

FREQUENTLY ASKED QUESTIONS (FAQ)

NAEGA No. 2/Addendum No. 1

Revised as of April 15, 2024

Why were the NAEGA 2 and Addendum No.1 revised?

The NAEGA Contracts Committee undertook a full clause-by-clause review of both the NAEGA 2 and Addendum No. 1 for three primary reasons: to promote clarity and understanding; ensure alignment with commercial practices; and anticipate transitions in electronic communications and digital solutions. The Committee was guided by the objectives of improving the performance of the contract for buyers and sellers and reducing disputes and the need for arbitration.

I have contracts dated and entered into before April 15, 2024, and that incorporate NAEGA 2/Addendum No. 1 terms. What terms apply to those contracts after April 15, 2024?

Always check your contract, but generally the provisions that apply will be those effective at the time the contract was entered, not the date of delivery. Thus, unless otherwise agreed, contracts entered prior to April 15, 2024, will remain subject to the NAEGA 2/Addendum No. 1 terms of the versions effective from March 31, 2018, to April 14, 2024.

Why was Clause 20 of the NAEGA 2 completely revised?

The revised Clause 20, "Prevention or Delay of Delivery", is written to be more contemporary and direct, improve clarity and enhance transparency. The updated Clause 20 more clearly identifies events eligible for invoking the Clause, as well as clarifies the underlying definitions, rights, obligations, and processes for certifying the validity and duration of causes under the Clause.

Which NAEGA 2 contract clauses are amended?

The trade is advised that the following Clauses to the NAEGA 2 are updated and revised:

- Clause 4
- Clause 7
- Clause 8
- Clause 9
- Clause 10
- Clause 11
- Clause 12
- Clause 13
- Clause 15
- Clause 16
- Clause 19
- Clause 20
- Clause 21
- Clause 23
- Clause 30

Which clauses of Addendum No. 1 have been amended?

The trade is advised that the following Clauses to Addendum No.1 are updated and revised:

- Clause 2
- Clause 4
- Clause 7
- Clause 10

Why was Clause 4 of Addendum No. 1 completely revised?

The revised Clause 4 was rewritten to promote a common understanding among buyers and sellers about how laytime is to be calculated when Clause 20 of the NAEGA 2 has been invoked.