

## Standard Bunker Contract General Terms and Conditions

### Preamble

The Seller and its counterparts shall apply these General Terms and Conditions to all deliveries contracted for unless the parties expressly confirm otherwise in the confirmation note (CI 3.1). Each delivery shall constitute a separate contract. The signing of these General Terms and Conditions are not required. These General Terms and Conditions shall prevail and supersede any conflicting terms of other contracts, which the Buyer may seek to enforce against the Seller.

### 1. Definitions

Throughout this contract, except where the context otherwise requires, the following definitions shall be applied:

- 1.1. "Vessel" means a watercraft to be bunkered with the Marine Fuel;
- 1.2. "Marine Fuels" means products, derived from crude oil, delivered or to be delivered to the Vessel.
- 1.3. "Seller" means a company, or another person contracting to sell and deliver Marine Fuels referred to in a confirmation note.
- 1.4. "Buyer" means the party contracting to purchase, take delivery and pay for the Marine Fuels.
- 1.5. "Bunker Tanker" means bunker barge or tanker or tank truck supplying Marine Fuels to the Vessel.

### 2. Brokers and traders

If a purchase of Maritime Fuel is contracted for by a broker, an agent or a manager for a Buyer, each such broker, agent or manager shall be bound by and be fully liable for the obligations of the Buyer. Furthermore, delivery shall always take place on behalf and for the account of the Vessel and the registered Vessel's owners and for the account of the current charterers all of whom shall be jointly and severally liable for the payment of the delivery as Buyers (CI 12.7). The Buyer warrants that the owners or the charterers have authorized the Buyer as agent to order and purchase the Maritime Fuels for delivery to the Vessel, and that the Seller has a lien in the Vessel for its claim.

### 3. Delivery

- 3.1. When ordering Maritime Fuels and/or other goods and services provided herein, the Parties shall specify in the confirmation note submitted via mail or by e-mail (subject to communication rules referred to in CI. 18) the following:
  - 3.1.1. Place of Nomination;
  - 3.1.2. Date of Nomination;
  - 3.1.3. Name of the Buyers (the owners of vessel and/or charterer and/or bunker trader or broker);
  - 3.1.4. The name and IMO of the Vessel to which Marine Fuels to be delivered;
  - 3.1.5. Port or Place of Delivery (CI. 3.3);
  - 3.1.6. Name of Marine Fuels to be delivered;
  - 3.1.7. Estimated time of arrival / Estimated time of sail (departure) / Estimated time of delivery (CI 3.5);
  - 3.1.8. Product(s)/Specifications (CI 4);
  - 3.1.9. Grade(s)/Quantities (CI. 4 and CI. 4);
  - 3.1.10. Price(s) (CI 10);
  - 3.1.11. Payment Terms (CI. 11);
  - 3.1.12. Delivery Means and Additional Charges (CI. 10.2 etc.);
  - 3.1.13. Name of local agent/client's contact number, e-mail and the person in charge (CI. 2, 12.7);
  - 3.1.14. Name of surveyor (if involvement of surveyor is required).
- 3.2. The parties may execute an agreement by way of correspondence when the party submits to other party a draft confirmation note, order or nomination specifying the terms of delivery referred to in CI. 3.1 and the other party accepts an order by its confirmation.
- 3.3. Unless the parties agree otherwise, the Maritime Fuels shall be delivered on the terms FOB Incoterms 2010 – the Vessel in the Port of Ust-Luga (the Russian Federation).
- 3.4. Delivery of the Marine Fuels shall be made day and night, Sundays and holidays included, at the port or place of delivery, subject always to the custom of that port or place.
- 3.5. The Buyers, or their agents at the port or place of delivery, shall give the Seller or its representatives at the port or place of delivery, 72 and 48 hours approximate and 24 hours definite notice of the Vessel's arrival and the location and time at which deliveries are required.
- 3.6. In the event the Nomination addresses a spread of dates for delivery, the Seller has the sole discretion to commence the delivery within any time, day/night/of these dates, always subject to the circumstances set out below in CI 3.7.
- 3.7. The Vessel shall under all circumstances be bunkered as promptly as the prevailing circumstances permit, having regard to congestion affecting the delivery facilities of the Seller, its suppliers or agents and to prior commitments of the Seller.
- 3.8. The Vessel in question shall be accessible at all times to the Seller and shall be bunkered as promptly as the circumstances permit. The Seller shall not be liable for any demurrage paid or incurred by the Buyer or for any loss, damage or delay of the Vessel of any nature whatsoever due to congestion at the loading terminal, prior commitments of available barges or tank trucks or any other reason.

- 3.9. If the Buyer fails to take delivery of the product or any part thereof within the agreed period of delivery, the provisions of CI 13.4 shall be applicable.
- 3.10. If the Seller at any time for any reason believes that there may be a shortage of supply at any place and that it as a result thereof may be unable to meet the demands of all its customers, the Seller may allocate its available and anticipated supply among its customers in such a manner as it may determine most reasonable in its sole discretion.
- 3.11. Each party shall 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.
- 3.12. The Master of the Vessel shall<sup>^</sup>
  - 3.12.1. advise the Seller, prior to delivery, of the maximum allowable pumping rate and pressure and agree on communication and emergency shut-down procedures;
  - 3.12.2. notify the Seller 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;
  - 3.12.3. provide a free side to receive the Marine Fuels and render all necessary assistance, which may reasonably be required to moor or un-moor the Bunker Tanker, as applicable.
- 3.13. 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.
- 3.14. The Seller may refuse to deliver products into any Vessel's tanks, which are not normally used for such product. The Seller is not obliged to verify tanks.
- 3.15. The Buyer shall be responsible to keep the delivered Maritime Fuels segregated from any Maritime Fuel(s) or other products on-board the Vessel or from a different delivery to the Vessel. In no event shall the Seller be responsible for the quality and compatibility of the Maritime Fuels delivered if the Seller's Maritime Fuels is mixed or comingled with any other product(s) on-board the receiving Vessel. The Buyer shall be solely responsible for any losses caused by mixing or comingling the Maritime Fuels with any other oil, including any damage the Maritime Fuels may cause on other products on board the Vessel.

### 4. Grades/Quality

- 4.1. The Buyers shall have the sole responsibility for the nomination of the grades of Marine Fuels fit for use by the Vessel.
- 4.2. The Seller warrant that the Marine Fuels shall be of a homogeneous and stable nature, shall comply with the grades nominated by the Buyers and be of satisfactory quality. Unless otherwise agreed in the confirmation note, the Marine Fuels shall in all respects comply with ISO Standard 8217:1996 or any subsequent amendments thereof.

### 5. Quantities/Measurements

- 5.1. Subject to the provisions of CI 8 (remarks at delivery and claims), the quantities of Marine Fuels delivered shall be determined from the official certified gauge or certified meter of the Bunker Tanker effecting delivery, or in delivery ex wharf, of the shore-meter.
- 5.2. The Buyers and the Seller shall both have the right to be present or represented when such measurements are taken and shall be given sufficient information and access to the official gauge or meter of the Bunker Tanker or shore-meter and relevant documentation to verify the volume delivered. The Buyer has the right to involve a bunkering surveyor to verify delivery and quantities.
- 5.3. The Marine Fuels shall be measured and calculated in accordance with the ISO-ASTM-API-IP Petroleum Measurement Tables.
- 5.4. The quantity delivered to the Vessel shall comply with a confirmation note or other document providing an agreed quantity.
- 5.5. A tolerance in respect of the quantity agreed where the Seller may provide, and the Buyer shall accept a variation of up to 5% from the agreed quantity, with no other consequence than a similar variation to the corresponding invoice from the Seller.

### 6. Documentation

- 6.1. Each party shall be in possession of all permits and certificates required to comply with all relevant regulations pertaining to delivery of Marine Fuels at the port or place of delivery.
- 6.2. Immediately after arrival of the Vessel the Buyer's representatives (representatives of the Vessel or nominated agents) should give the Seller set of original documents necessary for customs clearance of Maritime Fuels. In case of not-forwarding of documents necessary for customs clearance of the Maritime Fuels, the Seller decline responsibility for timely delivery of the Maritime Fuels.
- 6.3. Before commencement of delivery the Seller shall present for written acknowledgement by the Master of the Vessel or his authorised representative, a bunker requisition form or similar document, duly signed by the Seller or its representative, which shall contain the quantities to be delivered and all information required in accordance with ISO/TR 13739:2010 or any subsequent amendments thereof, including, in particular, the values for:
  - 6.3.1. Viscosity;
  - 6.3.2. Density;

- 6.3.3. Sulphur content;  
6.3.4. Flash point;  
6.3.5. Delivery temperature-  
In addition, and if available, similar information shall be provided for, ash content, water content and pour point.
- 6.4. Once the delivery is completed and quantities measured, a receipt shall be signed and stamped by the Master of the Vessel or his authorised representative, and returned to the Seller, or its representative, as acknowledgement of the actual volume and a duplicate copy shall be retained by the Master of the Vessel. This receipt shall contain the following minimum information which is warranted by the Seller:  
6.4.1. Delivered quantity in volume units;  
6.4.2. Density in kg/m<sup>3</sup> at 15o C as per ISO 3675 edition effective at the delivery date;  
6.4.3. Delivery temperature;  
6.4.4. Flash point;  
6.4.5. Sulphur content in % m/m as per ISO 8754 edition effective at the delivery date;  
6.4.6. Viscosity.
- 6.5. The Seller shall not be deemed to have any constructive knowledge of the authority or lack of authority of any purported local representative of Buyer and shall be under no duty to verify authority of such purported representative. The acceptance of the aforesaid signed receipt in good faith by Seller shall bind Buyer.
- 6.6. The quantity specified in the receipt shall be deemed to be final and is not subject to revision. In case the surveyor is involved the document issued, signed or otherwise approved by the surveyor.
- 7. Sampling**
- 7.1. The Seller shall arrange for a representative sample of each grade of Marine Fuels to be drawn throughout the entire bunkering operation and that sample shall be thoroughly mixed and carefully divided into four (4) identical samples. The sampling shall be performed in the presence of both the Seller and the Buyers or their respective representatives. The absence of the Buyers or their representatives shall not prejudice the validity of the samples taken.
- 7.2. The sample shall be drawn at a point closest to the receiving Vessel's bunker manifold.
- 7.3. The sample shall be drawn using a mutually accepted sampling device, which shall be constructed, secured and sealed in such a way so as to prevent the sampling device and the sample being tampered with throughout the transfer period.
- 7.4. The four (4) identical samples referred to in sub-clause 7.1 shall be securely sealed and provided with labels showing the Vessel's name, identity 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 Seller's representative and the Master of the Vessel or his authorized representative.
- 7.5. The Seller shall retain two (2) samples for maximum thirty (30) 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 Vessel shall retain the other two (2) samples.
- 7.6. If the quantity is delivered by more than one Bunker Tanker, the sampling procedure shall be repeated as outlined in this Cl 7.
- 7.7. Unless otherwise agreed to in writing by the Seller, only samples provided by the Seller to the Buyer at the time of delivery shall be deemed representative of the Maritime Fuels delivered to the Buyer.
- 7.8. Any eventual samples drawn by the Buyer's personnel either during bunkering or at any later date after bunkering shall not be valid as indicator of the quality supplied. The fact that such samples may eventually bear the signature of personnel on board the Bunker Tanker or other delivery conveyance shall have no legal significance as such local personnel have no authority to bind the Seller to different contractual terms.
- 8. Claims related to quality and quantity**
- 8.1. Any claims and complaints of the Buyer or the Master of the Vessel regarding a sampling, quality, quantity or any other matter concerning the Marine Fuels or their delivery, must be made by the Master at the time and place of delivery in in the receipt either detailing the complaints or referring to a separate letter of protest to be issued and delivered immediately.
- 8.2. If the Master fails to make a respective remark regarding a negative aspect of delivery, which could have been noticed or discovered by any crue member, the Buyer's claim shall be deemed to be waived and barred, provided there is no willful misconduct or fraud on the part of the Seller.
- 8.3. Should the Buyer have any claims, remarks or protests regarding quantity of the Maritime Fuel, the Seller has the option to leave delivery equipment connected to the Vessel until a quantity dispute has been resolved to Seller's satisfaction. The Seller may suspend the delivery and involve the surveyor or take any other appropriate measures to verify the remarks of the Buyer and/or to ascertain the quantity or quality of the Maritime Fuel delivered to the Vessel. All the costs and expenses arising out of or related to prolongation of time of delivery, taking additional measurements, inspections, services of the surveyor, demurrage, loss of the Seller's profit etc. shall be borne by the Buyer if the Buyer's claims, remarks or protests have been proven to be wrong.
- 8.4. Verification of the information provided under sub-clause 6.4 may be obtained by analysis of the Vessel's retained sample.
- 8.5. Any claim as to the quality or description of the Marine Fuels must be notified in writing, as per sub-clause 8.1 or promptly after the circumstances giving rise to such claim have been discovered but in any case not later than 15 (fifteen) days after the delivery. If the Buyers do not notify the Seller of any such claim within fifteen (15) days of the date of delivery, claims as to the quality shall be deemed to be waived and barred, unless there are clear evidence that the Seller was aware of non-conforming quality of the Marine Fuel in which case the general limitation time for the Buyer's claims set forth in Cl 13.8 is applicable.
- 8.6. In the event a claim is raised pursuant to sub-clause 8.4, the parties hereto shall have the quality of the Marine Fuels analysed by a mutually agreed, qualified and independent laboratory. The parties are to use best endeavors to agree the independent laboratory to perform the tests.
- 8.7. In the event of a dispute over the quality of the Bunkers delivered, the samples drawn pursuant to clauses related hereto above in Cl 7 shall be deemed to be conclusive and final evidence of the quality of the product delivered.
- 8.8. The Seller shall provide the laboratory with one of the samples retained by them as per sub-clause 7.5. One, and only one, of the samples retained by the Seller shall be forwarded to an independent laboratory to perform a set of tests, the result of which are to be made available to both parties.
- 8.9. If, after 10 (ten) calendar days from the date that the Buyer registers a quality complaint to the Seller, no agreement on the choice of laboratory has been reached between the two parties, the Seller reserves the right to have one of its retained sealed samples independently analysed in a reputable and independent laboratory of the Seller's choice. The results of the test shall be final and be binding upon both parties.
- 8.10. If ISO grades have been specified the analysis shall be established by tests in accordance with standards referred to in Cl 4.2 or any subsequent amendments thereof. If non-ISO grades have been agreed, tests will be made in accordance with standards corresponding to the aforementioned ISO standards. Unless otherwise agreed the expenses of the analysis shall be for the account of the party whose claim is found wrong by the analysis.
- 8.11. The cost of any analysis shall be borne by the Buyer, unless the complaint as to the quality is shown to be justified.
- 8.12. The Seller shall have no liability for claims arising in circumstances where the Buyer may have commingled the products on board the Vessel with other fuels (Cl 3.15).
- 9. Risk/Title**
- 9.1. Risk in the Marine Fuels shall pass to the Buyers once the Marine Fuels have passed the Seller's flange connecting the Vessel's bunker manifold with the delivery facilities provided by the Seller.
- 9.2. Title to the Marine Fuels shall pass to the Buyers upon payment for the value of the Marine Fuels in full.
- 9.3. Until such time as payment is made, on behalf of themselves and the Vessel, the Buyers agree that they are in possession of the Marine Fuels solely as Bailee for the Seller. If, prior to payment, the Seller's Marine Fuels are commingled with other marine fuels on board the Vessel, title to the Marine Fuels shall remain with the Seller corresponding to the quantity of the Marine Fuels delivered. The above is without prejudice to such other rights as the Seller may have under the laws of the governing jurisdiction against the Buyers or the Vessel in the event of non-payment.
- 10. Price**
- 10.1. The price of the Marine Fuels shall be in USA dollars and in the amount expressed per unit and in the currency stated in the confirmation note for each grade of Marine Fuels delivered into the Vessel's tanks free delivered/ex wharf as applicable and stated in the confirmation note. In the event the price is quoted in volume units, conversion to standard volume shall be at 60 degrees Fahrenheit or at fifteen (15) degrees Celsius.
- 10.2. Any and all additional charges, if applicable, shall be specified in the Seller's quotation and in the confirmation note and shall include but not be limited to:  
10.2.1. Wharfage charges, barging charges or other similar charges;  
10.2.2. Mooring charges or port dues incurred by the Seller which are for Buyers' account; and;  
10.2.3. Duties, taxes, charges or other costs in the country where delivery takes place, for which the Seller is accountable but which are for the Buyers' account.
- 10.3. Unless the ETA date range agreed under the Contract is wider than 4 (four) calendar days, the Buyer's Vessel shall begin to take delivery of the Marine Fuel within the 4-day range of three calendar days after the earliest estimated ETA. The Contract price shall be valid only for deliveries begun within such period. If the Vessel arrives to the Place of Delivery (Cl. 3.1.5, 3.3) later than 4 days after ETA agreed by the Parties, the Seller is entitled to amend the Price and ETA by a price amendment notice sent to the Buyer. If the Buyer does not accept the amended price immediately or within the term granted in the price amendment notice, the Seller may cancel or terminate the agreement with no liability for such termination. Should the Buyer accept the amended price constantly or within the term granted in the price amendment notice the amended price to be applied for 4-day period starting from a new ETA.
- 10.4. If the Vessel will not leave the territory of the Russian Federation within 180 days after delivery, the Seller may demand from Buyer and/or the Charterer and/or the Vessel owner the *value added tax related remuneration* (VAT remuneration) amounting to 18 per cent of the price. The Buyer shall pay the VAT remuneration to the Seller within 5 days after receipt of the claim for VAT remuneration. If the tax authorities imposed penalties, interests or other pecuniary sanctions against the Seller in connection with the Buyer's failure to export the Marine Fuel timely, the Buyer and the Vessel's owner or charterer shall jointly and severally compensate the Seller for such penalties and other pecuniary sanctions or costs.

**11. Payment**

- 11.1. Payment for the Marine Fuels shall be made by the Buyers within thirty (30) calendar days or, if otherwise agreed, within the number of days stated in the confirmation note after the completion of delivery. In the event payment has been made in advance of delivery, same shall be adjusted on the basis of the actual quantities of Marine Fuels delivered and additional payment and/or refund shall be made within thirty (30) calendar days after the completion of delivery.
- 11.2. Payment shall be made in full, without counterclaim, deduction and/or discount, free of bank charges. When paying, the Buyer shall not be entitled without the Seller's consent in writing, to offset any amounts for claims against Seller, whether or not these claims are connected, and whether or not they arise out of the contract.
- 11.3. Payment shall be deemed to have been made on the date the payment is credited to the counter of the bank designated by the Seller. If payment falls on a non-business day in the place of delivery, then payment shall be made on or before the business day nearest to the due date. If the preceding and succeeding business days are equally near to the due date, then payment shall be made on or before the preceding business day.

**12. Remedies for failure to pay**

- 12.1. Any delay in payment and/or refund shall entitle either party to interest at the rate of **0.2 per cent** of an outstanding amount per each calendar day.
- 12.2. In the event of non-payment, the Seller reserves the right to pursue such legal remedies as may be available to the Seller to recover the amount owed.
- 12.3. All costs borne by the Seller in connection with the collection of overdue payments, whether made in or out of court and in general all costs in connection with breach of this agreement by the Buyer, shall be for the sole account of the Buyer.
- 12.4. In case of non- or short payment for the Maritime Fuels by the Buyer, the Seller is entitled to take back the Maritime Fuels without prior juridical intervention, without prejudice to all other rights or remedies available to the Seller.
- 12.5. If the Buyer is in default of the full payment, or if it's financial condition, in Seller's sole opinion becomes impaired or if proceedings in bankruptcy or insolvency are instituted by and or against the Buyer or in the case of liquidation or dissolution of the Buyer, or any other reason at Seller's sole discretion, any and all postponed or deferred payments including interest thereon, shall become immediately due and payable and the Seller reserves the right to off set the same against any debts due to Buyer or its holding or its subsidiary companies, affiliates, associated or related companies. Exercise of any such rights shall be without prejudice to the Seller's rights to recover damages or losses sustained and resulting from any default by the Buyer, and the Seller shall have the right to suspend/and to cancel deliveries hereunder.
- 12.6. The Seller shall at all times, in its absolute discretion, be entitled to require the Buyer to provide the Seller what the Seller deems to be proper security for the performance of all of Buyer's obligations under the agreement. Failing immediate provision of such security upon Seller's demand, the Seller shall be entitled to stop any further execution of any agreement(s) between the parties until such time as the Buyer has provided the required security.
- 12.7. Maritime Fuels and services delivered under a Contract shall be made not only on the account of Buyer but also on the account of the receiving Vessel. The Buyer warrants that Seller has the right to assert and enforce an arrest or a lien against the receiving Vessel (CI 2) or sistership thereof for the amount of the product price and/or maritime lien and/or services provided, plus without limitation, any other expenses related to enforcement of the lien or arrest or attachment of the Vessel.
- 12.8. Any notice or any stamp in the Bunker Delivery Receipt or similar cannot waive the Seller's maritime lien on the Vessel.
- 12.9. In the event that the Maritime Fuels have been mixed with other products onboard the Vessel, the Seller shall have the right of lien to such part of the mixed products as corresponds to the quantity or net value of Bunkers delivered.
- 12.10. In case the Vessel has leaved the place of delivery and/or the Maritime Fuels, in part or full, are no longer present or can no longer be identified or distinct from other Maritime Fuels, the Seller has the right to arrest/attach the Vessel and/or sister ship and/or any other assets of the Buyer (or the Owner of the Vessel) wherever situated in the world without prior notice.

**13. Liability**

- 13.1. The Buyer shall be liable towards the Seller and herewith undertakes to indemnify the Seller for any and all damages and/or costs suffered or otherwise incurred on the Seller due to a Buyer's breach and/or fault or neglect of the Buyers, its supplier, agents, servants, (sub)contractors, representatives, employees and the officers, crews and/or other people whether or not on-board of the respective Vessel(s).
- 13.2. The Buyer furthermore undertakes to hold the Seller harmless in case of any third party institutes a claim of whatever kind against the Seller whether direct or indirect relation to any agreement regulated by these terms and conditions. Third party shall mean any other (physical or legal) person/company than the person or legal entity stated in the confirmation note, nomination or similar document.
- 13.3. No limitation of liability provided herein shall be applicable and neither party may involve liability limits (compared to those provided under the applicable law and/or admitted in marine bunkering practice) if a liability have arise of or damage or loss resulted from an intentional breach or willful misconduct.

- 13.4. If the Buyer fails to take delivery of the product or any part thereof within the agreed period of delivery or if the Buyer for whatever reason is unable or refuses to receive the full quantity ordered:

13.4.1. the Buyers shall pay the penalty **USD 400** per each hour of delay with accepting the Maritime Fuels; and

13.4.2. in addition to the penalty referred to in Cl. 13.4.1, the Buyer shall be charged for all proven additional expenses incurred by the Seller in connection with the Buyers' failure to take delivery of the full quantity of the Maritime Fuels ordered by the Buyers.

13.4.3. The Seller shall be entitled at Buyer's risk and expense, either to transport the product back to storage or to sell in a downgraded form at a market price without prejudice to Seller's other rights under this Contract for damages. Seller shall at its sole discretion determine what constitutes a reasonable time to terminate the delivery; and

13.4.4. The Buyer shall be responsible for any and all demurrage, detention or additional expenses incurred by the Seller. In addition, the Buyer shall compensate the Seller for any loss or damage which the Seller may suffer as a result of such failure, including but not limited to any loss of profit on any resale of the Maritime Fuel, and the Buyer shall bear the risk of the return transport, storage or selling of the Maritime Fuel.

13.4.5. the Seller shall have the right to invoice the Buyer for the loss incurred by having to transport the undelivered Maritime Fuels back to the storage or by having to sell the Maritime Fuels in a degraded form at a lower price than that applicable to the grade originally nominated by the Buyer. The Seller may use this right without prejudice to the Seller's other rights for damages or otherwise pursuant to these terms.

**13.5. Limitation of liability of the Seller**

13.5.1. In any event and notwithstanding anything to the contrary herein, liability of the Seller shall under no circumstances exceed the purchase price (invoice value) of the Maritime Fuels supplied to the Vessel under the relevant order (Seller's Total Liability).

13.5.2. The Seller shall never be liable for indirect or consequential or economic loss, including but not limited to demurrage, loss of hire, loss of profit, loss of product, loss of use, loss of revenue (if any), loss decrease or loss of value, proceeds of sale of cargo or charter cancelling etc.

13.5.3. The Seller's liability for quality and quantity is always subject to proper notification within terms provided herein. Should the Buyer fail to notify about shortages or defects within the terms specified in Cl 8.1-8.5 accordingly, the Seller bears no liability and the Buyer shall be deemed to have waived any rights and/or claims (the Buyer would otherwise have) with respect to defects and or other deficiencies of the delivery unless the Seller was aware of a shortage or protested defect of Marine Fuel.

13.5.4. In case of de-bunkering the Seller's liability is limited, without prejudice to other provisions, to 3 days of time charter equivalent in the charter agreement in which the vessel employed and subject always to the Seller's Total Liability as stated in Cl 13.5.1. In case of de-bunkering the nonconforming Marine Fuel shall be returned to the Seller, if the Seller so demands.

13.5.5. The Seller shall have no liability for damage caused by the Marine Fuel to the machinery or other property of the Buyer or its principal or for the consequences of such damage.

13.5.6. In case of delay of delivery the Seller shall pay the Buyer liquidated damages (penalty) at the rate of 0,015 per cent of the purchase price per each day of delay, subject to maximum amount of 12 per cent of the contract price, and subject always to the Seller's Total Liability as stated in Cl 13.5.1.

13.5.7. The Seller shall not be liable for any consequences or any time lost due to the Buyer's or the Vessel having to wait for berth for bunkering or for completion of bunkering, and unless otherwise agreed in writing, the Seller shall not be obligated to deliver prior to the nominated date or spread of dates.

13.5.8. The Seller's liability for the delay shall be in any case limited to penalty at the rate and up to the maximum set forth in Cl 13.5.6 unless the parties directly agree another rate and/or maximum in writing. All damages arisen out of delay shall be deemed to be recovered by this penalty. No damages, losses, costs and whatsoever expenses or compensation may be demanded in addition or above the penalty for delay.

13.5.9. In case of termination of the contract due to Seller's delay the Seller's liability for the Buyer's losses arising out of the termination is limited to maximum penalty set forth in Cl 13.5.6.

13.5.10. The Seller bears no liability towards third parties. The Buyer shall indemnify and defend the Seller against any claims, losses or costs of whatever kind submitted by third parties. Third party shall mean any other (physical or legal) person/company than the person or legal entity stated in the confirmation note, nomination or similar document.

13.5.11. Without prejudice to Cl 13.5.5, any liability for damages to the Vessel shall in any event be reduced by 20 (twenty) per cent of the invoice value of spare parts for each year or fraction thereof in which the replaced part has been in use.

- 13.6. Each party accepts sole and separate responsibility and liability for the death or personal injury of its own personnel, and the personnel of those entities for whom they are responsible under the contract, irrespective of the cause of death or personal injury, and whether or not caused by the negligence or gross negligence of the other party, or those entities for whom the other party are responsible under the contract. Each party further agrees to indemnify and hold harmless the other party, as regards both liability and legal costs, in the event that aforesaid personnel or their defendants pursue claims for death or personal injury against the party who is not responsible for the under this allocation of liability.

- 13.7. The Buyer undertakes that no claim or allegation whether arising in contract, tort or otherwise shall be made against any servant, agent or sub-contractor of the Seller which imposes or attempts to impose upon any of

- them or any vessel owned or chartered by any of them any liability whatsoever in connection with the Marine Fuel or the delivery whether or not arising out of negligence on the part of such person, and, if any such claims or allegation should nevertheless be made, to indemnify the Seller against all consequences thereof.
- 13.8. In addition to terms for submission of claims as to quantity and quality (Cl 8), any and all claims of the Buyer shall, in each and every case, be time-barred and expired and the Seller's liability shall be cease by and upon the mere lapse of 12 months from the delivery of the Maritime Fuels or the date when delivery should have commenced (the limitation period), unless arbitration/legal proceedings have been commenced/issued at the competent tribunal/court set forth in Cl 17 below and served within the limitation period provided herein.
- 13.9. The limitation period for the Seller's claims, including the claims with respect to payments for the Marine Fuel, shall be 3 (three) years from the day when the outstanding amount became due.
- 14. Termination**
- 14.1. Without prejudice to accrued rights hereunder, either party hereto shall be entitled to terminate the contract in the event of:
- 14.1.1. any application being made or any proceedings being commenced, or any order or judgment being given by any court, for
- (i) the liquidation, winding up, bankruptcy, insolvency, dissolution, administration or re-organisation or similar, 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);
- 14.1.2. the other party suspending payment, ceasing to carry on business or compounding or making any special arrangement with its creditors, or;
- 14.1.3. 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.
- 14.2. Notwithstanding any other provisions of the agreement, if the agreement is terminated or canceled or declared to be null and/or void either by a judicial or arbitration award (order) or by a declaration of the party, the provisions which impose an obligation after termination or expiration of the agreement shall survive, including provisions related to confidentiality, litigation or arbitration, jurisdiction, applicable law, restitution, limitations of liability, shall survive such termination and remain in full force and effect, and each party shall remain liable for any breach of an agreement prior to its termination.
- 15. Force Majeure**
- Neither party hereto shall be responsible for any loss, damage, delay or failure in performance under this Contract resulting from an act of God, or the port of delivery being affected by war, civil commotion, riot, quarantine, strike, stoppage, lock-out, arrest, restraint of princes, rulers and people, or any other event whatsoever which cannot be avoided or guarded against by the exercise of due diligence.
- 16. Safety and the Environment**
- 16.1. 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 Seller shall jointly, and regardless as to whether the Buyers or the Seller is 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.
- 16.2. Where it is a compulsory requirement of the law of the port or place of delivery of the Marine Fuels that the Seller shall have in place its own oil spill contingency plans, the Seller shall ensure that valid oil spill contingency plans approved by the relevant authorities are in effect to the extent that is so required.
- 16.3. The Seller hereby guarantee payment of and/or agree to indemnify and hold the Buyers harmless for any claims, losses, damages, expenses, penalties or other liabilities incurred by the Buyers under the national or international oil pollution legislation, as a result of any spillage occurring whilst the Marine Fuels are being transported directly or indirectly to or from the Vessel's bunker manifold except to the extent that such spillages caused by any fault on the part of the Buyers. The Buyers shall similarly indemnify the Seller where any such spillage occurs once risk in the Marine Fuels has passed to the Buyers except to the extent that such spillage is caused by any fault on the part of the Seller.
- 16.4. The Seller shall use its best endeavours to ensure that the bunker supplying company is fully insured for oil spill liabilities as required by statutory rules or regulations. If the bunker supplying company does not obtain such coverage or insurance it shall be the sole responsibility of the Seller to establish such coverage for its account. Proof and conditions of such coverage, whether established by the bunker supplying company or by the Seller shall be made available to the Buyers at their request, as soon as practically possible.
- 16.5. Each party shall enforce a company drug and alcohol policy in their facilities on board their vessels, which the personnel must comply with, another party's personnel must not be intoxicated with drug and alcohol. It is understood and agreed 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.
- 17. Applicable law and Dispute Resolution**
- 17.1. Unless the parties agree otherwise this contract shall be governed by the laws of the Russian Federation.
- 17.2. Any dispute, controversy or claim arising out of or in connection with this contract, or the breach, termination or invalidity thereof, shall be finally settled by arbitration administered by the Arbitration Institute of the Stockholm Chamber of Commerce (the "SCC").
- 17.3. The Rules for Expedited Arbitrations shall apply where the amount in dispute does not exceed USD 300,000. Where the amount in dispute exceeds USD 300,000 the Arbitration Rules shall apply. The Arbitral Tribunal shall be composed of a sole arbitrator where the amount in dispute exceeds USD 300,000 but not USD 1,000,000. Where the amount in dispute exceeds USD 1,000,000, the Arbitral Tribunal shall be composed of three arbitrators. The amount in dispute includes the claims made in the Request for Arbitration and any counterclaims made in the Answer to the Request for Arbitration.
- 17.4. The seat of arbitration shall be Stockholm.
- 17.5. The language to be used in the arbitral proceedings shall be English.
- 18. Notices**
- 18.1. All notices, nominations, confirmation notes, consents, waivers, and other communications under this Agreement must be in writing and will be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) sent by fax at number stated in the confirmation note (with written confirmation of receipt), or (c) when received by the addressee, if sent by a nationally recognized overnight delivery service (receipt requested), in each case to the appropriate addresses and fax numbers set forth in the confirmation note (or to such other addresses and fax numbers as a party may designate by notice to the other parties).
- 18.2. The notices, nominations, confirmation notes and other messages via e-mail are deemed to be delivered properly when sent to the email address stated in the confirmation note or to other email address addressee uses in the communication with the other party on the regular base.
- 19. Validity**
- 19.1. These terms and conditions shall be valid and binding for all offers, quotations, prices and deliveries made by seller, any associated company, representative or agent as of December 10, 2015, or at any later date.
- 19.2. These terms and conditions are available at the website [www.penn-bunkering.com](http://www.penn-bunkering.com) on which site as well the Seller may notify amendments, alterations, changes or verifications to same. Such amendments, alterations, changes or verifications are deemed to be a part of the entire terms once same have been advised on the website.

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