

Port of Southampton Fuel Adjustment Charging Mechanism

The FA will be applied as follows:

Original Base Fuel Price (OBFP) = 33.5 pence per litre (excluding VAT and Duty). (Adjusted for tariff increase, 1st January 2011)

First Review

Actual Price (AP) paid per litre (excluding VAT and Duty) for the 6 months ended 31 March 2011 will be compared to the OBFP

If the AP is within +/- 20% of the OBFP the FA will be nil and the Base Fuel Price (BFP) will equal the OBFP

If the AP exceeds +/-20% a FA will apply as follows:

BFP will be amended to equal the Actual Price paid for the 6 months ended 31 March 2011 4% (being fuel cost expressed as a percentage of revenue) multiplied by the percentage increase/decrease from AP v OBFP

FA will apply for 6 months 1 July 2011 to 31 December 2011

Second Review

Actual Price (AP) paid per litre (excluding VAT and Duty) for the 6 months ended 31 September 2011 will be compared to the BFP from the First Review (plus, if applicable % increment in tariff income on 1 Jan)

If the AP is within +/- 20% of the OBFP the FA from the First Review will continue to apply and the Base Fuel Price (BFP) will not change

If the AP exceeds +/-20% a FA will be revised as follows:

BFP will be amended to equal the Actual Price paid for the 6 months ended 31 March 2011 4% (being fuel cost expressed as a percentage of revenue) multiplied by the percentage increase/decrease from the revised BFP v OBFP

FA will apply for 6 months 1 January 2012 to 31 June 2012

Subsequent reviews

The same process as the Second Review above, with each subsequent six monthly period.