

Methanol Master SPA Clause Handbook

STANDARD B2B CONTRACTUAL PROVISIONS FOR INTERNATIONAL TRADE

TENDIFY TRADE UTILITIES
Commercial & Legal Framework

DOCUMENT ID

TND-SPA-METH-002

REVISION STANDARD

v2026.1 (Tendify)

INCOTERMS FRAMEWORK

FOB / CFR / CIF (2020)

GOVERNING LAW

English Law / High Court

1. QUALITY SPECIFICATIONS, TOLERANCE & REJECTION PROTOCOL

Clause 04.1 - Quality Risk

1.1 Quality Baseline & Off-Spec Tolerances

IMPCA / ASTM D1152 Baseline

(a) Quality Standard: Seller warrants that the Methanol delivered hereunder shall strictly conform to Federal Specification Grade AA and IMPCA Standards, with a minimum purity of **99.85% wt** on a dry basis and a maximum water content of **1,000 mg/kg (0.10% wt)**.

(b) Price Adjustment Range: If purity upon discharge testing is certified between **99.70% wt and 99.84% wt**, Buyer shall not reject the cargo but shall be entitled to an automatic price discount calculated as: $\text{Discount} = (\text{Contract Price/MT}) \times [99.85\% - \text{Actual Purity\%}] \times 1.5$.

1.2 Rejection Thresholds & Discharging Protocol

Absolute Right of Rejection

(a) Rejection Rights: Buyer shall have the absolute right to reject the entire shipment or tank volume if: (i) Purity falls below **99.70% wt**; (ii) Water content exceeds **1,200 ppm**; (iii) Chloride content exceeds **0.5 mg/kg**; or (iv) Permanganate Time Test drops below **50 minutes** at 15°C.

(b) Joint Sampling & Independent Laboratory: In the event of rejection, a composite sample sealed jointly by the independent surveyor (SGS/Saybolt) at loading shall be dispatched to an agreed referee laboratory. The referee lab's findings shall be final and binding on both parties.

2. LAYTIME ALLOWANCE & DEMURRAGE EXPOSURE PROVISIONS

Clause 08.2 - Freight & Operations

2.1 NOR, Laytime Allowance & Pumping Rates

36 SHINC Baseline

(a) Laytime Allocation: Total allowed laytime for loading and/or discharging shall be **36 running hours SHINC** (Sundays and Holidays Included) weather permitting. Laytime shall commence 6 hours after Notice of Readiness (NOR) is tendered or upon vessel being all fast along berth, whichever occurs first.

(b) Pumping Warranty: Seller/Buyer warrants that terminal facilities can receive/deliver cargo at a minimum pressure of **7.0 kg/cm²** at vessel's manifold, maintaining a minimum receipt rate of **1,000 MT/hr**.

OPERATIONAL EVENT	LAYTIME STATUS	DEMURRAGE ALLOCATION
Customs & Immigration Clearance Delay	Counts as Laytime	Charterer / Buyer account
Bad Weather / Sea State Safety Hold	Half Laytime (50% Rate)	Shared equally (50/50)
Vessel Breakdown / Pump Failure	Excluded from Laytime	100% Owner / Seller account
Terminal Tank High-Level Hold	Counts as Full Laytime	Receiving Terminal / Buyer account

Demurrage Time-Bar Rule: Any claim for demurrage must be submitted in writing with full supporting documentation (Statement of Facts, NOR, Pumping Log, Timesheet) within **60 calendar days** of completion of discharge, failing which the claim shall be deemed waived and time-barred.

3.1 Strategic Chokepoint Disruption & Cape Rerouting

2026 Red Sea / Bab-el-Mandeb Special Clause

- (a) **Route Blockade / War Risk Escalation:** In the event that conventional passage through the Suez Canal, Strait of Hormuz, or Bab-el-Mandeb is declared a High-Risk Area by the Joint War Committee (JWC) or rendered physically impassable due to military hostilities, drone strikes, or piracy:
- (b) **Cape of Good Hope Option:** Seller/Owner shall have the right to reroute the vessel via the Cape of Good Hope. The additional freight cost and bunker surcharge incurred shall be split **50/50 between Buyer and Seller** for CIF/CFR contracts, provided Seller gives written notice within 48 hours of rerouting decision.
- (c) **Delivery Window Extension:** The agreed Laycan/ETA shall automatically be extended by **14 calendar days** to account for the additional transit distance (~3,500 nautical miles) without trigger of default clauses.

3.2 Force Majeure Definition & Termination Trigger

Standard ICC Framework

Neither party shall be liable for failure to perform if caused by acts of God, armed conflict, embargoes, explosion, or major feedstock supply breakdown beyond reasonable control. If Force Majeure continues continuously for more than **45 consecutive days**, either party may terminate the affected parcel without penalty by giving 5 business days' written notice.

4.1 Sanctions Compliance & Ultimate Beneficial Owner (UBO)

OFAC / EU / UN Compliance

- (a) **Sanctions Warranty:** Each party warrants that neither it, nor any parent, subsidiary, affiliate, or Ultimate Beneficial Owner (UBO holding >10% equity) is listed on OFAC Specially Designated Nationals (SDN), EU Sanctions Map, or UK Sanctions List.
- (b) **Illegal Origin Guarantee:** Seller explicitly warrants that the Methanol delivered does not originate from, contain blends from, or involve transshipments through sanctioned jurisdictions (including Iran, Russia, or Syria) under sanction regimes active in 2026.

4.2 Maritime AIS Tracking & STS Transshipment Prohibition

Dark Fleet & Anti-Evasion Safeguard

- (a) **Continuous AIS Operation:** The carrying vessel must maintain continuous operation of its Automatic Identification System (AIS) throughout the entire voyage. Any unexplained AIS blackout exceeding **6 consecutive hours** shall grant Buyer/Terminal the right to refuse discharge pending full forensic audit.
- (b) **Ship-to-Ship (STS) Prohibition:** Cargo shall not be transferred via STS transshipment in high-seas international waters without prior written consent from Buyer and verification of legitimate STS operations in approved port limits.

This Agreement shall be governed by and construed in accordance with **English Law**, excluding the UN Convention on Contracts for the International Sale of Goods (CISG). Any dispute arising out of or in connection with this contract shall be referred to arbitration under the rules of the **London Maritime Arbitrators Association (LMAA)** or the High Court of Justice in London.

SELLER EXECUTION

Company Name: _____
Authorized Signatory: _____

BUYER EXECUTION

Company Name: _____
Authorized Signatory: _____