GENERAL TERMS & CONDITIONS FUELSUPPLY APS

1 General

1.1 This is a statement of General Terms and Conditions on which FUELSUPPLY APS ("Seller") will sell Marine Fuels. No variation of these General Terms and Conditions shall be valid unless expressly agreed in writing by Seller.

2 Definitions

2.1 Throughout this document the following definitions shall apply:
  "Seller" means FUELSUPPLY APS and / or any office, branch office, affiliate or associate of the FUELSUPPLY APS
  "Buyer" means the vessel supplied and jointly and severally her Master, Owners, Managers/Operators, Disponent Owners, Time Charterers, Bareboat Charterers and Charterers or any party requesting offers or quotations for or ordering Marine Fuels and/or Services and any party on whose behalf the said offers, quotations, orders and subsequent agreements or contracts have been made.
  "Marine Fuels" means products, derived from crude oil as generally offered to the Seller's customers for similar use at the time and place of delivery and/or services connected thereto.
  "Owner" means the registered Owner or Bareboat Charterer of the vessel.
  "Vessel" means the Vessel, Ship, Barge or Off-Shore Unit that receives the supply/bunkers, either as end-user or as transfer unit to a third party.

3 Specifications (Quality - Quantity)

3.1 The Marine Fuels to be delivered hereunder shall be Seller's or Seller's supplier's commercial grades of Marine Fuels as currently offered generally to its customers for similar use at the time and place of delivery.

3.2 Information regarding the typical characteristics of the Marine Fuels at any delivery location shall only be indicative of the Marine Fuels that have been made available at that location and shall not form part of the specification of Marine Fuels to be delivered.

3.3 Buyer shall have the sole responsibility for selection and fitness for any particular purpose of the Marine Fuels. The Seller shall assume no responsibility what so ever for the compliance by Buyer of any requirement regarding the quality, Sulphur content or other characteristics of the Marine Fuels. All warranties regarding the satisfactory quality, merchantability, fitness for purpose, description or otherwise, are hereby excluded.

3.4 In respect of the quantity agreed upon the Seller shall be at liberty to provide, and the Buyer shall accept a variation of 5% from the agreed quantity, with no other consequence than a similar variation to the corresponding invoice from the Seller.

4 Price

4.1 The Price of the Marine Fuels shall be in the amount expressed per unit and in the currency stated in the Bunker Confirmation for each grade of Marine Fuels delivered into the Vessels tanks, free delivered/ex-wharf as applicable and stated in Bunker Confirmation. In the event the price is quoted in volume units, conversion to standard volume shall be at sixty (60) degrees Fahrenheit or at fifteen (15) degrees Celsius.

4.2 Any and all additional charges, if applicable, shall be specified in the Sellers quotation and in the Bunker Confirmation and shall include but not be limited to: Wharfage charges, barging charges or other similar charges. Mooring charges or port dues incurred by the Sellers which are for Buyers account and Duties, taxes, charges or other cost in the country where delivery takes place for which the Sellers are accountable but which are for the Buyers account.

4.3 Any offer or price quotation in respect of Marine Fuels shall, unless otherwise agreed by Seller, be valid until 17.00 hours local time of the day the offer or price quotation was given.
### Delivery and transfer of title

**5.1** Seller shall not be required to deliver Marine Fuels into any of the vessel's tanks which are not regularly used for bunkers and shall not be required to deliver any fuel for the export of which a Government permit is required and has not been obtained.

**5.2** Vessel shall be bunkered as promptly as prevailing circumstances permit having regard to congestion affecting the delivery facilities of Seller, its suppliers or agents and to prior commitments of barges. Seller shall not be liable for any consequences or any time lost due to Buyer’s vessel having to wait for berth for bunkering or for completion of bunkering. Seller shall not be obligated to deliver Marine Fuels prior to the nominated delivery time.

**5.3** Delivery shall be made in bunker lots at wharf or at store terminals of Seller or Seller’s supplier or by barge where barging facilities are available.

**5.4** In the event of delivery by barge, Buyer shall provide free of cost a clear and safe berth for the barge(s) alongside the vessel’s receiving lines.

**5.5** Buyer shall make connection between the pipelines or delivery hoses and vessel’s intake lines, and shall render all other necessary assistance and provide sufficient tankage and equipment to receive promptly all deliveries hereunder.

**5.6** Delivery shall be deemed to take place when the Marine Fuels reach the flange connecting the pipelines or delivery hoses with the intake line of the vessel, at which point Seller’s responsibility shall cease and Buyer shall assume all risks, including loss, damage, deterioration, depreciation, evaporation or shrinkage as to the Marine Fuels so delivered. Title to the Marine Fuels shall pass to Buyer only upon payment for the value of the Marine Fuels, pursuant to the terms of Clause 9 hereof.

**5.7** If Buyer fails to receive or rejects any amount of the full quantity ordered and tendered, Buyer shall be liable for all expenses and loss incurred by Seller and arising out of such failure or rejection by Buyer including any loss incurred by having to transport the fuel back to the storage or by having to sell the fuel in a degraded form at a price lower than that applicable to the grade originally nominated by Buyer without prejudice to Seller’s other remedies.

**5.8** Work in connection with delivery outside normal working hours or on public holidays, Saturdays, Sundays or outside normal harbor limits shall be paid for by Buyer at the rates then applicable for such work in addition to the price.

**5.9** Buyer shall pay Seller for delivery services at the rates applicable on the date of delivery and for all additional charges incurred in connection with the delivery, including but not limited to, port dues, wharfage, mooring and unmooring, barge hire, demurrage, provision of additional hose in excess of that normally available and the use of all oil pollution control equipment required to effect delivery. The Buyer further agrees to pay and indemnify against all claims and expenses for any loss, damage or delay caused by Buyer’s vessel to the barge.

**5.10** If the Seller at any time for any reason believes that there will be a shortage of Marine Fuels at any place of delivery and that the Seller, as a consequence thereof, will not be able to meet the demands of all its customers, then the Seller shall be allowed at its own discretion to choose among its customers how supplies are to be allocated.

### Measurements

**6.1** The quantities of bunkers shall be determined from the official gauge or meter of the bunkering barge or tank delivery or of the shore tank in case of delivery ex-wharf.

**6.2** The Chief Engineer or his representative shall together with the Seller’s representative measure and verify the quantities of Bunkers delivered from the tank(s) from which the delivery is made.

**6.3** Should the Chief Engineer or his representative fail or decline to verify the quantities, the measurements of quantities made by the Seller shall be final, conclusive and binding and the Buyer shall be deemed to have waived any and all claims in regard to the variance.
7 Sampling

7.1 The Seller shall arrange for four (4) identical representative samples of each grade of Bunkers to be drawn throughout the entire bunkering operation. If practically possible such samples shall be drawn in the presence of both the Sellers and the Buyers or their respective representatives.

7.2 In case that drip sampling is not available onboard barge, tank truck or shore tank, samples shall be taken as a composite of each tank divided with 1/3 from each the top/mid/bottom of the tanks.

7.3 The samples shall be securely sealed and provided with labels showing the Vessel’s name, identity of delivery facility, product name, delivery date and place and seal number, authenticated with the Vessel’s stamp and signed by the Seller’s representative and the Master of the Vessel or his representative. The seal numbers shall be inserted into the Bunker Delivery Receipts and by signing the Bunker Delivery Receipts both parties agrees to the fact that the samples referred to therein are deemed valid and taken in accordance with the requirements as specified in this clause.

7.4 Two samples shall be retained by the Seller for ninety (90) days after delivery of the Bunkers, or if requested by the Buyer in writing, for as long as the Buyer reasonably required. The other two samples shall be retained by the receiving Vessel.

7.5 In the event of a dispute in regard to the quality of the Bunkers delivered, the samples drawn pursuant to clause Sampling 7.4 shall be deemed to be conclusive and final evidence for the quality of the product delivered. In case of disputes one of the samples retained by Sellers shall be forwarded to a by both Sellers and Buyers agreed independent laboratory for final and binding analyses. The seal must be breached only in presence of both parties unless one/both in writing have declared that they will not be present; and both parties shall have the right to appoint independent person(s) or institute(s) to witness seal breaking. No samples subsequently taken shall be allowed as (additional) evidence. If any of the seals have been removed or tampered with by an unauthorized person, such sample(s) shall be deemed to have no value as evidence.

8 Arrest of vessel

8.1 The Marine Fuel supplied to the vessel is sold and delivered on the credit of the vessel, as well as the promise of the Buyer to pay therefore, and the buyer agrees and warrants that the Seller shall have and may assert a maritime lien against the vessel and may take such other action or procedure against the Vessel and any other vessel or asset beneficially owned or controlled by the Buyer, for the amount due for the Marine Fuel and the delivery thereof. The Seller is entitled to rely on any provisions of law of the flag state of the vessel, the place of delivery or where the Vessel is found and shall, among other things, enjoy full benefit of local rules granting the Seller maritime lien in the Vessel and/or providing for the right to arrest the Vessel. Nothing in this bunker contract shall be construed to limit the rights or legal remedies that the seller may enjoy against the Vessel or the Buyer in any jurisdiction.

8.2 All expenses related to vessel arrest should be covered by the Buyer in the following order:
   1) Expenses related to arrest
   2) Port fees and other local duties
   3) Marine Fuel invoice

9 Claims

9.1 Any dispute as to shortage in quantity must be noted at the time of delivery on the bunker receipt or in a letter of protest. Any claims as to short delivery shall be presented by Buyers in writing, fully substantiated, within twenty four (24) hours from the date of delivery, failing which any such claim shall be deemed to be waived and time-barred. Any changes by Buyer or its representative of the quantity stated by Seller or its representative in the bunker receipt shall have no effect.
9.2 Any claim as to the quality of the Marine Fuels by Buyer arising under these terms shall be notified to Seller in writing promptly after the circumstances giving rise to such claim have been discovered. If Buyer does not notify Seller of any such claim within fifteen (15) days of delivery such claim shall be deemed to be waived and time-barred.

9.3 In the event a claim is raised pursuant to sub-clause 9.2, Seller and Buyer shall have the quality of the Marine Fuels tested by a mutually agreed, qualified and independent test laboratory. Seller shall provide the laboratory with its sample for analysis, the result of which shall be conclusive of the quality of the Marine Fuels delivered. Unless otherwise agreed the analysis shall be established by tests in accordance with current ISO Standard or, if tests in accordance with ISO Standard are not available, any equivalent or prevailing local standard. In the absence of an agreement to the contrary the expense of the analysis shall be for the account of the party whose claim is found wrong by the analysis.

9.4 Should any timely claim submitted by Buyer not be settled to Buyer’s satisfaction, shall the claim be time-barred, unless arbitration is commenced within six (6) months of delivery.

9.5 Nothing in this clause 9 shall relieve Buyer of its obligation to make payments in full when due as provided herein.

10 Payment

10.1 Unless otherwise agreed in writing payment shall be made in cash on delivery.

10.2 Failing payment on the due date, Buyer shall be charged penalty interest at five (5) per cent per month on the invoice amount from the date of maturity to the date of full payment. All reasonable attorney fees incurred as a result of the late delivery shall be on the sole account of The Buyer.

10.3 Payment shall be made in full, free of bank charges, without discount or deduction, and without set-off for any claim or counterclaim of any nature whatsoever. Should the buyer nevertheless set-off any amount; the Seller’s claim will be increased by 25 (twenty five) percent as a penalty.

10.4 Buyer shall not be entitled, without Seller’s consent in writing, to offset or deduct any amounts for claims against Seller.

11 Lien and financial responsibility

11.1 If bankruptcy, liquidation, composition or other similar proceedings are instigated regarding Buyer, in court or out of court, or if there is a reason to believe that Buyer will not be able to effect payment when due, Seller has the right to receive immediate cash payment or immediate satisfactory security regarding any sale to Buyer, whether contracted or not and whether the Marine Fuels has been delivered or not. If Seller does not receive such immediate cash payment or security, Seller has the right to suspend deliveries regarding any sale contracted, which shall not relieve Buyer of any of Buyer's obligations, or, at Seller's option, to cancel any sale contracted, irrespective of whether delivery has been completed or not. The same shall apply if there in Seller's opinion is uncertainty as to who is responsible as Buyer.

11.2 If Buyer shall default in making any payment when due, Seller has the right to suspend deliveries regarding any sale contracted, which shall not relieve Buyer of any Buyer's obligations and to receive immediate cash payment regarding any sale contracted or, at Seller's option, to cancel any sale contracted, irrespective of whether delivery has been completed or not.

11.3 If the delivery is contracted for by an agent of Buyer on behalf of a principal, disclosed or undisclosed, or Buyer on behalf of itself and as agent on behalf of another principal or principals, disclosed or undisclosed, such agent or Buyer, as the case may be, shall be jointly and severally liable with such principal or principals, or other principal, or principals, as the case may be, for the due and proper performance of the contract.

11.4 Deliveries of Marine Fuels hereunder are made not only on the credit of Buyer but also on the faith and credit of the vessel which uses the Marine Fuel and it is agreed that Seller will have and may assert a lien against the vessel and the bunkers of the vessel for any amounts due to Seller in respect of the Marine Fuels. All costs associated with seizure of the vessel or bunkers shall be for Buyer's account. Taking of any additional security measures by Seller shall not operate as a waiver of this provision.
11.5 No disclaimer stamp of any type or form will be accepted on the bunker receipt. If any stamp should be applied it will not alter change or waive Seller’s lien against the vessel or the bunkers or waive the vessels ultimate responsibility incurred through this transaction.

12 Taxes or other charges

12.1 Should any tax, freight, insurance premium, pilotage, port dues or other extra expenses at the time of loading be raised or charged such additional expenses shall be borne by Buyer, provided that such expenses are attributable to the fuel delivered.

13 Nomination and final notice of Requirement- Termination

13.1 Buyer shall give Seller final notice directly or through Buyer’s Agent at least 48 hours (Saturdays, Sundays and holidays excluded) of the exact time at which delivery is required. Failing such 48 hours’ notice Seller shall use reasonable efforts to deliver on the nominated delivery time.

13.2 Buyer shall reimburse Seller for overtime and any other additional expenses incurred due to the failure of Buyer, its servants or vessel’s local agents to provide Seller or Supplier with sufficient prior notice of amendments of delivery time.

13.3 Seller reserves the right to cancel any contract for the sale of Marine Fuels without liability on the part of Seller if the vessel fails to take delivery of the Marine Fuels at the latest by 24:00 hours on the day occurring two days after the nominated delivery date. Upon such termination the Buyer shall compensate Seller for all costs. Additional expenses and loses, including loss of profit, resulting from the Buyer’s failure to take delivery.

14 Force Majeure

14.1 The Seller or the Seller’s supplier shall not be liable for any loss, damage or demurrage due to any delay or failure in performance (a) because of compliance with any order or request of any government authority, or person purporting to act therefore, or (b) when supply of the Bunkers or any facility of production, manufacture, storage, transportation, distribution or delivery contemplated by the Seller’s supplier is interrupted, unavailable or inadequate for any cause whatsoever is not within the immediate control of the Seller or the Seller’s supplier, including (without limitation) if such is caused by labour disputes, strikes, governmental intervention, wars, civil commotion, fire flood, earthquake, accident, storm, swell, ice, adverse weather or any act of God. The Seller or the Seller’s supplier shall not be required to remove any such cause or replace any effected source or supply or facility if doing so shall involve additional expense or a deviation from the Seller’s or the Seller’s supplier’s normal practices. The Seller or the Seller’s supplier shall not be required to make any deliveries omitted in accordance with this clause at any later time.

14.2 If the Buyer exercises reasonable diligence, the Buyer shall not be liable for failure to receive any particular delivery if prevented therefrom by force majeure. The Buyer shall indemnify the Seller or the Seller’s supplier for any damage caused by the Buyer, the Buyer’s agent or employees in connection with deliveries hereunder.

14.3 In the event that the Seller, as a result of force majeure, can only deliver a superior grade of bunkers, the Seller is entitled to offer the said grade, and the Buyer must accept delivery thereof and pay the applicable price.

15 Safety environmental protection

15.1 Buyer shall be responsible for providing safe reception of the Marine Fuels to be delivered. If an escape spillage or discharge of oil (hereinafter referred to as a spill) occurs while Marine Fuel is being delivered to Buyer hereunder. Buyer will promptly take such action as is reasonably necessary to remove the oil and mitigate the effects of such spill. However, notwithstanding the cause of such spill, Seller is hereby authorized at its option upon notice to Buyer, or Buyer’s operator of, or agent for, the receiving vessel, to take such measures, either in co-operation with Buyer or exclusively as the sole party and incur such expenses (whether by employing its own resources or by contraction with others) as are reasonably necessary, in the judgment of Seller, to remove the oil and mitigate the effects of such spill. If Seller has exercised its option to remove the oil and mitigate
the effect of such spill, Buyer agrees to co-operate and render such assistance as is required by Seller in the course of such action. Buyer shall pay and indemnify Seller for any expenses, damages, costs, fines and penalties arising from escape spillage discharge or pollution of oil, unless the escape spillage, etc. was due to Seller’s gross negligence. Buyer also agrees to give or cause to be given to Seller all such documents, and other information concerning any spill or any program for the prevention thereof, which are requested by Seller or required by law or regulation applicable at the time and place where Seller delivers Marine Fuel to Buyer.

15.2 Buyer shall be responsible for users' compliance with all health and safety requirements related to Marine Fuel supplied and shall assure that any user avoids frequent or prolonged contact with or exposure to the Marine Fuel both during and subsequent to delivery. Seller or Seller’s supplier accepts no responsibility for any consequence arising from failure to comply with such health and safety requirements or arising from such contact or exposure.

16 Liability and indemnity

16.1 Seller shall have no liability, however arising and whether as a result of a breach of the contract. Negligence or otherwise for any loss of profit lots of time or hire, demurrage or loss of schedule, physical loss or damage to cargo nor, without prejudice to the foregoing, shall Seller be liable for any consequential or indirect damages suffered by Buyer. In the event that Seller or any other person who may benefit from Seller’s stipulations would be held liable, shall the total liability be limited to an amount equaling the price of the delivery involved.

16.2 The actual suppliers of Marine Fuels under this agreement and all employees, representatives or agents of Seller and of such actual suppliers shall have the benefit of any and all rights stipulated for Seller under this agreement with respect to exclusion of liability and indemnification by Buyer.

16.3 In all cases where pursuant to the terms of this agreement or otherwise Seller is not responsible; Buyer shall indemnify Seller against all claims and actions of any third party.

17 Arbitration and Governing law

17.1 This Contract shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this contract shall be referred to three persons at New York one to be appointed by each of the parties here to, and the third by the two so chosen: their decision or that of any of any two of them shall be final, and for the purposes of enforcing any award, judgment may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc. In cases where neither the claim nor any counterclaim exceeds the sum of US$50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc. current at the time when the arbitration proceedings are commenced.

17.2 This agreement to arbitrate is without prejudice to Seller’s right to use any and all legal process to obtain security for its claims in the United States and/or anywhere in the world pending resolution of the merits of its claim in arbitration.

18 Validity

18.1 These terms and conditions shall be valid and binding for all offers, quotations, prices and deliveries made by the FUELSUPPLY APS any associated company, representative or agent as of June, 2016, or at any later date.