo operator of the Storage Operator, the marginal volumes up to 2% of the respective Returnable Volume, but in any case not more than 200 m3/200 t per tank may deviate (deficit or excessive volumes) from the Returnable Volume. The Depositor shall have the right to sell or purchase the respective amounts respectively to or from the Storage Operator with price as stipulated in Article 2.14 of this Agreement.
	8. After completion of Stock Exchange the Storage Operator shall issue the Depositor a credit invoice in the amount of the value of the Products transferred from the Depositor to the Storage Operator at the beginning of the respective Stock Exchange and invoices the Depository simultaneously at the same conditions for the new volume of the Products transferred from the Storage Operator to the Depositor.
	9. If executed, the invoicing shall be made in accordance with the provisions of the separate agreement as envisaged in Article 2.4 of this Agreement.
	10. Unless otherwise agreed by the Parties, for the credit invoice and invoice stipulated in Article 2.12 of this Agreement, the Storage Operator shall calculate the price of the respective Products stipulated in Article 2.12 of this Agreement on the basis of Platts CIF NWE Cargoes / Basis ARA average of the medium-quotation of the month in which the Stock Exchange has been completed. The purchase or selling price consists of the price calculated according to the above principles plus the reasonable and justified transportation costs if any and any import duties and stockpiling taxes (stockpiling fees), if applicable. The VAT and excise tax (mineral oil tax), if applicable, shall be separately indicated in the invoice and paid in addition to the price.

The conversion of prices from weight to volume basis (litre 15o C) shall be carried out by the Storage Operator by means of the following conversion coefficients:

Gasoline 95 = 0,745

Gasoline 98 = 0,755

Diesel = 0,845

Light fuel oil = 0,845

Jet fuel = 0,800

Heavy Fuel Oil = 0,960

Invoicing shall follow usual market practice (in kg or in litres 15o C) and applicable legislation.

The Parties shall settle invoices with regard to the respective Stock Exchange by set-off after completion of the respective Stock Exchange. The set-off balance upon the completion of each respective Stock Exchange shall be paid by the relevant Party within 14 (fourteen) days after the receipt of respective invoice. The Storage Operator shall perform the Stock Exchange in a manner that the Depositor shall not have to make any payments after the Stock Exchange, unless the cargo operator of the Storage Operator has supplied an excessive volume pursuant to the Article 2.11.

2.15 The Storage Operator may not issue the Depositor a credit invoice for the price of polluted volumes of the Products taken over from the Depositor which had to be exterminated or which had impurities (such as Basic Sediments + Emulsions and Water) and therefore to be depreciated, unless the Storage Operator is liable for such pollution. In case of extermination of the polluted Products, the Storage Operator shall present to the Depositor record of such extermination acceptable to the relevant tax and customs authorities. Upon prior consent of the Depositor, the Storage Operator may decrease the Returnable Volume by the respective volumes to be exterminated as determined according to tax and/or customs authority's methods. The necessary costs for removal and extermination shall be borne by the Depositor according to the reasonable and justified invoices and documented proof presented by the Storage Operator, unless the Storage Operator is liable for such pollution or costs.

2.16 In case the return of the Substitute Stocks (including the delegated stocks pursuant to the Article 2.8) is not possible since the Depositor intends to remove (or has already removed) the Substitute Stocks from the relevant Storage Facility (on the occasion of the difficulties in supply as defined in Article 1(2) of the Liquid Fuel Stocks Act), the Storage Operator shall invoice the Depositor for the price of the respective Substitute Stocks after receipt of the respective notice from the Depositor. The prices referred to in this Article shall be calculated on the basis of the Platts CIF NWE Cargoes / Basis ARA average of the medium-quotation of the month, in which the Depositor notified of its intention to retain the ownership title to such Substitute Stocks. The respective prices referred to in this Article consist of the abovementioned price plus reasonable and justified transportation costs if any and any import duties and stockpiling taxes (stockpiling fees), if applicable. The VAT and excise tax (mineral oil tax), if applicable, shall be separately indicated in the invoice and paid in addition to the price.

2.17 The Storage Operator shall procure that the exchanged Products comply with the specification of the Products agreed by the Parties in the relevant Single Storage Contract and meet, at least, the respective EN criteria (requirements). If the Parties have not agreed on any specific specifications, the Storage Operator shall follow the EN criteria (requirements). Before transfer of the exchanged Products, the Storage Operator shall provide the Depositor the detailed data on the exchanged Products (quality, main parameters).

2.18 Terms defined in the Agreement for Storage of Liquid Fuels shall, unless otherwise defined herein, have the same meaning herein.

2.19 This Agreement may only be terminated together with the Agreement for Storage of Liquid Fuels pursuant to the provisions of the Agreement for Storage of Liquid Fuels.

2.20 Any changes and amendments to this Agreement shall be made in writing.

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| DATE AND PLACE:     ,      ………………………………….(Signature)               (Storage Operator) | DATE AND PLACE:     , Tallinn………………………………….(Signature)Priit EnokChairman of the BoardAS Eesti Varude Keskus(Depositor) |