



KLASA: 406-07/23-01/34

URBROJ: 405-07/01-23-2

BIDDING DOSSIER

For SALE of ULSD

No. SZ-05/23

Zagreb, September 2023

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PART I

INVITATION FOR BIDS

CROATIAN HYDROCARBON AGENCY (hereinafter "CHA")

Announces Invitation for Submission of Bids in the Procedure for SALE OF ULSD No. SZ-05/23

(hereinafter: "The Invitation")

1. **CHA** is carrying out a process of Sale of ULSD No. SZ-05/23 (hereinafter: "the Sale process") and invites all potential Bidders to submit their Bids under the terms provided in the Bidding Dossier. The Bidding Dossier is published on the internet site: <http://www.azu.hr/en> on **22 September 2023**.
2. The subject of this bidding procedure No. SZ-05/23 is a sale transaction where CHA sells 3.500 MT (+/-2% at CHA's option) of ULSD (hereinafter: "ULSD") to be purchased by the Bidder, whereas the Bidder shall pay to CHA the purchase price. The ULSD must be lifted EX TANK at WESER- PETROL storage installation at Bremen-Holzhafen, Cuxhavener Str. 42-44, 28217 Bremen, Federal Republic of Germany) in one or several lots (and including) **06 November 2023** latest.
3. All Bids have to be submitted by registered mail or handed personally in a sealed envelope stating on the front of the envelope: "**Invitation for Bids No. SZ-05/23 – Do not open**" to the following address:

CROATIAN HYDROCARBON AGENCY (CHA)

Miramarska cesta 24

10000 ZAGREB, Republic of Croatia

4. Each Bid has to be submitted in one original and one additional copy.
5. The deadline for submission of Bids shall be 02 October 2023, by 12.00 hours (local time). Each Bid shall be considered as timely if submitted to the address stated under item 3) above and within the deadline provided hereto. Each Bid must be valid until 13 October 2023 at 16.00 hours (local time).
6. Opening of all submitted Bids shall be performed on 02 October 2023, at 12.00 hours (local time) at the address provided under item 3) above. The Bid opening procedure shall be open for attendance of Bidder's authorized representatives which have to be empowered by a special written authorization (either notary public's a power-of-attorney or a verified excerpt from the relevant (court) registry, whereas such excerpt may not be older than 3 months). Such power of attorney/verified excerpt has to be presented to the members of the Sales Committee (hereinafter "the Committee") before the commencement of the Bid opening procedure.
7. The selection criterion for the most favorable Bid shall be the fulfilment of conditions described under the terms of this Bidding Dossier and the highest offered price for 3.500 MT of ULSD.

- 8.** The decision on awarding or the decision on cancellation will be made by the CHA Management Board based on the proposal of the Committee. The decision on awarding can be subject to the subsequent approval of the CHA Governing Council for concluding a contract with the selected Bidder. Until the approval of the CHA Governing Council for awarding the contract to the selected bidder, no monetary or non-monetary obligations of the CHA may arise towards the selected bidder or any other bidder. Regardless of the decision on awarding and the approval of the CHA Governing Council for awarding the contract, all bidders shall be bound by their offers until the expiration of the Offer validity period as specified in this tender documentation. CHA will deliver the decision on awarding or cancellation to each bidder. Committee will inform all participating Bidders about such decision.
- 9.** Any additional information regarding this Bidding Dossier can be obtained any working day from 09.00 to 14.00 hours (local time), by 29 September 2023 at the contact details provided under item 12) below.
- 10.** All Bids that are not supplemented by all documents requested by the Bidding Dossier and/or all Bids that do not comply with all conditions of the Bidding Dossier shall not be considered as valid and shall be disqualified as such.
- 11.** The decision on the selected Bid shall be announced by 06 October 2023 at 15.00 hours (local time) latest.
- 12.** CHA retains the right to accept or reject any Bid according to the terms and conditions of the Sale process. Respectively, CHA withholds the right to consider this Invitation and all terms and conditions stated in the Bidding Dossier to be invalid and to reject all Bids at any time prior to the contract awarding, without incurring any liability or costs towards the rejected Bidders. In addition to this, CHA withholds the right to withdraw the Sale process and to inform all the Bidders by 28 September 2023 at 16.00 hours (local time) regarding such withdrawal. CHA's failure to announce the decision on the selected Bid by 06 October 2023 at 16.00 hours (local time) for any reason shall be treated as CHA's withdrawal of this tender.

In case of any issues or questions, please contact:

Mr. Ninoslav Mandić (ninoslav.mandic@azu.hr) or

Mr. Roko Pekić (roko.pekic@azu.hr)

PART II

INSTRUCTIONS TO BIDDERS

All potential Bidders are kindly requested to strictly conform to the bidding procedure conditions or their offers will be rejected for consideration.

All Bidders are requested to send their offers either in Croatian or English language in accordance with the conditions set hereto.

The contract will be concluded with a single bidder or a joint group of bidders. The decision on awarding will be subject to the subsequent approval of the CHA Governing Council meaning that, regardless of the day of formal conclusion of the contract, for the CHA no obligations may arise towards the selected bidder or the joint group of bidders until the Governing Council, as another competent authority, has given its approval to such a contract.

1. Sale

“Sale” shall have the meaning of this procedure No. SZ-05/23 including all actions taken related hereto and for the purpose of inviting the unlimited number of Bidders in order to collect the unlimited number of Bids under the terms and conditions stated in this Bidding Dossier and the final selection of the Bidder for a sale transaction in order to facilitate CHA to sell 3.500 MT (+/-2% at CHA's option) ULSD owned by CHA.

2. Bidding Dossier

"Bidding Dossier" represents a complete documentation published in the process of this Sale that includes the Invitation, Instruction to the Bidders and samples of the documents (Bid Form, Statement of acceptance of Invitation conditions and Bidding Dossier, Contract, Form of commercial bank's Letter of Intent, Form of a Performance Bond, Form of a Bank Guarantee and where specifically stated, such as Form of commercial bank's Letter of Intent, Form of Performance Bond, Form of a Bank Guarantee identical to the form of document enclosed to this Bidding Dossier).

3. Product

3.500 MT ULSD shall be lifted from WESER-PETROL storage installation at Bremen-Holzhafen, Cuxhavener Str. 42-44, 28217 Bremen, Federal Republic of Germany.

4. Quality

DIN EN 590 (latest edition) seasonal quality plus German specs for commingled storage, free of Biodiesel.

5. Quantity and Delivery

3.500 MT of ULSD (+/-2% at CHA's option) should be lifted by the Bidder latest by 06 November 2023 at WESER-PETROL storage installation at Bremen-Holzhafen, Cuxhavener Str. 42-44, 28217 Bremen, Federal Republic of Germany. ULSD shall be lifted by ITT.

Storage facilities working time is Monday – Friday from 07:00 to 15:00.

6. Price

Price of the ULSD shall be based on the average of all consecutive mean (high/low) quotations for the period starting from the 16 October 2023 up to 27 October 2023 (both dates included), as published by Platts European Marketscan – European products under the headings “Northwest Europe cargoes CIF NWE/Basis ARA ” for ULSD 10 ppm, minus/plus a fixed differential in USD per MT (to be quoted by Bidder).

7. Delivery time

06 November 2023 Latest

Buyer can start lifting the Goods immediately after the contract enters into force (item 21.)

8. Delivery terms

EX TANK WESER-PETROL storage installation at Bremen-Holzhafen, Cuxhavener Str. 42-44, 28217 Bremen, Federal Republic of Germany (or EX work INCOTERMS 2020). The Goods shall be delivered to Buyer in bulk at the storage tank designated by Seller. Risk and property in the Goods and all liabilities with respect thereto shall pass to Buyer when the Goods passes the outlet flange of Seller’s designated storage tank, at which point any and all risks to Seller shall cease. The Buyer bears all costs and risks involved in taking the Goods from agreed point.

9. Terminals operator

WESER-PETROL Seehafentanklager GmbH, Cuxhavener Str. 42-44, 28217 Bremen.

10. Form of payment

Open account

The payment shall be made for the all delivered Goods. The value of the delivered Goods shall be calculated based on the quantity of the all delivered lot as stated in the Outturn Certificate issued by an independent inspector and the Price as described under item 6.

The Seller's original commercial invoice shall be issued by the 10 November 2023.

11. Time of payment

10 (ten) bank working days after the Bidder’s receipt of CHA’s invoice

12. Security Bond

In case of transport to another Member State EMCS/eAD shall be applied. Security bond in amount of EUR 470,40/m³ shall be issued by the first rate bank acceptable to the German customs authorities.

13. Performance Bond

The awarded Bidder shall issue a Performance Bond in a form provided in Part VII, equal to USD 500.000 and valid until 22 November 2023 through the first rate bank. All Bidders shall enclose to their Bids a Letter of Intent in a form provided in Part VI of this Bidding Dossier issued by a commercial bank, whereby such Bank has to make an irrevocable commitment to issue a Performance Bond if the relevant Bidder is selected as the most favorable one.

For companies registered in the Republic of Croatia, CHA will also accept the issuance of a debenture note (Croatian: “bjanko-zadužnice” and “zadužnice”) as a guarantee, given the Bidder’s fulfillment of the following points:

1. No outstanding liabilities or other duties towards CHA
2. No outstanding tax liabilities and mature tax debts towards the tax authority in the Republic of Croatia
3. Positive and good financial standings for the last 12 months of commercial activity which is proven through documents BON-1 and BON-2/SOL-2 not older than one month and certified by the relevant financial institutions.

The Bidders who fulfill above criteria shall enclose to the Offer a Letter of intent in the form of Statement

14. Bank Guarantee

The awarded Bidder shall provide CHA with a Bank Guarantee in a form provided in Part VIII, equal to USD 3.600.000 (as an approximate value for 3.500 MT ULSD). The Bank Guarantee shall be issued through the first rate bank and valid until 22 November 2023.

For Bidders who are already in use of WESER-PETROL storage installation at Bremen-Holzhafen, Cuxhavener Str. 42-44, 28217 Bremen, Federal Republic of Germany item 12, 13 and 14 are not applicable.

15. Validity of Bids

Each Bid must be valid until 13 October 2023 at 16.00 hours (local time).

16. Bid Form

All potential Bidders are requested to submit their fully completed Bid Forms identical to the Bid Form as provided under Part III of this Bidding Dossier.

17. Documentation to be submitted together with the Bid Form

- 1) Commercial companies register certificate or any other register certificate evidencing that the relevant Bidder is entitled to perform particular activities by an authorized body and to prove its authorized representatives (not older than 3 months).
- 2) Tax authority certificate not older than 90 days or Bidder’s statement under penalty of perjury, to prove that the Bidder has no outstanding tax liabilities and mature tax debts or other public duties in the Republic of Croatia (not applicable for foreign companies).
- 3) Authorizations for the Bidder's representatives and their capacities to sign the Bid and the Contract.
- 4) Statement of acceptance of conditions provided in the Bidding Dossier, as defined in Part IV of this Bidding Dossier.
- 5) Commercial bank's Letter of Intent, as defined in Part VI of this Bidding Dossier.

18. Submission of bids

Each Bid has to be submitted by registered mail or handed personally in a sealed envelope stating on the front of the envelope: “**Invitation for Bids No. SZ-05/23 – Do not open**” to the following address:

CROATIAN HYDROCARBON AGENCY (CHA)
Miramarska cesta 24
10000 ZAGREB, Republic of Croatia

Each Bid must be submitted in one original and one additional copy.

19. Selection criterion

The selection criterion for the most favorable bid (if qualify as valid under the terms set by this Bidding Dossier) shall be the highest price calculated on the parity EX TANK WESER-PETROL storage installation at Bremen-Holzhafen, Cuxhavener Str. 42-44, 28217 Bremen, Federal Republic of Germany (or Ex work INCOTERMS 2020), based on the average of all consecutive mean (high/low) quotations for the period starting from the 16 October 2023 and up to 27 October 2023 (both dates included), as published by Platts European Marketscan – European products under the headings “Northwest Europe cargoes CIF NWE/Basis ARA ” for ULSD 10 ppm, minus/plus a fixed differential in USD per metric ton (to be quoted by Bidder). In case, that the same differential is being offered by 2 or more Bidders, CHA shall select the winning Bidder out of them on the basis of first come first served, according to earliest submission date and time of the Bidding Dossier as evidenced by CHA.

20. Awarding

The decision on awarding shall be made by the President of the Management Board of CHA by 06 October 2023 at 16:00 hours (local time). Afterwards the Committee shall inform all Bidders on its decision.

21. Contract

The selected Bidder and CHA shall sign the Contract for Sale of ULSD No. SZ-05/23. The Contract shall determine all terms and conditions of sale and delivery of ULSD, subject to this Sale procedure. The Contract shall be signed within 10 (teen) days from the day the decision on bid selection has been passed. The Contract shall come into force immediately after all the following conditions are met: 1) CHA receives the Performance Bond from the Buyer, and 2) CHA receives Bank Guarantee from the Buyer. Legal obligations for the CHA under this Contract may only arise from the date of approval of the CHA Governing Council for the conclusion of the Contract. In its substance, the Contract shall contain the provisions given in the sample Contract attached to this Bidding Dossier and provided in Part V of this Bidding Dossier.

PART III

BID FORM

TO BE FILLED BY THE BIDDING PARTY*

REGISTERED NAME AND HEAD OFFICE OF ORDERING PARTY
CROATIAN HYDROCARBON AGENCY (CHA)
Miramarska cesta 24
10000 Zagreb, Croatia

BIDDING PROCEDURE
No. SZ-05/23

REGISTERED NAME AND HEAD OFFICE OF BIDDER
To be filled by the Bidding party

FIRST AND FAMILY NAMES OF THE PERSON IN CHARGE (SIGNER OF THE CONTRACT)
To be filled by the Bidding party

OFFER NO.
To be filled by the Bidding party

OFFER DATE
To be filled by the Bidding party

GOODS TO BE SOLD AND QUANTITY OF GOODS (MT)

3.500 MT of ULSD 10 ppm (+/-2% at CHA's option) DIN EN 590 (latest edition) seasonal quality plus German specs for commingled storage, free of Biodiesel.

PRICE (in US Dollars) EX TANK WESER-PETROL storage installation at Bremen-Holzhausen, Cuxhavener Str. 42-44, 28217 Bremen, Federal Republic of Germany (or EX work INCOTERMS 2020) based on the average of all consecutive mean (high/low) quotations for the period starting from the 16 October 2023 up to 27 October 2023 (both dates included), as published by Platts European Marketscan – European products under the headings “Northwest Europe cargoes CIF NWE/Basis ARA ” for ULSD 10 ppm, minus/plus a fixed differential in USD per net MT

Differential = _____ in USD per net MT

IN LETTERS:

FORM OF PAYMENT
Open account

ULSD TRADE REFERENCE
To be filled by the Bidding party

VALIDITY OF BID
13 October 2023 at 16.00 hours (local time)

BANK'S LETTER OF INTENT

To be filled by the Bidding party

CONTACT PERSON - FIRST AND FAMILY NAME

To be filled by the Bidding party

TELEPHONE NUMBER

To be filled by the Bidding party

E-MAIL ADDRESS

To be filled by the Bidding party

THE BIDDER ACCEPTS AN OBLIGATION TO PURCHASE 3.500 MT OF ULSD (+/-2% CHA'S OPTION) WHEREAS ULSD SHALL BE LIFTED BY THE BIDDER FROM WESER PETROL BY 06 NOVEMBER 2023 LATEST

ALONG WITH THE BID, THE BIDDER SUBMITTS THE FOLOWING DOCUMENTATION:

- 1) Commercial companies register certificate or any other register certificate for performing particular activities as defined in Part II of Bidding Dossier;
- 2) Tax authority certificate not older than 90 days or Bidder's statement under penalty of perjury, to prove that the Bidder has no outstanding tax liabilities and mature tax debts or other public duties in the Republic of Croatia (not applicable for foreign companies)
- 3) Authorized signatory list, both for the Bid and the Contract, as defined in Part II of Bidding Dossier;
- 4) Statement of acceptance of conditions provided in the Invitation for Bids and the Bidding Dossier, as defined in Part IV of the Bidding Dossier;
- 5) Commercial bank's Letter of Intent, as defined in Part VI of the Bidding Dossier.

DATE:

SIGNATURE:

BIDDER'S SEAL: (if applicable)

* REMARK:

CHA EXPRESSLY WARNS THE BIDDER THAT ANY OTHER BID FORM WILL NOT BE TAKEN INTO CONSIDERATION AND THE BIDDER IS OBLIGED TO FULFIL ONLY THE PARTS WHERE STATED "TO BE FILLED BY THE BIDDING PARTY"

PART IV

BIDDER'S STATEMENT OF ACCEPTANCE OF THE CONDITIONS PROVIDED IN THE INVITATION AND BIDDING DOSSIER

STATEMENT

We _____, hereby state to the CROATIAN HYROCARBON AGENCY (CHA), that our Bid is made in accordance with the terms and conditions set forth in the Bidding Dossier for the Sale of ULSD No. SZ-05/23 and that we fully accept and recognize all the liabilities arising from the Bidding Dossier in their form and substance.

In addition to this, we represent and warrant that our original Bid is identical to its copy. In case of discrepancy between these two, the original document shall prevail.

Date:

Signature:

Duly authorized to sign for and on behalf of:

Seal of the Bidder: (if applicable)

PART V

MINIMAL PROVISIONS OF THE CONTRACT

This Sale Contract on the sale of ULSD (hereinafter referred to as: "the Contract") is signed between

_____, hereinafter referred to as the "Buyer",

And

CROATIAN HYDROCARBON AGENCY (CHA), Miramarska cesta 24, 10000 Zagreb, Republic of Croatia, PERSONAL IDENTIFICATION NUMBER (OIB): 72156517632 ; VAT ID

DE815728677 hereinafter referred to as the "CHA" or the "Seller",

And where addressed together referred as to "Parties",

NOW IT IS AGREED as follows by each of the Parties in consideration of the mutual agreements and undertakings set out in this Contract:

1. SUBJECT OF THE CONTRACT

1.1 The subject of this Contract is sale of 3.500 MT ULSD 10 ppm (+/- 2% at CHA's discretion) located at the WESER PETROL, Federal Republic of Germany under the terms and conditions of the Bidding Dossier No. SZ-05/23 tendered by CHA (hereinafter referred to as "the Goods" or "ULSD").

1.2 The Buyer shall purchase and lift EX TANK 3.500 MT of ULSD (+/-2% at CHA's option) by 06 November 2023 latest at WESER-PETROL storage installation at Bremen-Holzhausen, Cuxhavener Str. 42-44, 28217 Bremen, Federal Republic of Germany.

2. VALUE OF GOODS AND PRICE

2.1 The Price payable by the Buyer per net metric ton (MT) EX TANK WESER-PETROL storage installation, shall be based on the average of all consecutive mean (high/low) quotations for the period starting from the 16 October 2023 up to 27 October 2023 (both dates included), as published by Platts European Marketscan – European products under the headings "Northwest Europe cargoes CIF NWE/Basis ARA " for ULSD 10 ppm minus/plus a fixed differential in USD per metric ton (to be quoted by Bidder).

The above price shall be based on a reference density of 845 kg/m³ at 15°C and shall be adjusted on a straight volumetric basis according to actual density at loading installation at 15°C, both i.a., per following formula:

Invoice price = Base price x (Reference density / Density at loading installation)

The price quotes to be both in figures as well as in words. In the case of discrepancy between these two, the price quotes in words shall prevail.

The finally calculated unit price shall be rounded to two decimal places, with the two decimals at the level of the first succeeding digit if the third decimal is equal to or more than 5 (five).

3. PAYMENT TERMS

3.1 The payment shall be made for the all lifted Goods as stated in the Certificate of quantity issued by an independent inspector under the condition that all shipping documents are presented including:

- original Certificate of quantity,
- original Certificate of quality.

In case some or all documents to be presented to the Buyer on the payment due date are temporarily missing, the Buyer agrees to pay CHA the purchase price for the delivered Goods of the ULSD upon presentation of one original commercial invoice.

The invoice specifying each criterion of the price calculation as determined in point 2.1 of this Contract shall be issued by the 10 November 2023.

The payment of the purchase price shall be within 10 (ten) bank working days by a wire transfer upon presentation of the invoice. If the payment due date falls on a Sunday or a Monday bank holiday in New York, U.S.A., the payment shall be made on the first following bank working day. If the payment due date falls on a Saturday or other bank holiday in New York, U.S.A., payment shall be made on the last preceding bank working day.

3.2 In case of temporary missing documents for presentation to Buyer on the payment due date, Buyer agrees to pay CHA upon presentation of one CHA'S original commercial invoice.

3.3 The Buyer shall provide CHA with USD 500.000 Performance Bond in the form provided under Part VII of the Bidding Dossier, issued by a first rate bank and valid until 22 November 2023. The Performance Bond shall be used if the Buyer fails to purchase Goods that are subject to this Contract. The Performance Bond shall be submitted to CHA within 10 (ten) working days after this Contract is signed.

3.4 The Buyer shall submit to CHA a valid payment Bank Guarantee in favour of CHA, in order to the secure value of delivered ULSD until the physical takeover of Goods is completed. The Bank Guarantee shall be issued in amount of USD 3.600.000 and in a form provided under Part VIII of the Bidding Dossier. The Bank Guarantee shall be issued through the first rate bank acceptable to CHA and valid until 22 November 2023.

4. QUANTITY AND QUALITY DETERMINATION OF GOODS

4.1 The quantity ULSD lifted by vessel under this Contract shall be determined as stated in the Certificate of Quantity based on a shore tank measurement. The Certificate of Quantity shall be issued by an independent inspector jointly appointed by the Parties and shall be final and binding to both Parties save for fraud or manifest error.

4.2 Quality of Goods delivered under this Contract shall be as available at the time and place of loading as determined in the Certificate of Quality issued at the loading port.

4.3 Quality of delivered Goods shall be in accordance with the DIN EN 590 (latest edition) seasonal quality plus German specs for commingled storage, free of Biodiesel.

5. LIFTING BY ITT

5.1 Storage facilities working time is Monday – Friday from 07:00 to 15:00.

6. PARITY, TITLE AND RISK

6.1 For ULSD at WESER PETROL risk and title of the Goods shall pass from CHA to the Buyer EX TANK, (or Ex work INCOTERMS 2020). The Goods shall be delivered to Buyer in bulk at the storage tank designated by Seller. Risk and property in the Goods and all liabilities with respect thereto shall pass to Buyer when the Goods passes the outlet flange of Seller's designated storage tank, at which point any and all risks to Seller shall cease. The Buyer bears all costs and risks involved in taking the Goods from agreed point.

7. INSPECTION

7.1 The Buyer shall nominate a mutually acceptable independent inspector and bear all inspection costs at the place of lifting (WESER PETROL).

8. FORCE MAJEURE

8.1 Neither Buyer, nor CHA shall be liable for damages or otherwise for any failure or delay in performance of any obligation hereunder other than obligation to pay the purchase price, where such failure or delay is caused by force major, being an event, occurrence or circumstances reasonably beyond the control of that party, including without prejudice to the generality of the foregoing, failure or delay caused by or resulting from acts of God, strikes, fires, floods, wars, (whether declared or undeclared), riots, destruction of the goods, delays of carriers due to breakdowns or adverse weather, perils of the sea, embargoes, accidents, restrictions imposed by any government authorities (including allocations, priorities, requisitions, quotas, and price control).

8.2 The time of Buyer and CHA to make or to receive any delivery hereunder shall be extended for the period in which such delivery shall be so delayed by reason of any of the foregoing causes. If any delivery hereunder shall be so delayed or prevented for more than thirty (30) days, either party may terminate this Contract with respect to such delivery upon written notice to the other Party.

8.3 The Performance Bond shall not be payable if the Buyer's failure to perform the replacement of Goods is a result of Force Majeure.

9. ANTI-CORRUPTION

9.1 The Buyer and CHA each agree and undertake to the other that in connection with this Contract, they will each respectively comply with all applicable laws, rules, regulations, decrees and/or official government orders of the Republic of Croatia relating to anti-bribery and anti-money laundering.

9.2 The Buyer and CHA each represent, warrant and undertake to the other that they shall not, directly or indirectly, pay, offer, give or promise to pay or authorize the payment of, any monies or other things of value to:

(a) a government official or an officer or employee of a government or any department, agency or instrumentality of any government;

(b) an officer or employee of a public international organization;

(c) any person acting in an official capacity for or on behalf of any government or department, agency, or instrumentality of such government or of any public international organization;

- (d) any political party or official thereof, or any candidate for political office;
- (e) or any other person, individual or entity at the suggestion, request or direction or for the benefit of any of the above-described persons and entities.

10. GOVERNING LAW AND SETTLEMENT OF DISPUTES

10.1 Parties agree to resolve all conflicts in opinions, misunderstandings or disputes arising in the course of performance of the contractual provisions, in amicable way or with mutual consent.

10.2 This Contract shall be governed by, and construed in all respects in accordance with, the laws of England.

10.3 Should the Parties fail to do so, each Party hereby irrevocably agrees that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any dispute, question or difference which may arise between the parties out of or in connection with this Contract and, for those purposes, irrevocably submits to the jurisdiction of the High Court of Justice of England.

11. OTHER TERMS

11.1 This Contract shall come into force immediately after all the following conditions are met:

- 1) CHA receives the Performance Bond from the Buyer,
- 2) CHA receives Bank Guarantee from the Buyer.

11.2 The Parties are not entitled to assign their rights and liabilities under the Contract to any third party, without prior consent of the other party.

11.3 All amendments and additions to this Contract are valid only if made in writing and signed by both Parties.

11.4 In case of liquidation of any Party, all rights and liabilities shall be assigned to its appropriate successor.

11.5 After signing this Contract all previous negotiations and correspondence between the Parties relating to this Contract will become null and void.

11.6 The INCOTERMS 2020 with the latest amendments shall apply to this Contract to the extent they are not contrary to the provisions of this Contract.

11.7 This Contract shall be made in English language. All literature, correspondence and other documents pertaining to the Contract, which are exchanged by the Parties, shall be written in English.

11.8 The contracting parties mutually agree that they are aware that the CHA is obliged to obtain the approval of the CHA Governing Council for commitment arising from this Contract. For this reason, the contracting parties mutually agree that, regardless of the date of conclusion of the Contract, legal obligations for the CHA under this Contract may only arise from the date of approval of the CHA Governing Council for the conclusion of the Contract.

CHA

BUYER

PART VI

FORM OF COMMERCIAL BANK'S LETTER OF INTENT

(Bank's memorandum)

Quote

On the basis of the conditions set out in the Bidding Dossier for Sale of ULSD No. SZ-05/23 published by CROATIAN HYDROCARBON AGENCY (CHA) on 22 September 2023, _____ [Bank's name] issues the following

LETTER OF INTENT

We, _____ [Bank's name], hereby confirm our readiness to issue, on behalf of our client _____ [Bidder's name] if selected as the most favourable Bidder, the Performance Bond in amount of USD 500.000 and valid until 22 November 2023.

We, _____ [Bank's name], hereby confirm our readiness to issue, on behalf of our client _____ [Bidder's name] if selected as the most favourable Bidder, the Bank Guarantee in amount of USD 3.600.000 and valid until 22 November 2023.

Date and Place of issuance

By:

Bank Authorized Signatory

Seal

Unquote

PART VII

PERFORMANCE BOND FORM

Quote

Beneficiary: CHA

We have been informed that you concluded on a Contract for sale of ULSD No. SZ-05/23 ("Contract") with (Principal). According to this Contract, Principal is required to provide you with a Performance Bond in the amount of USD 500.000.

This being stated, we _____ [Name and address of the Issuing Bank] irrespective of the validity and the legal effects of the above mentioned Contract and waiving all rights of objection and defence arising from the principal debt, hereby irrevocably undertake to pay within 10 (ten) bank working days to you upon your first demand, any amount up to: (In full letters: five hundred thousand US dollars)

upon receipt of your written request for payment and your written confirmation stating that Principal has not fulfilled his obligations in conformity with the terms of the above-mentioned Contract.

For the purpose of identification, your request for payment has to be presented through the intermediary first-rate bank confirming that the signatures are legally binding by your company. If such bank will use a tested telex, SWIFT or tested cable, it has to transmit in any case the full wording of your request for payment and above-mentioned written confirmation confirming at the same time that the originals of these documents are legally binding by your company and have been forwarded to us.

Our Guarantee is valid until 22 November 2023 and expires in full and automatically, irrespective of whether the present document is returned to us or not, should your written request for payment and your above tested telex, SWIFT or tested cable sent by the bank not be in our possession by that date at our counters in

This Guarantee cannot be assigned or alienated without our prior written consent. In case of assignment of Guarantee without prior approval we shall effect payment on basis of our Guarantee to the originally entitled Beneficiary.

This Guarantee is subject of ICC URDG 758.

Date and Place of issuance

By:

Bank Authorized Signatory

Seal

Unquote

PART VIII

BANK GUARANTEE FORM

Quote

Beneficiary: CHA

We have been informed that you concluded on a Contract for sale of ULSD No. SZ-05/23 ("Contract") with (Principal). According to this Contract, your delivery of ULSD in the amount of 3.500MT(+/-2% at CHA's option) to Principal, has to be secured by a Bank Guarantee in the maximum amount of USD 3.600.000 (in full letters: threemillionsixhundredthousandUSDollars).

This being stated, we, _____ [Name and address of the Issuing Bank], irrespective of the validity and the legal effects of the above mentioned Contract and waiving all rights of objection and defense arising from the Principal debt, hereby irrevocably undertake to pay to you, within 10 (ten) bank working days, upon your first demand, any amount up to the above-mentioned maximum amount, upon receipt of your duly signed written request for payment in original stating that

- a) you have supplied Principal with the 3.500 MT of ULSD ordered in conformity with the terms of the Contract and
- b) you have not received the purchase price from Principal ordered in conformity with the terms of the Contract.

For the purpose of identification your written request for payment has to be presented through the intermediary first-rate bank confirming that the signature(s) appearing on the said request for payment are legally binding by your company.

If such bank will use a tested telex, SWIFT or tested cable it has to transmit in any case the full wording of your request for payment and above-mentioned written confirmation confirming at the same time that the originals of these documents are legally binding by your company and have been forwarded to us by registered mail or courier service.

Our Guarantee is valid until 22 November 2023 and expires in full and automatically, irrespective of whether the present document is returned to us or not, should your original written request for payment and your above tested telex, SWIFT or tested cable sent by the bank not be in our possession on or before that date at our counters in _____ [address].

Our Guarantee will be reduced by each payment made by us as a result of a claim or reduction/cancellation.

This Guarantee cannot be assigned or alienated without our prior written consent. In case of assignment of Guarantee without prior approval we will effect payment on basis of our Guarantee to the originally entitled Beneficiary.

This Guarantee is subject of ICC URDG 758.

Date and Place of issuance

By:

Bank Authorized Signatory

Seal

Unquote