

BANLE INTERNATIONAL GROUP LIMITED

General Terms and Conditions

For the Sales and Supplies of Marine Fuels



Banle 萬利

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1. Definitions

Throughout these General Terms and Conditions, except where the context otherwise requires, the following definitions shall be applied:

“Actual Readiness”	means the Vessel’s readiness in all respects to receive Marine Fuels at the agreed delivery location within the Delivery Period.
“Banking Day	means a day on which banks are open in the places of business of the Sellers and the Buyers and, where a remittance is in US dollars, in New York or, if other than US dollars, in the country of the price currency
“BDN”	means Banker Delivery Note or Bunker Delivery Receipt.
“Bunker Tanker”	means bunker barge or tanker supplying Marine Fuels to the Vessel.
“Buyers”	means the party stated in the Confirmation Note contracting to purchase, take delivery and pay for the Marine Fuels.
“Confirmation Note”	means the Seller’s written confirmation (Sales Confirmation) or the Buyer’s written confirmation (Nomination)
“Contract”	means these General Terms and Conditions, as amended and supplemented by the Confirmation Note.
“Day/days”	means a calendar day(s), unless otherwise stated.
“Delivery Period”	means the Vessel’s ETA/delivery window as stated in the Confirmation Note.
“General Terms and Conditions”	means these standard terms and conditions applied to bunkering contracts entered into by any company within Banle International Group (i.e. the subsidiaries owned by Banle International Group Limited) as Buyer or Seller for sales or supplies of Marine Fuels.
“Marine Fuels”	means products as stated in the Confirmation Note
“Parties”	means the Sellers and Buyers collectively.
“Required Supply Time”	means the time at which the Seller must commence

	delivery of the Marine Fuels pursuant to Clause 5(c), 5(d) or 5(e) (Delivery), as applicable.
“Sellers”	means the Party stated in the Confirmation Note contracting to sell and arrange delivery of the Marine Fuels.
“Vessel”	means the vessel nominated by the Buyers to receive Marine Fuels.

2. Application of General Terms and Conditions

- 2.1 In case of any discrepancies between these General Terms and Conditions (as amended from time to time) and provisions of the Confirmation Note, provisions of the Confirmation Note shall prevail and are binding on the Seller and the Buyer.
- 2.2 General Terms and Conditions of any other entity are hereby entirely excluded and not applicable to any agreement concluded or existing between the Seller and the Buyer, except that it is accepted in writing between the Seller and the Buyer.

3. Binding agreement

- 3.1 An agreement on sale of Marine Fuels is binding on the Seller since the Buyer receives the Sales Confirmation. An agreement on the purchase of Marine Fuels is binding on the Buyer since the Seller receives the Nomination.
- 3.2 The Buyer shall send Nomination to the Seller indicating quantity and grades of Marine Fuels required for delivery, vessel’s estimated time of arrival (“ETA”) at the port of loading, the name of the vessel and vessel’s IMO number, contact details of the vessel’s Master, Owners, Manager, Operators, Disponent Owner, Charterers and any special conditions of the vessel which might adversely affect the delivery.

4. Specifications/Grades/Quality

- 4.1 The Buyers shall have the sole responsibility for the nomination of the specifications and grades of Marine Fuels fit for use by the Vessel.
- 4.2 The Sellers warrant that the Marine Fuels shall be of a homogeneous and stable nature and shall comply with the specifications and grades agreed between the parties and stated in the Confirmation Note. Unless otherwise agreed in the Confirmation Note, the Marine Fuels shall in all respects comply with the latest edition of ISO standard 8217 as per the date of the Confirmation Note.
- 4.3 The Seller does not represent or warrant that ordered Marine Fuels will be fit and suitable for the purpose of particular intended vessel’s engine or boiler. It is the Buyers sole

responsibility to select and order a proper Marine Fuels in the vessel being supplied.

4.4 In no event shall the Seller be responsible for damages or loss resulted from the situation that delivered Marine Fuels was mixed or comingled with any other substances onboard the receiving vessel.

4.5 Any other warranties and implied conditions are expressly excluded.

5. Quantities/Measurements

5.1 The quantity of Marine Fuel to be delivered shall be those quantities specified in the Confirmation Note, subject to the availability of quantities and grades of such Marine Fuel on the date of delivery at the delivery location.

5.2 The quantity of Marine Fuels actually delivered will be determined from the official gauge or meter of the delivery bunker tanker at the Seller's election or the shore-meter in the case of ex-wharf delivery. Quantity measured is therefore considered as conclusive and binding to both the Buyer and the Seller and such shall be evidenced in the BDN.

5.3 The Sellers shall invite the Buyers or their representatives to witness the opening and closing gauge, or manual sounding or meter reading and the taking of bunker temperature of all bunker tanks on the Bunker Tanker and shall be given sufficient information and access to the official gauge or manual soundings or meter of the Banker Tanker or shore-meter and relevant documentation to verify the volume delivered. The absence of the Buyers or their representatives shall not prejudice the validity of the measurement of the quantities of Marine Fuels delivered. In the event that local bunkering rules and regulations apply mandatorily, these shall take precedence over the provisions of Subclause 5.2 and 5.3 (Quantities/Measurements).

5.4 The Buyer shall be responsible to ensure that the bunker manifold of the vessel into which the Marine Fuel is to be loaded is suitable in all respects and complies with all relevant regulations and is capable of accommodating the full quantity of Marine Fuel ordered by the Buyer.

5.5 The Marine Fuels to be delivered under the Contract shall be measured and calculated in accordance with the ISO-ASTM-API-IP Petroleum Measurement Tables.

6. Sampling

6.1 The Sellers shall invite the Buyers or their representatives to witness the sampling of Marine Fuels. During bunkering a primary sample shall be drawn at a point, to be mutually agreed between the Sellers and the Buyers or their respective representatives, closest to the Vessel's bunker manifold and otherwise in accordance with the procedures set out in IMO Resolution MEPC.182(59) Guidelines for the Sampling of Fuel Oil for Determination of Compliance with MARPOL 73/78 Annex VI or any subsequent

amendments thereto. Each sample shall be thoroughly mixed and carefully divided into a minimum of five (5) identical samples and one sample of each grade of Marine Fuels shall be retained on board the Vessel for MARPOL purposes. The absence of the Buyers or their representatives shall not prejudice the validity of the samples taken. In the event that local bunkering rules and regulations apply mandatorily, these shall take precedence over the provisions of this Subclause 6.1 (Sampling).

6.2 The samples referred to in Subclause 6.1 (Sampling) shall be securely sealed and provided with labels showing the Vessel's name, identify of delivery facility, product name, delivery date and place and point of sampling and seal number, authenticated with the Vessel's stamp and signed by the Sellers' representative and the Master of the Vessel or the Master's authorized representative.

6.3 Two (2) samples shall be retained by the Sellers for minimum forty-five (45) days after delivery of the Marine Fuels to the Vessel or, on being requested in writing by the Buyers, for as long as the Buyers may reasonably require, and the other three (3) samples shall be retained on board the Vessel (one of which shall be for MARPOL purposes).

6.4 If the quantity is delivered by more than one Bunker Tanker, the sampling procedure shall be repeated as outlined in this Clause 6 Sampling).

7. Delivery

7.1 Within the Delivery Period:

- (i) The Sellers shall deliver the Marine Fuels; and
- (ii) The Buyers shall take delivery of the Marine Fuels,

day and night, Sundays and holidays included, at the port or place of delivery and in delivery method stated in the Confirmation Note, subject always to the custom of that port or place.

7.2 Any delivery which is outside the working days and hours at the port of delivery (if permitted by the port authorities) may cause additional charges which are for the Buyer's account. Seller is not obliged to deliver Marine Fuels and shall not be liable for any loss if the port of delivery does not operate at time of delivery specified in the Confirmation Note.

7.3 The Buyers, or their agents at the port or place of delivery, shall give the Sellers or their representatives at the port or place of delivery, seventy-two (72) and forty-eight (48) hours approximate and twenty-four (24) hours definite notice of the Vessel's arrival and the location and time at which delivery of the Marine Fuels is requested. If the Sellers agree

to commence the delivery of the Marine Fuels at the time specified in the Buyers' 24 hours' notice, or the Parties agree to another time, the Sellers shall confirm this in writing to the Buyers (the "Confirmed Delivery Time").

- 7.4 Subject to the availability of the Marine Fuels and the availability of facilities at the place of delivery.
- 7.5 Providing that the time of Actual Readiness is within 6 hours (or such number of hours otherwise specified) of the Confirmed Delivery Time, the Sellers shall commence delivery of the Marine Fuels within 6 hours of either (i) the Confirmed Delivery Time; or (ii) the time of Actual Readiness, whichever is later.
- 7.6 Where the time of Actual Readiness is not within 6 hours (or such number of hours otherwise specified) of the Confirmed Delivery Time, the Sellers shall commence delivery within 12 hours of either: (i) the Confirmed Delivery Time; or (ii) the time of Actual Readiness, whichever is later.
- 7.7 Where no Confirmed Delivery Time has been agreed, the Sellers shall commence delivery within 12 hours (or such other number of hours otherwise specified) of the Buyers' time of Actual Readiness.
- 7.8 The Sellers shall:
- (i) Be in possession of all permits required to comply with all relevant regulations pertaining to delivery of Marine Fuels at the port or place of delivery; and
 - (ii) Subject to local law, render all necessary assistance which may be reasonably required to make connections and disconnections between the delivery hose(s) and the Vessel's bunker manifold.
- 7.9 The Buyers shall be responsible for making all connections and disconnections between the delivery hose(s) and the Vessel's bunker manifold and to ensure that the hose(s) are properly connected to the Vessel's bunker manifold prior to the commencement of delivery.
- 7.10 The Buyers shall ensure that the Vessel is in possession of all certificates required to comply with all relevant regulations pertaining to delivery of the Marine Fuels at the port or place of delivery and that the Master of the Vessel or the Master's authorized representative shall:
- (i) Advise the Sellers in writing, prior to delivery, of the maximum allowable pumping rate and pressure and agree on communication and emergency shut-down procedures;
 - (ii) Notify the Sellers in writing prior to delivery, of any special conditions, difficulties,

peculiarities, deficiencies or defects in respect of and particular to the Vessel which might adversely affect the delivery of the Marine Fuels; and

- (iii) Provide a free side to receive the Marine Fuels and render all necessary assistance which may reasonably be required to moor or unmoor the Bunker Tanker, as applicable.

7.11 In event the receiving vessel's arrival at the place of delivery is later than the date of delivery as stated in the Confirmation Note, or the receiving vessel refuses to receive the Marine Fuels expeditiously for whatsoever reason, the Seller hereby reserved the right to claim the Buyer for all losses, additional expenses, charges arising therefrom including without limitation, demurrage and any increase in the price of the Marine Fuels.

7.12 In event the receiving vessel arrived earlier or later than the date of delivery as stated in the Confirmation Note or is unable or refused to receive the marine Fuels, the Marine Fuels will be delivered by the Seller on a best endeavor basis. The Seller is under no obligation whatsoever to effect prompt delivery and any guarantee or warranty given expressly or impliedly as to prompt delivery is hereby expressly excluded.

7.13 With regards to Buyer's request for information on the place of delivery or other place of delivery, the Seller shall use its best endeavors to obtain or provide the information requested. Whilst every care will be taken by the Seller that such information is accurate and up to date, it is the Buyer's responsibility to countercheck the accuracy of any information provided and such information are furnished to the Buyer on a strict understanding that it is not a contractual representation, and that no responsibility of whatsoever nature will attach to the Seller for its accuracy or completeness.

7.14 Before commencement of the delivery, authorized personnel of the receiving vessel (the Master or Chief Engineer of the vessel) will sign the tank measurement form and the bunker requisition form, which shall contain the quantities to be delivered and all information required in accordance with IMO/ISO recommendations and specifications, including in particular, actual values for viscosity, density, water content, sulfur content, flashpoint, delivery temperature, aluminum/silicon, vanadium and ash content).

7.15 Should the Marine Fuels supplied to the vessel from two different sources or barges have different specification characteristics it will be assumed that the Marine Fuels are compatible unless a statement to the contrary is made on the bunker requisition form duly signed by the Seller and Buyer or persons authorized by them.

7.16 Upon completion of the delivery and before disconnection or the transfer hose, authorized personnel of receiving vessel (the master or chief engineer of the vessel) will sign and stamp the BDN and return it to the Seller or his representatives, as acknowledgement of the delivery. A duplicate copy of the BDN shall be retained by the Master of the vessel. The BDN shall contain the following information:

- i) Delivered quantity in volume units at actual temperature
- ii) Actual delivery temperature
- iii) Delivered quantity in volume at 15 degr. C.
- iv) Density in kg/cbm at 15 degr. C.
- v) Delivered quantity in weight units.
- vi) Flashpoint
- vii) Sulphur content in % m/m

7.17 In the event the Master of the Vessel or the Master's authorized representative is not satisfied with the sampling, quantity or any other matter concerning the Marine Fuels or their delivery, the Master or the Master's authorized representative shall on completion of delivery:

- i) Make appropriate remarks in the BDN detailing the complaints and/or referring to a separate letter of protest; or
- ii) If remarks in the BDN are not permitted, issue a separate letter of protest;

Receipt of either of which shall be acknowledged in writing by the Sellers' representative.

8. Price

8.1 The price of Marine Fuel delivered or to be delivered shall be in the amount per unit and in the currency as stated in the Confirmation Note for each grade of Marine Fuels delivered into the Vessel's tanks as determined in accordance with the Clause 5.2 and evidenced in the BDN, save fraud or manifest error. Where the price is quoted in volume units, the price shall be converted to price per metric ton at 60 degrees Fahrenheit or at 15 degree Celsius.

8.2 The price agreed and stated in the Confirmation Note is only valid 3 calendar days (1 day before and 1 day after the vessel's ETA specified in the Confirmation Note) in which the Confirmation Note is issued and beyond such validity period, it is the Seller's option to adjust the price upward in parallel to the price frustration of the market.

8.3 Unless the parties agree otherwise, the price stated in the Confirmation Note is ex-wharf and excludes any charges for wharfage, barging, mooring or other similar charges. Delivery charges fees, port duties, taxes, and all other costs and expenses, including without limitations those imposed by government authorities are for the Buyers account and are not included in the price unless otherwise stated in the Confirmation Note.

9. Payment

9.1 The Buyer will pay for delivered Marine Fuels in US Dollars within the period specified in

the Confirmation Note, notwithstanding any disputes or claims. The payment will be made in full, without any set-off, counterclaim, deduction, withholding or discount and free of bank charges on Seller's account indicated in the invoice.

9.2 Any delay in payment shall entitle the Seller to charge interest and delivery costs on any amounts not paid by such date at the rate of two (2) per cent per month or any part thereof or as otherwise agreed as per the Confirmation Note.

9.3 Notwithstanding any other provision of these General Terms and Conditions or any agreement on sales of Marine Fuels between the Buyer and the Seller, the Seller has a right at his sole discretion and at any time (if he suspect or believes that Buyer will not pay the price for Marine Fuels) to require from the Buyer that payment be secured by a bank guarantee, parent guarantee, stand-by letter of credit confirmed by a first class international bank acceptable to the Seller or other type of payment security. The format of stand-by letter of credit shall be acceptable to the Seller.

9.4 The Seller reserves the right to withdraw credit granted to the Buyer at any time and for any reason, before, during or after delivery and at its sole discretion.

9.5 In the event that the Buyer failed to make payment in agreed time or did not provide the Seller with requested type of payment security in requested time, the Seller is entitled to suspend any or all deliveries for the Buyer or terminate the agreement on sales of Marine Fuels for which the payment should be made. Any other seller's remedies and claims shall remain unaffected.

9.6 Marine Fuels are delivered under these General Terms and Conditions not only on the credit of the Buyer but also on the credit of the vessel receiving Marine Fuels and it is agreed that the Buyer will assure that the Seller will have and may assert a lien against the receiving vessel for the amount of the price of delivered Marine Fuels.

9.7 If payment fails on a non-business day, payment shall be made on or before the business day prior to the due date. Non-business day means Saturday or Sunday or another day on which the Seller's bank is not open for the transaction of non-automated business.

10. Claims

10.1 Quantity

(i) Any dispute as to the quantity delivered must be noted at the time of delivery in accordance with Subclause 7.16 (Delivery), and a claim for such quantity dispute must be presented to the Sellers by the Buyers in writing within fourteen (14) days from the date of delivery (or such number of days as otherwise specified), failing which such claim shall be deemed to be waived and barred.

(ii) The Sellers shall have the right to charge the Buyers for all proven additional

expenses incurred by the Sellers in connection with the Buyers' failure to take delivery of the full quantity of the Marine Fuels ordered by the Buyers (with an operational tolerance of +/- two (2) per cent).

- (iii) The Buyers shall have the right to charge the Sellers for all proven additional expenses incurred by the Buyers in connection with the Sellers' failure to deliver the full quantity of the Marine Fuels agreed as per the Confirmation Note (with an operational tolerance of +/- two (2) per cent), unless the quantity is amended by the Master or the Master's authorized representative in writing.

10.2 Quality/Specification

- (i) Any claim as to the quality or specification of the Marine Fuels must be notified in writing promptly after the circumstances giving rise to such claim have been discovered. If the Buyers do not notify the Sellers of any such claim within thirty (30) days of the date of delivery (or such number of days as otherwise specified), such claim shall be deemed to be waived and barred.
- (ii) In the event a claim is raised pursuant to Subclause 10.2(i) (Claims), the Parties hereto shall have the quality of the Marine Fuels analyzed by a mutually agreed, qualified and independent laboratory. The Buyers may request a full analysis of the parameters of the Marine Fuels in accordance with the specification set out in the confirmation Note and ISO4259. The Sellers shall provide the laboratory with one of the samples retained by them as per Subclause 6.3 (Sampling) and the test methods used by the laboratory shall be in accordance with those set out in ISO8217. Unless otherwise agreed, the cost of the analysis shall be for the account of the Party whose claim/case is found unproven by the analysis.
- (iii) Notwithstanding the foregoing, no claims shall be admitted in respect of any deficiency of density when the difference between the delivered and sample inspection by independent surveyor is not more than 0.5%.

10.3 Delay

In the event of any delay resulting from

- (i) the Buyers' failure to give proper notices and/or the Vessel's failure to be in Actual Readiness within six (6) hours (or such number of hours as otherwise specified) of the Confirmed Delivery Time and/or the Vessel failing to receive Marine Fuels at the pumping rate and pressure referred to in Subclause 7.10(i)(Delivery); or
- (ii) the Sellers' failure to deliver the Marine Fuels in accordance with the minimum hourly pumping rate and pressure referred to in the Confirmation Note; or
- (iii) the Seller's failure to commence delivery of the Marine Fuels within the Required

Supply Time,

then the Party suffering such delay shall be entitled to compensation from the other Party for any loss suffered as a result of that delay.

10.4 Time Bar

In each and every case any and all claims, except those under Subclauses 10.1 (i) and 10.2 (i) (Claims), by the Buyers shall be time barred unless arbitration proceedings have been commenced in accordance with Clause 25 within twelve (12) months of the date of delivery of the Marine Fuels or the day that delivery should have commenced as per the Confirmation Note.

10.5 The Buyer's submission of any claim does not relieve it of its obligations to pay the price stated in the agreement on sale of Marine Fuels concluded between the Seller and the Buyer in full, without set-off, deduction or counterclaim as per invoice issued by the Seller.

10.6 The liability of the Seller for any loss, damage, claim or other expenditure arising out of or in connection with the failure by the Seller to perform its obligation under the agreement on sales of Marine Fuels shall exclude any indirect, consequential, punitive or special damages.

11. Title and Risk

11.1 All risks connected with the Marine Fuels delivered shall pass to the Buyer once the Marine Fuels passed the Seller's flange connecting the receiving vessel's bunker manifold with the delivery facilities provided by the Seller.

11.2 Title to the Marine Fuels delivered shall remain vested in the Seller until full payment has been received by the Seller of the agreed price together with all interest, cost and experiences due. If, prior to full payment, the Marine Fuel delivered by the Seller to the receiving vessel is commingled with other marine fuel, the Seller shall have title to such quantities of such commingled marine fuel which correspond to the quantities of Marine Fuel delivered to the receiving vessel. The above is without prejudice to other rights the Seller may have against the Buyer and/or the receiving vessel in the event of non-payment.

11.3 The sale of Marine Fuel shall be made on the credit of the receiving vessel as well as on the credit of the Buyer and the Buyer agrees and warrants that the Seller shall have and may assert a maritime lien against the receiving vessel for the invoice amount of delivered Marine Fuel increased by the amount of interests and all costs and expenses of the Seller against the Buyer and/or the receiving vessel (including legal costs on a full indemnity basis) in connection with the enforcement of the Seller's title or maritime lien.

12. Compliance with Laws and Regulations

The Parties will not do or permit to be done anything which might cause any breach or infringement of the laws and regulations of the Flag State of the Vessel or the country of incorporation of the Sellers, or of the places where the Vessel or the Sellers trade or take Marine Fuels under the Contract.

13. Sanctions Compliance Clause

13.1 "Sanctions Laws" means any sanction, prohibition or restriction imposed by the United Nations, the European Union, the United Kingdom or the United States of America, including but not limited to the US Department of the Treasury Office of Foreign Asset Control ("OFAC") including the OFAC Specially Designated Nationals or Blocked Persons List (SDN) and the US Department of State.

13.2 The Buyers and the Sellers each warrant that at the date of entering into the Contract and continuing until delivery of the Marine Fuels and payment by the Buyers to the Sellers in full:

- (i) neither Party is subject to any of the Sanctions Laws referred to in Subclause 13.1 (Sanctions Compliance Clause) which prohibit or render unlawful any performance under the Contract;
- (ii) the Sellers are selling, and the Buyers are purchasing the Marine Fuels as principals and not as agent, trustee or nominee of any person with whom transactions are prohibited or restricted under Subclause 13.1 (Sanctions Compliance Clause).
- (iii) the Buyers further warrant that the Vessel is not a designated vessel and is not and will not be chartered to any entity or transport any cargo contrary to the restrictions or prohibitions in Subclause 13.1 (Sanctions Compliance Clause) above; and
- (iv) the Sellers further warrant that the Marine Fuels are not of an origin or have been exported as a product from a place that is subject to any of the Sanction Laws referred to in Subclause 13.1 (Sanction Compliance Clause) above.

13.3 If at any time during the performance of the Contract either Party becomes aware that the other Party is in breach of warranty as aforesaid, the Party not in breach shall comply with the laws and regulations of any Government to which that Party or the Vessel is subject and follow any orders or directions which may be given by any regulatory or administrative body, acting with powers to compel compliance. In the absence of any such orders, directions, laws or regulations, the Party not in breach may terminate the Contract forthwith.

13.4 Notwithstanding anything to the contrary in this Clause, Buyers and Sellers shall not be required to do anything which constitutes a violation of the laws and regulations of any

State to which either of them is subject.

13.5 The Buyers and the Sellers shall be liable to indemnify the other Party against any and all claims, including return of any payment, losses, damage, costs and fines whatsoever suffered by the other Party resulting from any breach of warranty as aforesaid and in accordance with the Contract.

14. Anti-Corruption Clause

14.1 The Parties agree that in connection with the performance of any Contract they shall each:

- (i) Comply at all times with all applicable anti-corruption legislation and have procedures in place that are to the best of its knowledge and belief, designed to prevent the commission of any offence under such legislation by any member of its organization or by any person providing services for it or on its behalf; and
- (ii) Make and keep books, records, and accounts which in reasonable detail accurately and fairly reflect the transactions in connection with any Contract.

14.2 If a demand for payment, goods or any other thing of value ("Demand") is made to either Party by any official, any contractor or sub-contractor engaged by or acting on behalf of either Party or any other person not employed by either Party and appears that meeting such Demand would breach any applicable anti-corruption legislation, then the Party receiving the Demand shall notify the other Party as soon as practicable and the Parties shall cooperate in taking reasonable steps to resist the Demand.

14.3 If either Party fails to comply with any applicable anti-corruption legislation it shall defend and indemnify the other Party against any fine, penalty, liability, loss or damage and for any related costs (including, without limitation, court costs and legal fees) arising from such breach.

14.4 Without prejudice to any of its other rights under any Contract, either party may terminate a Contract without incurring any liability to the other Party if:

- (i) At any time the other Party or any member of its organization has committed a breach of any applicable anti-corruption legislation in connection with any Contract; and
- (ii) Such breach causes the non-breaching Party to be in breach of any applicable anti-corruption legislation.

Any such right to terminate must be exercised without undue delay.

14.5 Each Party represents and warrants that in connection with the negotiation of any Contract neither it nor any member of its organization has committed any breach of

applicable anti-corruption legislation. Breach of this Subclause 14.5 (Anti-Corruption Clause) shall entitle the other Party to terminate a Contract without incurring any liability to the other.

15. Indemnity

15.1 Without prejudice to any other claims arising hereunder or in connection herewith and notwithstanding the provisions of Subclause 10.4 (Claims), if loss is suffered or a liability is incurred by either Party hereto as a direct result of compliance with directions given by the other Party, during or for the purposes of the Parties' obligations hereunder, then the injured party is to be indemnified by the other in respect of such loss or liability, unless such loss or liability arises due to a negligent act or omission by the Party incurring the loss or liability.

15.2 Where claims arise under Subclause 10.3 (Claims) and Subclause 15.1 (Indemnity), compensation payable in accordance with Subclause 10.3 (Claims) shall be taken into account in assessing sums payable under Subclause 15.1 (Indemnity).

16. Liability

16.1 Neither the Buyers nor the Sellers shall be liable to the other Party for:

- (i) any loss of profit, loss of production whatsoever and whether arising directly or indirectly from the performance or non-performance of the Contract, and whether or not the same is due to negligence or any other fault on the part of either Party, their servants or agents, and
- (ii) any indirect or consequential loss arising out of or in connection with the performance or non-performance of the Contract, whether or not the same is due to any breach of contract, negligence or any other fault on the part of either Party, their servants or agents.

16.2 The Buyer's exclusive remedy for any losses or damages resulting from the sale of the Marine Fuel delivered under the agreement of Sale of Marine Fuel, including but not limited to any allegation of breach of warranty or breach of contract or negligence or strict liability, shall be limited to the price of the Marine Fuel, for which a claim is submitted.

17. Force Majeure

Neither Party shall be liable for any loss, damage or delay due to any of the following force majeure events and/or conditions at the port of delivery which could not reasonably be foreseen at the time of entering into the Contract or guarded against to the extent the Party invoking force majeure is prevented or hindered from performing any or all of their obligations under the contract, provided they have made all reasonable efforts to avoid, minimize or prevent the effect of such events and/or conditions:

- (i) acts of God;
- (ii) any Government requisition, control, intervention, requirement or interference;
- (iii) any circumstances arising out of war, threatened act of war or warlike operations, acts of terrorism, sabotage or piracy, or the consequences thereof;
- (iv) riots, civil commotion, blockades or embargoes;
- (v) epidemics;
- (vi) earthquakes, landslides, floods or other extraordinary weather conditions;
- (vii) strikes, lockouts or other industrial action, unless limited to the employees of the Party seeking to invoke force majeure;
- (viii) fire accident, explosion – except where caused by negligence of the Party seeking to invoke force majeure;
- (ix) any other similar cause beyond the reasonable control of either Party.

The Party seeking to invoke force majeure shall notify the other Party in writing within two (2) days of the occurrence of any such event/condition.

18. Termination

Without prejudice to accrued rights hereunder, either Party hereto shall be entitled to terminate the Contract in the event of:

18.1 any application being made or any proceedings being commenced, or any order or judgment being given by any court, for

- (i) the winding up, dissolution, liquidation or bankruptcy of either Party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver or administrator is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors; or
- (ii) the appointment of a receiver, liquidator, trustee, administrator, administrative receiver or similar functionary of the other Party of all or a substantial part of its assets (otherwise than for the purpose of a reconstruction or amalgamation); or

18.2 any act being done or event occurring which, under the applicable law thereof, has a substantially similar effect to any of the said acts or events described above; or

18.3 either Party is in breach of the provisions of Clause 13 (Sanction Compliance Clause) (if applicable); or

18.4 either Party is in breach of any material provision under the Contract; or

18.5 if a force majeure event as defined in Clause 17 (Force Majeure) prevents or hinders the performance of the Contract for a period exceeding ten (10) consecutive days from the time at which the impediment begins to prevent performance if notice is given without delay or, if notice is not given without delay, from the time at which notice thereof reaches the other Party.

19. Pollution

19.1 In the event of any spillage (which for the purpose of this Clause shall mean any leakage, escape, spillage or overflow of the Marine Fuels) causing or likely to cause pollution occurring at any stage of the bunkering operation, the Buyers and the Sellers shall jointly, and regardless as to whether the Buyers or the Sellers are responsible, immediately take such actions as are reasonably necessary to effect clean up and which shall always be conducted in accordance with such local laws and regulations which may compulsorily apply.

19.2 Where it is a compulsory requirement of the law of the port or place of delivery of the Marine Fuels that the Sellers shall have in place their own oil spill contingency plans, the Sellers shall ensure that they have in place valid oil spill contingency plans.

19.3 Each Party hereby guarantees payment of and/or agrees to indemnify and hold the other Party harmless for any claims, losses, damages, expenses, penalties or other liabilities incurred (including but not limited to those incurred under any state, national or international oil pollution legislation) as a result of any spillage arising out of or in connection with the performance of the Contract where such spillage is caused or contributed to by that Party. To the extent that such spillage is caused or contributed to by any fault on the part of both Parties, each Party shall indemnify the other Party for its respective degree of fault.

19.4 The Sellers shall use their best endeavors to ensure that the owners of the Bunker Tanker are fully insured for oil spill liabilities as required by statutory rules or regulations. If such coverage or insurance is not obtained by the owners of the Bunker Tanker, it shall be the sole responsibility of the Sellers to establish such coverage for their account. Proof and conditions of such coverage, whether established by the Marine Fuels supplying company or by the Sellers shall be made available to the Buyers at their request, as soon as practically possible.

20. Drugs and Alcohol Policy

20.1 Each Party shall enforce a company drug and alcohol policy on board the Vessel and the Bunker Tanker and, in the case of the Sellers, also in their facilities.

20.2 Each company drug and alcohol policies shall meet or exceed the standards in the International Convention on Standards of Training, Certification and Watchkeeping for

Seafarers, 1978, as amended.

20.3 The Buyers' personnel shall comply with the Sellers' policy in the Seller's facilities or on board the Bunker Tanker, and the Sellers' personnel shall comply with the Buyers' policy when on board the Vessel.

20.4 Both Parties acknowledge and agree that the selling, possession, distribution, use or being under the influence of alcohol or any controlled substance or dangerous drugs other than those medically prescribed is prohibited.

21. Confidentiality

21.1 Neither Party shall disclose to third parties any confidential information relating to pre-contractual discussions and/or the terms and conditions of the Contract, except with the prior written consent of the other Party, which shall not be unreasonably withheld, or to the extent required by law, or by a request of a government or its agency thereof.

21.2 The Parties shall take reasonable precautions to ensure that no unauthorized disclosure of confidential information takes place.

21.3 If a Party is uncertain as to whether information is confidential, the Sellers or the Buyers (as the case may be) shall consult with the other Party.

21.4 Should either Party be required by law to disclose confidential information, the disclosing Party will, where permitted, notify the other Party and shall disclose only the minimum confidential information required to satisfy legal requirements.

21.5 Information is not confidential for the purposes of this Clause if it was in the possession of the Party prior to receipt from the other Party; becomes publicly available other than as a result of a breach of the Contract by one of the Parties; or is lawfully received from a third party.

21.6 This clause shall survive termination of the Contract.

22. Third Party Rights

No third parties may enforce any term of the Contract.

23. Assignment

Neither Party shall assign any of their rights under the Contract without the prior written consent of the other Party, such consent not to be unreasonably withheld or delayed, or unless otherwise agreed.

24. Partial Validity

If any provision of the Contract is or becomes or is held to be illegal, invalid or

unenforceable in any respect under any law or jurisdiction, the provision shall be deemed to be amended to the extent necessary to avoid such illegality, invalidity or unenforceability, or, if such amendment is not possible, the provision shall be deemed to be deleted from the Contract to the extent of such illegality, invalidity or unenforceability, and the remaining provisions shall continue in full force and effect and shall not in any way be affected or impaired thereby.

25. Dispute Resolution Clause

25.1 The Contract shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with the Contract shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.

The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.

The reference shall be to three arbitrators. A Party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other Party requiring the other Party to appoint its own arbitrator within fourteen (14) calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other Party appoints its own arbitrator and gives notice that it has done so within the fourteen (14) days specified. If the other Party does not appoint its own arbitrator and give notice that it has done so within the fourteen (14) days specified, the Party referring a dispute to arbitration may, without the requirement of any further prior notice to the other Party, appoint its arbitrator as sole arbitrator and shall advise the other Party accordingly. The award of the sole arbitrator shall be binding on both Parties as if the arbitrator had been appointed by agreement.

Nothing herein shall prevent the Parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.

In cases where neither the claim nor any counterclaim exceeds the sum of USD100,000 (or such other sum as the Parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.

In cases where the claim or any counterclaim exceeds the sum agreed for the LMAA Small Claims Procedure and neither the claim nor any counterclaim exceeds the sum of USD400,000 (or such other sum as the Parties may agree) the arbitration shall be conducted in accordance with the LMAA Intermediate Claims Procedure current at the time when the arbitration proceedings are commenced.

OR

25.2 The Contract shall be governed by and construed in accordance with Singapore** / English** law.

Any dispute arising out of or in connection with the Contract, including any question regarding its existence, validity or termination shall be referred to and finally resolved by arbitration in Singapore in accordance with the Singapore International Arbitration Act (Chapter 143A) and any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.

The arbitration shall be conducted in accordance with the Arbitration Rules of the Singapore Chamber of Maritime Arbitration (SCMA) current at the time when the arbitration proceedings are commenced.

The reference to arbitration of disputes under this Clause shall be to three arbitrators. A Party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other Party requiring the other Party to appoint its own arbitrator and give notice that it has done so within fourteen (14) calendar days of that notice and stating that it will appoint its own arbitrator as sole arbitrator unless the other Party appoints its own arbitrator and gives notice that it has done so within the fourteen (14) days specified, the Party referring a dispute to arbitration may, without the requirement of any further prior notice to the other Party, appoint its arbitrator as sole arbitrator and shall advise the other Party accordingly. The award of a sole arbitrator shall be binding on both Parties as if the arbitrator had been appointed by agreement.

Nothing herein shall prevent the Parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.

In cases where neither the claim nor any counterclaim exceeds the sum of USD150,000 (or such other sum as the Parties may agree) the arbitration shall be conducted before a single arbitrator in accordance with the SCMA Small Claims Procedure current at the time when the arbitration proceedings are commenced.

OR

25.3 The Contract shall be governed by and construed in accordance with the laws of the place mutually agreed by the Parties and any dispute arising out of or in connection with the Contract shall be referred to a dispute resolution forum at a mutually agreed place, subject to the procedures applicable there.

25.4 The parties may agree at any time to refer to mediation any difference and/or dispute arising out of or in connection with the Contract. In the case of any dispute in respect of which arbitration has been commenced under Subclause 25.1, 25.2 or 25.3, the following shall apply:

- (i) Either Party may at any time and from time to time elect to refer the dispute or part of the dispute to mediation by service on the other Party of a written notice (the “Mediation Notice”) calling on the other Party to agree to mediation.
- (ii) The other Party shall thereupon within fourteen (14) calendar days of receipt of the Mediation Notice confirm that they agree to mediation, in which case the Parties shall thereafter agree a mediator within a further fourteen (14) calendar days, failing which on the application of either Party a mediator will be appointed promptly by the Arbitration Tribunal (the “Tribunal”) or such person as the Tribunal may designate for that purpose. The mediation shall be conducted in such place and in accordance with such procedure and on such terms as the Parties may agree or, in the event of disagreement, as may be set by the mediator.
- (iii) If the other Party does not agree to mediate, that fact may be brought to the attention of the Tribunal and may be taken into account by the Tribunal when allocating the costs of the arbitration as between the Parties.
- (iv) The mediation shall not affect the right of either Party to seek such relief or take such steps as it considers necessary to protect its interest.
- (v) Either Party may advise the Tribunal that they have agreed to mediation. The arbitration procedure shall continue during the conduct of the mediation, but the Tribunal may take the mediation timetable into account when setting the timetable for steps in the arbitration.
- (vi) Unless otherwise agreed or specified in the mediation terms, each Party shall bear its own costs incurred in the mediation and the Parties shall share equally the mediator’s costs and expenses.
- (vii) The mediation process shall be without prejudice and confidential and no information or documents disclosed during it shall be revealed to the Tribunal except to the extent that they are disclosable under the law and procedure governing the arbitration.

(Note: The Parties should be aware that the mediation process may not necessarily interrupt time limits.)

Subclauses 25.1, 25.2, and 25.3 are alternatives to be specified as mutually agreed; if this Clause has been incorporated in the Contract without an express choice of law and arbitration forum chosen from Subclauses 25.1, 25.2, and 25.3, then Subclause 25.1 of this Clause shall apply. Subclause 25.4 shall apply in all cases.

**Singapore and English law are alternatives; if Subclause 25.2 is agreed also indicate choice of Singapore or English law, if neither or both are indicated, then English law shall apply by default.

26. Notices

Any Party giving notice under the Contract shall ensure that it is effectively given, and such notice shall be treated as received during the recipients' office hours. If such notice is sent outside the recipients' office hours, it shall be treated as received during the recipients' next working day.

27. Entire Agreement and Priority of Terms

27.1 The written terms of the Contract comprise the entire agreement between the Buyers and the Sellers in relation to the sale and purchase of the Marine Fuels and supersede all previous agreements whether oral or written between the Parties in relation thereto. No amendments to a Contract may be made unless agreed by both Parties in writing.

27.2 Each of the Parties acknowledges that in entering into the Contract it has not relied on and shall have no right or remedy in respect of any statement, representation, assurance or warranty (whether or not made negligently) other than as is expressly set out in the Contract.

27.3 Any terms implied into the Contract by any applicable statute of law are hereby excluded to the extent that such exclusion can legally be made. Nothing in this Clause shall limit or exclude any liability for fraud by any Party to the Contract.

27.4 In the event of a conflict between any of the provisions of these General Terms and Conditions and other terms mutually agreed, other terms mutually agreed shall prevail over the provisions of these Terms and Conditions. If there is a conflict between any of the provisions of these General Terms and Conditions, other terms mutually agreed and the Confirmation Note respectively, the provisions of the Confirmation Note shall prevail over these General Terms and Conditions and other terms mutually agreed to the extent of such conflict, but no further.