

FUTUREFUEL CHEMICAL COMPANY

GENERAL TERMS AND CONDITIONS FOR PETROLEUM PRODUCT SALES

These general terms and conditions apply to petroleum product sales by FutureFuel Chemical Company ("**FutureFuel**"). The parties, contract date, contract number, product, quality, quantity, price, delivery mode, delivery location, delivery period, specifications or any other special terms and conditions will be furnished in writing by e-mail, TWX, facsimile or other electronic means upon confirmation of the agreement for the sale of petroleum products and will be referred to by the parties as the "**Special Provisions**". The Special Provisions incorporate by reference these General Terms and Conditions for Petroleum Product Sales (the "**General Conditions**"). The Special Provisions, together with these General Conditions, constitute the parties' Purchase and Sale Agreement ("**Agreement**"). Any conflict between the Special Provisions and these General Conditions are to be resolved in favor of the Special Provisions.

1. Title and Delivery.

1.1. Title. Title to, and all risk of loss of or damage to, any product delivered under this Agreement passes as follows: (i) when by or into a vessel (which, for purposes of this Agreement, includes a ship or barge), at the flange between the vessel's permanent hose connection and the shore line; or (ii) when into any truck or tank car, when the product passes the last flange of the delivery terminal's facility; or (iii) when by book/stock transfer, on the effective date of the transfer.

1.2. Deliveries. Deliveries will be made within the delivery terminal's usual business hours and at such times as may be required by the buyer, provided that reasonable advance notice of each delivery has been given by the buyer. At the time of giving notice, the buyer must furnish the seller all necessary shipping instructions. FutureFuel will prepare and furnish the buyer with copies of bills of lading and other shipping papers.

1.3. Default. Failure to deliver product in accordance with the Special Provisions for any reason other than those included in Section 8 constitutes a default under this Agreement.

2. Acceptance. A party's signature to the Special Provisions or receipt of any portion of the product contracted for hereunder constitutes acceptance of these General Conditions.

3. Quality and Quantity. Quality of the product sold hereunder and delivered from a terminal is to be based either on tank composite or loading arm samples taken prior to loading, if applicable. API/ASTM Standards or the latest revisions thereof will be complied with at all times. All volumes or quantities will be net volumes or quantities as adjusted per API/ASTM Standards. Metering systems must conform to the API/ASTM Standards then in effect relative to meter calibration/accuracy.

4. Payment Terms.

4.1. Payment. Unless otherwise specified in the Special Provisions, following physical movement of all product purchased hereunder, the buyer must make payment via wire transfer or Automated Clearing House transfer of immediately available federal funds to FutureFuel (at such address or depository as FutureFuel may designate in writing) in U.S. dollars within two working days after receipt of a legible, unaltered copy of invoice and supporting documents (or, in lieu of temporarily missing documents, a letter of indemnity in form and substance acceptable to the buyer). If the invoice is received after noon of one day, such invoice will be deemed received on the next day. Book/stock transfer receipts must be paid on the effective date of the transfer. If the payment due date falls on a Saturday, a Sunday or on a day which is a bank holiday in the place where payment is to be made, payment may be made in immediately available funds to the seller on the next banking day after such payment due date.

4.2. Credit Arrangements; Assurance. The buyer will establish and maintain credit satisfactory to FutureFuel during the term of this Agreement. If the buyer fails to maintain satisfactory credit, FutureFuel may suspend deliveries of product until satisfactory credit is reestablished. In the absence of satisfactory credit arrangements, at any time prior to commencement of loading of the product, FutureFuel has the right to require the buyer to establish in FutureFuel's favor for any shipment either: (i) a parent company assurance in form and substance satisfactory to FutureFuel of the prompt payment, when due, of any and all present or future indebtedness of the buyer as a result of any sale of product hereunder; or (ii) an irrevocable letter of credit in form and substance specified by FutureFuel issued or confirmed by a bank acceptable to FutureFuel and in an amount sufficient to cover the estimated invoice amount of the shipment. All bank charges attendant to such letter of credit will be for the account of the buyer. If FutureFuel elects to load or discharge the cargo, any demurrage resulting from delays pending receipt by FutureFuel of required credit document in form and substance acceptable to FutureFuel is for the account of the buyer. Any required collateral paid by buyer and held by FutureFuel during the term hereof shall be credited against the buyer's final payment under this Agreement or returned promptly by FutureFuel following receipt of buyer's payment in full of all amounts due under this Agreement.

4.3. Default Interest. Any amount payable for any product or otherwise payable by the buyer to FutureFuel hereunder, if not paid when due, bears interest from the due date until the date payment is received by FutureFuel at an annual rate (based on a 360-day year) equal to the rate of two percentage points above the prime rate of interest effective for the payment due date as published in *The Wall Street Journal*, but not more than the maximum rate of interest permitted under applicable law. The buyer must pay such interest within five days following receipt of FutureFuel's invoice for such interest.

4.4. Insolvency. In the event either party becomes insolvent, makes an assignment or any general arrangement for the benefit of creditors or if there are instituted by or against either party proceedings in bankruptcy or under any insolvency law or law for reorganization, receivership or dissolution, the other party may withhold shipments or cancel this Agreement to the fullest extent permitted by law.

5. Taxes. Any and all taxes, fees or other charges imposed or assessed by governmental or regulatory bodies, the taxable incident of which is the transfer of title or the delivery of the product hereunder, or the receipt of payment therefor, regardless of the character, method of calculation or measure of the levy or assessment, will be paid by the party upon whom the tax, fee or charge is imposed by law, except that the buyer must reimburse FutureFuel for all federal, state and local taxes, fees or charges which are imposed by law on FutureFuel (other than taxes based on or measured by income). If the buyer claims exemption from any of such taxes, the buyer must

furnish FutureFuel with a properly completed and executed exemption certificate in the form prescribed by the appropriate taxing authority in lieu of payment of such taxes or reimbursement of such taxes to FutureFuel.

6. Warranty. FutureFuel warrants that it has good and marketable title to the product, that the product conforms to the specifications set forth on the face of the Special Provisions of this Agreement and that such product will be delivered free from lawful security interests, liens, taxes and encumbrances. FutureFuel warrants that the delivered product will meet the specifications for that product at the delivery location and the delivery time as required by any governmental regulations, including any Reid Vapor Pressure, reformulated gasoline, oxygenated gasoline and low sulfur or ultra-low sulfur diesel fuel requirements. FUTUREFUEL MAKES NO OTHER WARRANTY OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE HEREBY EXPRESSLY DISCLAIMED BY THE SELLER AND EXCLUDED FROM THIS AGREEMENT.

7. Nonperformance and Liquidation. Notwithstanding any other provision of this or any other commodity contract between the parties, if the buyer (“*Defaulting Buyer*”) (i) defaults in the payment or performance of any obligation to FutureFuel under this Agreement after two business days notice of such failure, (ii) files a petition or otherwise commences or authorizes the commencement of a proceeding or case under any bankruptcy, reorganization or similar law for the protection of creditors or has any such petition filed or proceeding commenced against it, (iii) otherwise becomes bankrupt or insolvent (however evidenced), (iv) is unable to pay its debts as they fall due, or (v) fails to comply with FutureFuel’s requirements pursuant to Section 4.2 within 48 hours of such request to comply, then FutureFuel has the right to terminate this Agreement immediately (a “*Buyer Default*”) and Defaulting Buyer shall be deemed to have defaulted in the purchase of all remaining unpurchased volumes of product hereunder. In the case of a Buyer Default, FutureFuel may recover from Defaulting Buyer as stipulated damages the greater of (a) FutureFuel’s actual damages resulting from such Buyer Default, including lost profits (notwithstanding any provision of Section 10 below to the contrary), and (b) the Liquidation Costs as specified in the following two sentences. For purposes of this Agreement, “*Liquidation Costs*” means for each month’s volume as to which the Defaulting Buyer has defaulted, the amount equal to (y) the loss, if any, measured by the difference between (A) the per gallon contract price for the applicable product for the specified month as set forth in the Special Provisions, and (B) the per gallon price on the day of the Buyer Default to liquidate and close out a forward contract on the New York Mercantile Exchange or the InterContinental Exchange for the applicable product for the specified month (or in the absence of available contracts for such product for the specified month, the closest available month), multiplied by (z) the volume in gallons as to which the Defaulting Buyer has defaulted under this Agreement for such month. The calculation of Liquidation Costs shall be as reasonably determined by FutureFuel promptly following the Buyer Default and shall be aggregated for all months to which the Buyer Default is applicable. Buyer acknowledges that Liquidation Costs will be a stipulated measure of damages regardless of whether FutureFuel actually purchases, owns or liquidates NYMEX or ICE future contracts in such amounts for the specified product(s) for the specified month(s) on the specified date or dates. The Defaulting Buyer will indemnify and hold FutureFuel harmless from all costs and expenses (including reasonable attorney’s fees) incurred in the exercise of any remedies hereunder. The parties acknowledge that this Agreement constitutes a forward contract for the purposes of §556 of the U.S. Bankruptcy Code.

8. Force Majeure.

8.1. Effect of Force Majeure. If either party is rendered unable by force majeure to perform or comply fully or in part with any obligation or condition of this Agreement, the affected party must give written notice to the other party of such force majeure event within 48 hours after receiving notice of the occurrence of the force majeure event relied upon. In such event, both parties will be relieved of liability and will suffer no prejudice for failure to perform their obligations hereunder during such period, except for the obligations to make payment for any and all product received pursuant to this Agreement prior to the occurrence of such force majeure event. In the event that such period of suspension continues in excess of 60 calendar days, this Agreement may be canceled at the option of either party, without further liability of either party.

8.2. Definition. As used herein, the term “force majeure” includes, by way of example and not in limitation, fire, acts of god, adverse weather, navigational accidents, vessel damage or loss, accidents at or closing of a navigational or transportation mechanism, strikes, grievances or actions by or among workers, lock-outs or other labor disturbances, explosions or accidents to wells, pipelines, storage depots, refinery facilities, machinery and other facilities, actions of any government or by any person purporting to represent a government, shortage, interruption or curtailment of crude oil, acts of terrorists or other causes not reasonably within the control of the affected party and which such party by the exercise of reasonable diligence could not have prevented or overcome. Force majeure specifically excludes increases or decreases in market prices or the availability of alternate supplies or markets at the same or different prices.

9. Health, Safety and the Environment. FutureFuel has provided or will provide to buyer upon buyer’s request Material Safety Data Sheets (“*MSDS*”) for the product to be delivered. Buyer acknowledges that there may be hazards associated with the loading, unloading, transporting, handling or use of the product sold hereunder, which may require that warning be communicated to or other precautionary action taken with all persons handling, coming into contact with or in any way concerned with the product sold hereunder. Buyer assumes as to its employees, independent contractors and subsequent purchasers of the product sold hereunder all responsibility for all such necessary warnings or other precautionary measures relating to hazards to person and property associated with the product sold hereunder. Nothing herein excuses the buyer from complying with all laws, regulations and decrees which may require the buyer to provide its employees, agents, contractors, users and customers who may come into contact with the product with a copy of the MSDS and any other safety information provided to it by FutureFuel, or which require the buyer to ensure that the recommendations relating to the handling of the product are followed. Compliance with any recommendation contained in the MSDS or other safety information does not excuse the buyer from complying with all laws, statutes, regulations or decrees of any state or territory having jurisdiction over the buyer. The buyer agrees to defend at its own expense, indemnify fully and hold harmless FutureFuel and its parents, subsidiaries and affiliates and its and their agents, officers, directors, employees, representatives, successors and assigns, from and against any and all liabilities, losses, damages, demands, claims, penalties, fines, actions, suits, legal, administrative or arbitration proceedings, judgments, orders, directives, injunctions, decrees or awards of any jurisdiction, costs and expenses (including attorneys’ fees and related costs) arising out of or in any manner related to the buyer’s failure to provide necessary warnings or other precautionary measures in connection with the product sold hereunder as provided above.

10. Limitation of Liability. Except as expressly provided herein to the contrary, in no event will either party be liable for specific performance or for incidental, exemplary or consequential damages (except as expressly so provided in Section 7) or lost profits under

this Agreement. However, this Section does not apply to such damages asserted by third parties against one or both of the parties and for which a party may claim a right of indemnification hereunder. Notice of claim as to defect in quantity or quality with respect to any delivery of product must be made in writing to FutureFuel immediately after such apparent defect is discovered. Any such notice of claim must be followed promptly by a formal written claim with all necessary details to properly process such claim. IF NO FORMAL WRITTEN CLAIM IS RECEIVED WITHIN 20 DAYS AFTER DELIVERY OF THE PRODUCT TO THE BUYER, THE CLAIM WILL BE DEEMED TO HAVE BEEN WAIVED. Further, any action or demand to enforce any rights or obligations under this Agreement must be filed against the other party no later than 24 months after the date on which the alleged breach of this Agreement occurred. For purposes of this Agreement, the date of the completion of loading or discharging, as applicable, with all hoses disconnected, will be deemed the date of delivery. No claim for shortage in quantity may exceed the purchase price of such product.

11. Supplier-Purchaser Relationship. The term and volume of any transaction undertaken between the parties are strictly limited to those specified in the Special Provisions, and the parties expressly agree that no ongoing supplier/purchaser relationship will be established or is intended to be established hereby.

12. Terminal Regulations. All employees, contractors or agents of the buyer when on the property of the delivery terminal will conform to the delivery terminal's rules and regulations concerning insurance, safety, routing, product handling, vehicle parking and the like.

13. Compliance with Laws. During the performance of this Agreement, each party hereto agrees to comply with all laws, rules, regulations, ordinances and requirements of federal, state and local governmental or regulatory bodies which are applicable to this Agreement. Each party agrees to comply with the Product Transfer Document and related regulations found in 40 CFR Part 80.

14. Alternative Dispute Resolution.

14.1. Resolution by the Parties. The parties will attempt in good faith to resolve any controversy or claim arising out of or relating to this Agreement promptly by negotiations. If a controversy or claim should arise, the representatives of the parties who negotiated the same, or their respective successors ("**Principal Contacts**"), will meet at least once (either in person or by telephone conference call) and will attempt to resolve the matter. Either Principal Contact may request that the other meet within 10 days, at a mutually agreed time.

14.2. Resolution by ADR. If the Principal Contacts cannot amicably resolve a dispute within 10 days of their meeting (which period may be extended by mutual agreement) or if either party refuses to meet for the purposes of resolving the dispute, then either party may invoke alternative dispute resolution ("**ADR**") hereunder. The party invoking ADR (the "**Invoking Party**") must provide to the other party a written notice that the Invoking Party is seeking ADR. ADR will be conducted under the procedures set forth in The Commercial Arbitration Rules of the American Arbitration Association ("**AAA**") to the extent not inconsistent with the provisions of this Agreement. ADR will be conducted before a single arbitrator jointly designated by the parties located in Little Rock, Arkansas, or such other place as the parties may agree. The arbitrator will set the date, the time and the place of the hearing, which must commence on or before the 90th day following the designation of the arbitrator. ADR will be self-administered by the parties until selection of the arbitrator, and thereafter will be administered by the arbitrator; provided that, if a party believes the process will be enhanced if it is administered by the AAA, such party has the right to cause the process to become administered by the AAA by applying to the AAA and, thereafter, the arbitration will be conducted pursuant to the administration of the AAA. In determining the extent of discovery, the number and length of depositions and all other pre-hearing matters, the arbitrator will endeavor to the extent possible to streamline the proceedings and minimize the time and cost of the proceedings. There will be no transcript of the hearing. The final hearing may not exceed ten business days, with FutureFuel, on the one hand, and the buyer, on the other hand, to be granted one-half of the allocated time to present its case to the arbitrator. The parties may submit a post-hearing brief to the arbitrator, which must be submitted within fifteen days of the completion of the final hearing. All proceedings conducted hereunder and the decision of the arbitrator must be kept confidential by the parties.

14.3. Additional ADR Provisions. The arbitrator must render an award on or before the 30th day following the later to occur of the last session of the hearing or submission of post-hearing briefs, and fully resolve all claims that are the subject of the ADR proceeding. The arbitrator's ultimate decision after final hearing must be in writing. The party against which the award assesses a monetary obligation must pay that obligation on or before the 30th calendar day following the decision. Any award not paid within such time period bears interest at the rate specified in Section 4.3 above from the due date until paid in full. Any award of the arbitrator must be consistent with the limitations and terms of this Agreement. The arbitrator must certify in the decision that no part of the award includes any amount for treble, punitive, special, exemplary, incidental, consequential or other damages not allowed herein. The arbitrator's award may be confirmed in, and judgment upon the award entered by, any federal or state court having jurisdiction over the parties. The decisions of the arbitrator are final and binding on the parties and non-appealable to the maximum extent permitted by applicable law. It is the intent of the parties that the ADR proceeding be conducted expeditiously, without initial recourse to the courts and without interlocutory appeals of the arbitrator's decisions to the courts. This agreement to arbitrate is enforceable by specific performance under applicable law in a court of competent jurisdiction.

15. Indemnification. Buyer agrees to indemnify and hold FutureFuel harmless from liability for any and all losses, demands or claims arising from injuries or damages which occur after title is transferred to buyer and in connection with the subsequent transportation, use or handling of the subject product, whether deliveries are made to or by buyer, its contractors, agents, assigns or nominees.

16. General Provisions.

16.1. Amendment and Modification. No amendment, modification, supplement, termination, consent or waiver of any provision of this Agreement, nor consent to any departure therefrom, will in any event be effective unless the same is in writing and is signed by the party against whom enforcement of the same is sought. Any waiver of any provision of this Agreement and any consent to any departure from the terms of any provision of this Agreement is to be effective only in the specific instance and for the specific purpose for which given. No waiver by either party of any breach by the other party of any of the covenants or conditions herein contained is a waiver of any succeeding breach of the same or any other covenants or conditions contained herein.

16.2. Assignments. No party may assign or transfer any of its rights or obligations under this Agreement to any other person without the prior written consent of the other party, which consent may not be unreasonably withheld, delayed or conditioned. Notwithstanding the preceding sentence, a party may assign its rights under this Agreement to any affiliate of such party (provided that the other party is not prevented by any applicable law from doing business with the assignee), but any such assignment does not release the assigning party of any of its obligations hereunder.

16.3. Captions. Captions contained in this Agreement have been inserted herein only as a matter of convenience and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof.

16.4. Construction. Unless the context of this Agreement clearly requires otherwise: (i) references to the plural include the singular and vice versa; (ii) references to any person include such person's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement; (iii) references to one gender include all genders; (iv) "including" is not limiting; (v) "or" has the inclusive meaning represented by the phrase "and/or"; (vi) the words "hereof", "herein", "hereby", "hereunder" and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement; (vii) section references are to this Agreement unless otherwise specified; (viii) reference to any agreement (including this Agreement), document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; and (ix) general or specific references to any law mean such law as amended, modified, codified or reenacted, in whole or in part, and in effect from time to time.

16.5. Counterpart Facsimile Execution. For purposes of this Agreement, a document (or signature page thereto) signed and transmitted by e-mail, facsimile machine, telecopier or similar means is to be treated as an original document. The signature of any party thereon, for purposes hereof, is to be considered as an original signature, and the document transmitted is to be considered to have the same binding effect as an original signature on an original document. No party may raise the use of e-mail, a facsimile machine or telecopier or similar means of transmission, or the fact that any signature was transmitted through the use of e-mail, a facsimile or telecopier machine or similar means of transmission, as a defense to the enforcement of this Agreement or any amendment or other document executed in compliance with this Section.

16.6. Counterparts. This Agreement may be executed by the parties on any number of separate counterparts, and all such counterparts so executed constitute one agreement binding on all the parties notwithstanding that all the parties are not signatories to the same counterpart.

16.7. Entire Agreement. This Agreement, consisting of the Special Provisions and these General Conditions, constitutes the entire agreement among the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions of the parties, whether oral or written.

16.8. Failure or Delay. No failure on the part of any party to exercise, and no delay in exercising, any right, power or privilege hereunder operates as a waiver thereof; nor does any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. No notice to or demand on any party in any case entitles such party to any other or further notice or demand in similar or other circumstances.

16.9. Governing Law. This Agreement and the rights and obligations of the parties hereunder are to be governed by and construed and interpreted in accordance with the laws of the State of Arkansas applicable to contracts made and to be performed wholly within Arkansas, without regard to choice or conflict of laws rules.

16.10. Notices. All notices, invoices and other communications under this Agreement are deemed given on the date of the addressee's receipt thereof and may be given only by letter, facsimile, e-mail or similar electronic transmission.

16.11. Remedies Not Exclusive. Each and every right granted and the remedies provided for under this Agreement are cumulative and are not exclusive of any remedies or rights that may be available to any party at law, in equity or otherwise.

16.12. Successors and Assigns. All provisions of this Agreement are binding upon, inure to the benefit of and are enforceable by or against the parties and their respective permitted successors and assigns.

[End of General Terms and Conditions]