

## Chevron Distributor



As for the pricing and procedures respecting said ULSD, please anticipate them as they are set forth below in detail, and though the procedures are largely non-negotiable, they have been furnished with every effort to accommodate your request:

**PRODUCT:** Grade 62 Ultra Low Sulfur Diesel (“ULSD”). 10ppm or 15ppm  
Any other product like **D6, JP54, /AJ-1** (- 12% NWE Platt), **ULSD / D2** Houston is -14 cents off Platt. Anything outside of these will need negotiation.

**SELLERS:** A Tier 1 Chevron Distributor and Direct Account Holder (“DAH”) for the TRIAL/SPOT / Chevron Corp. for the Contract.

**QUANTITY:** TRIAL/SPOT of 5 million gallons – 30 million gallons; with production contract of 30 million - 100 million gallons per week +/-5% for 12 months to 60 months.

**PRICE:** The final discount is time sensitive and will be provided by the refinery at the contract time of engagement, formulated by considering Buyer’s Collateral Security, Volume and Frequency. If the product is for FOB Export, then the appropriate USGC Platts Index code of AAXRV00- Export will be the base price guideline. For Domestic, price is based on the US Gulf Coast Waterborne Platts Index (“WPI”) Platts code of AATGZ00- Domestic.

An example for the AAXRV00 TRIAL/SPOT the price will be (+.01¢/gal) PLUS \$0.01 Cents Per US/Gallon (Volume+/-5%). Refinery discount only starts after performance from the buyer on subsequent lifts with the Chevron contract.

Example below of Platts Pricing Index USGC January 8th

Waterborne (¢/gal) Domestic AATGZ00 196.04

FOB Cargo (¢/gal) Export AAXRV00 190.09

Note that the difference in the US Gulf Coast Platts Waterborne Index vs the US Gulf Coast Platts Export Index is approximately 05.95 cents in the buyers favor per the above example.

**PAYMENT:** TRIAL/SPOT Pre-Pay by MT/103 or SBLC only. Note, however, starting January 2018, there will be an option to use an insurance policy for the TRIAL/SPOT, details forthcoming.

**INSPECTION:** CHEVRON PRODUCT ANALYTICAL REPORT. Intertek.

**ORIGIN:** Produced at the Chevron terminal in Pascagoula, Miss. USGC  
www.portofpascagoula.com

**POF/ CP/ RFP:** Buyer must supply POF, CP and RFP. POF is strictly restricted to be commensurate with the above-mentioned "Payment" information.

**PROCEDURES:**

- Buyer sends Corporate Profile (in PDF) along with a basic request.
  - Buyer will be provided a RFP(s) (Request for Product/s) for completion. One version is sent to Chevron a 2nd version covers our commissions.
  - Buyer's signed/ sealed RFP is presented to Chevron. Chevron assigns a DAH (Direct Account Holder/ Distributor).
  - Buyer should provide one or more of the following to satisfy Chevron and DAH's "KYC" ("Know Your Customer") standards; the more the buyer provides the better the opportunity of acceptance by Chevron:
    - Previous Inspection Report
    - 637 License
    - Vessel Management Company Tank Storage Company
    - Bank References Statement of Financial Capability
    - Bank requirement for issuance of Pre-Payment/ SBLC.
  - CI is issued. Which is "Time Sensitive" usually 36 hours.
  - Buyer signs, seals and returns. (Buyer will receive a phone call from DAH to answer any questions Buyer might have or for clarifications. The DAH's lawyer is also available for any legal documents pertaining to the SPOT deal. Buyer has 3 days to perform on the CI. The Buyer should be in Houston to perform their DD. Note: the lawyer at this stage represents the DAH and not Chevron Corp. However, DAH's attorney has all Chevron Documentation validating the offer as well as an Attestation Letter producible upon request. Note, counsel for Chevron Corp. will not get involved, superseding the DAH's attorney, once Buyer performs and Chevron contract starts).
- Visit to Refinery before any payment possible, with coordination with Chevron.*

**CHEVRON PRODUCT ANALYTICAL REPORT** is issued, equivalent to an Intertek/SGS report for the product to be injected. Upon confirmation by the Buyer of Chevron Product Analytical

Report, Chevron will request and trigger payment to Refinery/Registered Agent Distributor from the lockbox account.

Buyer provides Seller with their verifiable logistics (CPA/Q88 nominated vessel or Tank Storage Logistics);

Chevron Injection is made into Buyer's Tanks or vessels.

Seller transfers Title upon the above injection with its product analytical report from Chevron.

Buyer has 5 days for logistics vessel to be at port (This only applies if original vessel needs to be changed).

**LIFT/ CONTRACT POUR-OVER:** Buyer lodges Standby Letter of Credit (SBLC) with Seller's bank for one month and/or the amount of one lift. Once the contract has been signed by both buyer and seller and after the FIRST successful lift, the contract term will be for twelve months with option from thirty-six to sixty months.

Buyer will launch SBLC/LC into the Chevron account as guarantee of payment for the remainder of year and pay for each lift via MT103. This will be for the second load and remainder of the Contract/SPA and continue to follow this procedure for the contract duration.