

CONTRACT OF SUPPLY OF USED OIL FOR RECYCLING

BETWEEN:

Sogilub – Sociedade de Gestão Integrada de Óleos Lubrificantes Usados, Lda., a company incorporated under Portuguese Law, with its headquarters in Av. Eng.º Duarte Pacheco, Torre 2, Piso 6, Sala 4, Amoreiras, 1070-102 Lisbon, Portugal, holder of the tax ID number 507026594, registered before the Commercial Registry Office of Lisbon, with a capital of € 50.000,00, duly represented in this act by its managers _____ and _____, hereinafter referred to as **“SOGILUB”**,

and

_____, with its headquarters in _____, holder of the tax ID number _____, duly represented in this act by _____ and _____, hereinafter referred to as **“Second Party”**,

Definitions:

The definitions contained in Decree-Law no. 153/2003 of July 11th, as amended by Decree-Law no. 73/2011 of June 17th, some of which are reproduced herein with the adjustments deemed appropriate by the parties, shall be applied to this contract, as well as the additional definitions agreed upon by the parties that are specifically addressed below, in the following terms:

- a) **Integrated Management System of Used Oils (SIGOU):** the system through which the Producer of new oil transfers its responsibility for the management of used oils to SOGILUB, in its capacity of managing entity duly licensed;
- b) **License:** the license for the activity of integrated management of used oils granted to SOGILUB by the Joint Order no. 662/2005 of September 6th, 2005, of the Ministries of Environment, Spatial Planning and Regional Development and of the

Economy and Innovation, which has since been extended by the Joint Order no. 4364/2011 of March 10th;

- c) **Consultation for final destination:** the market consultation undertaken by SOGILUB for the sale of used mineral oils generated in Portugal during the (*applicable period*), consigned to recycling and regeneration;
- d) **Batches:** [•] batches of approximately 500 tons each, which were subject of a market consultation by SOGILUB and that will be sold, consigned to recycling, in facilities licensed for this purpose;

Whereas:

- a) **SOGILUB** is the managing entity of SIGOU in Portugal, under the license that has been granted;
- b) The **Second Party** is an operator properly authorized to perform the recycling of used lubricating oils;
- c) **SOGILUB** is interested in directing part of the used oils collected in Portugal for recycling;
- d) With this aim, **SOGILUB** has conducted a Market Consultation with the purpose of selecting operators for the sale, consigned to recycling, of used mineral oils generated in Portugal during the (*applicable period*);
- e) The **Second Party** has the technical capacity and interest in receiving and processing used oils from SIGOU, and therefore has responded to the Market Consultation carried out by **SOGILUB**;
- f) **SOGILUB**, after analyzing the proposals received during the Market Consultation, has assigned to the **Second Party** [•] batch(es) of pre-treated used oils of approximately 500 tons (each), suitable for recycling;

g) The parties wish to formalize the sale of the aforementioned batch of used oils;

This contract for the sale of used mineral oils is mutually agreed and entered into, and will be governed by the following clauses:

First Clause

Object

Under this contract, **SOGILUB**, as the entity responsible for the management of the Integrated Management System of Used Oils, undertakes to provide to the **Second Party**, which accepts, used oils collected in Portugal during the (*applicable period*), to be recycled by the latter in its facilities.

Second Clause

Product Specifications

1. The used oils covered by this contract shall conform to the specifications listed in Table 4 of the Annex to **SOGILUB**'s license, and, as such, be suitable for recycling.
2. At the exit of the storage facilities, two samples of the oil will be taken, one of which will be retained by the expeditor and the other shall follow the load. The samples may be used in the event of disagreements over the oil's quality.
3. For the purposes of the preceding paragraph, the samples shall be collected in tamper evident bottles.

Third Clause

Deliveries of Used Oils

1. The used oil shall be picked up by the **Second Party** in one of the storage facilities where it is stored, according to the indications of **SOGILUB**.
2. For the purposes of the preceding paragraph, **SOGILUB** will send to the **Second Party** by email, in the beginning of each week, the delivery schedule of used oils available for delivery in the following week, taking into account the estimated delivery plan.
3. The **Second Party** is solely responsible for arranging and managing the transportation of the used oils between the storage facilities determined by **SOGILUB** and their own recycling facilities.

4. Whenever there is a need to change the planned delivery schedule, the **Second Party** and **SOGILUB** will agree on the required adjustments within the minimum necessary advance.
5. The estimated quantities of used oil to be supplied to the **Second Party** by **SOGILUB** under this contract are those corresponding to [•] batch(es) of 500 tons of pre-treated used oil.
6. The possession of the pre-treated used oils, as well as the responsibility for its final treatment, are transferred to the **Second Party** at the moment they are loaded in the storage facilities.

Fourth Clause

Price and Security

1. The selling price will be _____ € (_____ euros) per ton of used oil, plus VAT at the statutory rate, and/or ISP tax, when applicable.
2. At the moment of the signature of this contract, the **Second Party** shall pay 10% of the total selling price, as security, and warrant of compliance of the obligations arising from the present contract. The use of the security shall be done in accordance to numbers 2 and 3 of the sixth clause bellow.
3. If, within 8 (eight) days from the beginning of the present contract, the Second Party fails to pay the amount due as security, **SOGILUB** will be entitled to refuse, immediately and without prior notice, further deliveries to the Second Party, as well as the right to only resume such deliveries, upon compliance of said obligation, by the **Second Party**.
4. The cost of transportation between the storage facilities and the final recycling facilities shall be fully borne by the **Second Party**.

Fifth Clause

Quantity

1. The amount of pre-treated used oils that the **Second Party** agrees to accept for recycling is the equivalent to [•] batch(es) of 500 tons.
2. In the event that the amount of used oils effectively collected in Portugal by **SOGILUB**, between (*applicable period*), is inferior to the amount of used oils foreseen during the Consultation for final destination, a 30 days extension of the present contract may be agreed between **SOGILUB** and the **Second Party**, in order to accomplish the amount of pre-treated oil referred to in the previous paragraph.

3. **SOGILUB** is entitled to provide used oils to third parties, given that this contract does not constitute an exclusive supply contract.

Sixth Clause

Billing and Payment

1. **SOGILUB** will submit an invoice to the **Second Party** every fortnight concerning the deliveries of used oils during that fortnight.
2. The amount paid as security (under the terms specified in paragraph 2 of the Forth Clause) shall be proportionally deducted on each invoice submitted to the **Second Party**, considering the volume of used oils provided to the latest during that period.
3. The amount paid as security that hasn't been deducted under the terms of the previous paragraph will be deducted from the last invoice to be issued under this contract.
4. The total amount to be charged every fortnight shall be the sum of the quantities sold during that period, with reference to the weighing conducted at the exit of the storage facilities designated by **SOGILUB**.
5. The **Second Party** shall pay the invoices, within 30 days from the date of issue, by bank transfer to **SOGILUB's** account, with the NIB/IBAN no.

_____.

Seventh Clause

Term

1. This contract of supply of pre-treated used oil will begin on [•] 20.. and will cease its effects on [•] 20...
2. This contract may be extended for 30 days, subject to the agreement of the parties, under the case specified in the second paragraph of the Fifth Clause.
3. This contract will expire automatically if, in whatever form it may be, the extension of the license granted to **SOGILUB** ceases its effects.

Eighth Clause

Contractual Obligations of SOGILUB

1. **SOGILUB**, according to the availability and the delivery schedule to be agreed with the **Second Party**, shall ensure the availability of pre-treated used oils from the storage facilities designated for each delivery.

2. **SOGILUB** shall ensure that the pre-treated used oils are suitable for recycling, according to the average parameters set on Table 4 of the Annex to the License.
3. **SOGILUB** is available to assist in the notification process associated with the transfer of used oils for recycling, if such oils are exported.
4. As the notifier, **SOGILUB** shall ensure compliance with Regulation (EC) no. 1013/2006 of the European Parliament and of the Council, of June 14th 2006, on shipments of waste and/or ensure compliance with the specific legal provisions on the transportation of used oils in the country (Portugal).

Ninth Clause

Contractual Obligation of Second Party

1. The **Second Party** warrants that it holds the legal qualifications, and undertakes to keep them until the end of the contract, and warrants compliance with the requirements for the management operations of used oils related to its activities set by the State or Country in which its facilities are located.
2. The **Second Party** undertakes to comply with the safety rules in the storage areas, and is responsible for providing the technical means necessary to the transport of used oils between the storage facilities designated by **SOGILUB** and its own facilities, where the recycling shall be performed.
3. The **Second Party** shall always be subject to the collection of pre-treated used oils from any one of the storage facilities, according to the instructions to be given by **SOGILUB** for this purpose.
4. The **Second Party** may not refuse to collect the pre-treated used oils at the storage facilities designated by **SOGILUB**.
5. The **Second Party** shall ensure compliance with Regulation (EC) no. 1013/2006 of the European Parliament and of the Council, of June 14th 2006, on shipments of waste, when applicable, and/or ensure compliance with the specific legal provisions on the transportation of used oils in the country (Portugal).
6. The **Second Party** shall provide, at the end of the term of this contract, documentary evidence that the pre-treated used oils purchased through this contract have actually been recycled.

Tenth Clause

(Delay, Resolution and Impossibility to comply)

1. Should the **Second Party** fail to collect the pre-treated used oil, upon due date as set forth in Clause Third above, **SOGILUB** will have the right to sell the un-collected oil to a third party, no sooner than from the sixth day after due date onward. In such case, the **Second Party** will have no right to indemnification or compensation.
2. In case **SOGILUB** proceeds to sell the un-collected used oil to a third party, as established in the previous Clause, the selling of equal quantity of oil, to the **Second Party**, in order to ensure the global quantity agreed in the present contract, will be subject to **SOGILUB**'s stock availability, condition that the **Second Party** expressly accepts.
3. The non-collection of the pre-treated used oils on its due date, established according to the process described in Clause Third above, for 5 (five) consecutive dates or 10 (ten) un-consecutive dates, grants **SOGILUB** the right to resolve the present contract.
4. In case **SOGILUB** decides to exercise the right to resolve the contract, it shall notify the **Second Party** of such intention, granting the other party 8 (eight) days to agree with **SOGILUB** new dates for the collection of the used oil, according to **SOGILUB**'s stock availability.
5. The contract shall be automatically and immediately resolved, without any other prior notification, as follows:
 - a) in case of absence of reply from **Second Party**, on the immediately following day of the term granted in the notification referred in number 4 above;
 - b) in case of non-agreement regarding the new dates for the collection of used oil, on the immediately following day of the term granted in the notification referred in number 4 above, and;
 - c) in case the **Second Party** fails to collect the used oil on the dates agreed between the parties as established in number 4 above, on the immediately following day of due date.
6. The provisions set forth in the previous numbers, are not applicable in case the **Second Party** proves, by means of written document, that it became, subsequently to the celebration of the present contract, by legal act or administrative decision, impossible to collect the whole or part of the contracted used oil. In such cases, the following shall apply:
 - a) In case the impossibility affects only part of the contracted used oil, the present contract shall be reduced to the remaining quantity of used oil, that the **Second Party** is still authorized to collect;
 - b) If, however the impossibility affects the total quantity of used oil subject to the present contract, the same will automatically and immediately cease.

7. In any of the cases referred to in the previous number, **SOGILUB** will have the right to sell to third parties, respectively, the corresponding part, or the whole of pre-used contracted oil, that the **Second Party** became unable to acquire.

Eleventh Clause

Amendments

Any amendments to this contract shall be binding only upon written agreement between the parties.

Twelfth Clause

Applicable Law and Dispute Resolution

1. This contract is governed by the Portuguese Law.
2. For the resolution of any matter arising from this contract, the Parties expressly agree that the competent venue shall be the courts of the judicial district of Lisbon, expressly waiving any other.

Signed in duplicate in Lisbon, on the ____ of ____ of 20__.

On behalf of SOGILUB

On behalf of the Second Party