

GENERAL TERMS AND CONDITIONS – March '99
for Marine Fuels Purchasing And Delivery
(GTC – March '99)

It is agreed on the date shown in Bunker Nomination between the parties named in Bunker Nomination, defined hereunder as „Sellers” and „Buyers”, that the sellers shall sell and deliver to the Vessel nominated and the Buyers shall purchase the Marine Fuels (as defined hereunder) on the following terms and conditions.

1. Definitions

Throughout this Contract, save where the context otherwise requires, the following definitions shall be applied:

- (a) „Marine Fuels” - means products, derived from crude oil, delivered or to be delivered to the Vessel.
- (b) „Sellers” - means the party contracting to sell and deliver Marine Fuels
- (c) „Buyers” - means the party contracting to purchase, take delivery of and pay for the Marine Fuels.

2. Grades / Quality

- (a) The Buyers shall have the sole responsibility for the nomination of the grades of Marine Fuels suitable to the Vessel, and shall state the grades required in Nomination.
- (b) The Sellers 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.

3. Quantities

- (a) The quantities of Marine Fuels nominated to be delivered are those stated in Nomination.
- (b) In accordance with the Polish Customs Law, any changes of quantities at Master's option than nominated are not possible.
- (c) If receiving vessel fails to receive the full ordered quantity loaded, Seller reserves the right to charge Buyer for the loss incurred by having to transport the Marine Fuel back to the storage or by having to sell the Marine Fuel in a degraded form at a price lower than that applicable to the grade originally nominated by Buyer with the rate of 13 % of the value of not received Marine Fuels, without any prejudice to the Seller's other rights under this agreement for damages or otherwise.

4. Measurements

- (a) Quantities of Marine Fuels shall be determined from the official gauge or meter of the bunkering barge or tank truck effecting delivery or of the shore - tank in case of delivery ex wharf.
- (b) The Buyers and the Sellers shall both have the right to be present or represented when such measurements are taken and shall be given sufficient information and facilities to verify the volume delivered. In case of receiving vessel's representative fail or decline to so verify quantities of the Marine Fuels, measurement of quantity made by Seller or Seller's supplier as aforesaid are final and conclusive as to the quantities sold and delivered, and no claims for shortage shall be allowed subsequent to delivery.
- (c) The Marine Fuels to be delivered under this Contract shall be measured and calculated in accordance with the ASTM-API-IP Petroleum Measurement Tables.

5. Sampling

- (a) The Sellers shall arrange for two (2) identical representative samples of each grade of Marine Fuels to be drawn throughout the entire bunkering operation in the presence of both the Sellers and the Buyers or their respective representatives.
- (b) The samples shall be drawn at a point, to be mutually agreed between the Sellers and the Buyers or their respective agents, closest to the Vessel's bunker manifold.
- (c) The aforementioned samples shall be securely sealed and provided with labels showing the Vessel's name, identity of delivery facility, product name, delivery date and place, authenticated with signature of the Sellers' representative and the Master of the Vessel or signature of his authorized representative.
- (d) One (1) sample shall be retained by the Sellers for thirty (30) days after delivery of the marine Fuels to the Vessel, the other one (1) sample shall be retained by the Vessel.

6. Delivery

- (a) The Marine Fuels shall be delivered to the Vessel at the port or place stated in Nomination. Subject to the custom of the port, delivery shall be made day and night, Sundays and holidays included.

- (b) The Vessel's estimated time of arrival shall be stated in Nomination.
- (c) 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, 72 and 48 hours approximate (Saturdays, Sundays and holidays excluded) and 24 - hours definite notice (Saturdays, Sundays and holidays excluded) of arrival and exact location and time at which deliveries are required.
- (d) The Marine Fuels shall be delivered:
 - (i) at the Sellers' terminal;
 - (ii) by tank trucks;
 - (iii) by bunkering barge(i), (ii) and (iii) are alternatives
- (e) 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;
 - (ii) subject to local laws permitting, be responsible to make all standard connections and disconnections between the delivery hose(s) and the Vessel's intake pipe and ensure that the hose(s) are properly secured to the Vessel's manifold prior to the commencement of delivery.
- (f) The Buyer 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 shall instruct the master of the Vessel to:
 - (i) advise the Sellers in writing, prior to delivery, of the maximum allowable pumping rate and pressure and to agree on communication and emergency shut-down procedure; the minimum pumping rate required by Seller for Heavy Fuel Oil is 100 metric tones per one hour, if less, should be indicated in nomination.
 - (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;
 - (iii) provide a free side to receive the Marine Fuels and to render all necessary assistance which may reasonably be required to moor or unmoor the delivery vessel or to connect or disconnect the delivery hose(s).
 - (iv) any delay caused by Buyer side as described at (f) (i) , (ii) and (f) (iii) will be charged with USD 100,00 per each started hour of delay.
- (g) The Seller shall not be required to deliver Marine Fuels into any of the vessel's tanks which are build in vessel's construction.
- (h) Delivery shall be deemed completed and title shall pass as the Marine Fuel reaches the flange connecting the pipe lines or delivery hoses with the intake lines 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 Fuel so delivered.

7. Documentation

- (a) Before commencement of delivery the Sellers shall present for acknowledgment by the Master of the Vessel or his representative, a bunker requisition or similar document, duly signed by the Sellers or their representative, 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
 - sulphur content
 - flash point
 - delivery temperature
 - pour pointIn addition, and if available, similar information shall be provided for vanadium and ash content.
- (b) Once the delivery is completed and quantities measured, a receipt shall be signed and stamped by the Master of the Vessel or his representative, and returned to the Seller, or their representative, as acknowledgment of the delivery 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 Sellers:
 - delivered quantity in volume units
 - density in kg/m³ at 15°C
 - temperature
 - flash point
 - sulphur content in %

- (c) Master or his representative shall sign additional Receipts, if necessary, for components as to the Intermediate Fuels Oils which are issued for customs purposes only and are in accordance with the Receipt issued for requested IFO
- (d) It is understood that the Master, or his representative, shall sign and stamp the receipt for the actual volume and the actual delivery temperature only. Verification of the information provided may be obtained by analysis of the Vessel's retained sample.
- (e) In the event the master is not satisfied with the Marine Fuels, sampling, quantity or any other matter concerning the Marine Fuels or their delivery, he shall make appropriate remarks in the receipt either detailing the complaints or referring to a separate letter of protest to be issued and delivered immediately.

8. Price and charges

- (a) The price of the Marine Fuels shall be in the amount expressed per metric tonne delivered in the USD for each grade of Marine Fuels delivered into the Vessel's tanks.
- (b) In case of significant discrepancy between nominated date of delivery and actual date of delivery, prices should be reconfirmed by Seller.
- (c) In case of nominated delivery cancelled (totally or partly) by Buyer, Seller reserves the right to charge Buyer with the rate of 10 % of cancelled delivery value as canceling fee.
- (d) Tax, freight, insurance premium, pilotage, port dues, or other expenses at the time of bunkering under this agreement, be raised or charged after this contract is made as additional expenses and are for Buyers account.

9. Payment

- (a) Payment for the Marine Fuels shall be made by the Buyers within the number of days negotiated against fax copy invoice.
- (b) Payment shall be made in full, without set-off, counterclaim, deduction and or discount, free of bank charges in the manner and the place indicated on the invoice.
- (c) Payment shall be deemed to have been made on the date the payment is credited to the counter of the bank designated by the Sellers. If payment falls on non-business day, then payment shall be made on or before the business day nearest prior to the due date.
- (d) Any delay in payment shall entitle the Sellers to interest:
 - (i) at the contracted rate of 15 % annually for each day of delay for non Polish currency,
 - (ii) at the rate required by Polish Financial Law annually for each day of delay for PLN.

10. Financial Responsibility

- (a) If at any time during the period of this contract, the financial responsibility of Buyer will become impaired or unsatisfactory to Seller, or in Seller's opinion inadequate to meet Buyer's obligations hereunder, cash payment or satisfactory security may be required before delivery.
- (b) In the event Buyer will default in making any payment due hereunder, Seller may suspend delivery until such payment has been made or Seller may, at its opinion, elect to consider such default as a breach of this entire contract and may thereupon terminate this contract in whole or in part, at its own discretion, without prejudice to Seller's claims to the damages therefrom. No such suspension or termination will relieve Buyer from any obligation undertaken by it.
- (c) Seller may suspend delivery of Marine Fuels, hereunder, or may terminate this contract, in the event Buyer will commit an act of bankruptcy, or in the event voluntary or involuntary proceedings will be commenced for bankruptcy, insolvency or liquidation of Buyer.
- (d) If delivery is contracted for by the vessel's agent on behalf of a Buyers, disclosed or undisclosed to Seller, or by the vessel's agent on behalf of the nominated vessel (as the agent on behalf of another principal or principals, disclosed or undisclosed to Seller), such vessel's agent, with Buyers / principal or principals, disclosed or undisclosed to Seller, as the case may be, shall be jointly and severally liable due to proper performance of the contract.
- (e) Agents, as well as Brokers are obligated to present Terms & Condition of this Contract to Buyers.

11. Breach

Seller may terminate this contract in whole or in part, at its own discretion, upon the breach of any of provisions hereof by Buyer without any financial consequences to Seller.

12. Waiver

Failure by either party at any time to enforce any of the provisions of this contract shall not be construed as a waiver by such provisions or in any way affect the validity of this contract.

13. Claims

- (a) Any dispute as to the quantity delivered must be noted at the time of delivery in the receipt or in the letter of protest referred to in Clause 7 (e) above. Any claim as to short delivery shall be presented by the Buyers in writing within 7 days from date of delivery, failing which any such claim shall be deemed to be waived and absolutely barred.
- (i) Any claim as to the quality or description of the Marine Fuels must be notified in writing, as per Clause 7 (e) or promptly after the circumstances giving rise to such claim within 30 days of date of delivery, then those circumstances shall be presumed not to have been caused by any deficiency in the quality or description of the Marine Fuels supplied and any such claim shall be deemed to be waived and absolutely barred.
 - (ii) In such event the parties hereto shall have the quality of the Marine Fuels analyzed by a mutually agreed, qualified and independent laboratory. The sellers shall provide the laboratory with the sample retained by them as per Clause 5 (d). If ISO grades have been specified the analysis shall be established by tests in accordance with ISO 8217: 1996 E. 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 borne by the Buyers.
- (b) In the event of any delay resulting from:
- (i) the Buyers' failure to give proper notices and/or to comply with the notices given pursuant to Clause 6 (c) above and/or the Buyers' Vessel failing to receive Marine Fuels at the pumping rate referred to in Clause 6 (f) (i) above, or
 - (ii) the Sellers' failure to commence delivery of the Marine Fuels promptly in accordance with the Buyers' required delivery time as notified pursuant to Clause 6 (c) above. Then the party suffering such delay shall be entitled to compensation from the other party for that delay.

14. Liability

In the event that Seller or any other person who may benefit from Seller's stipulations in this connection would be held liable, the total liability shall be limited to an amount equaling the price of delivery involved.

15. Force Majeure

Neither party 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, strikes, stoppages, lock-outs, arrests, restraints or detentions of kings, princes, rulers and people or any other event whatsoever arising after agreeing the Contract which cannot be avoided or guarded against by the exercise of due diligence, or the consequences of which, as may affect the performance of this Contract, cannot be avoided or guarded against by the exercise of due diligence.

16. Safety and Environment

- (a) 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 necessary to effect clean up and which shall always be conducted in accordance with such local laws and regulations which may compulsorily apply,
- (b) If any oil protection boom is required by local law or port administration, all expenses are on Buyers' account.

17. Law and Arbitration

Any dispute arising out of this Contract shall be referred and governed by Polish Law.