

# OIL MARKETING & TRADING INTERNATIONAL – TERMS & CONDITIONS

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## 1. DEFINITIONS

**1.1 "THE BUNKERS"** means all and any grades of intermediate marine fuel oils, marine diesel oils and marine gas oils.

**1.2 "THE CONTRACT OF SALE"** means these General Terms And Conditions and the particular terms, which may have been agreed in writing between the parties. Each delivery constitutes a separate contract of sale.

**1.3 "THE BUYER"** means the person(s) and/or entity(ies) so identified in the Confirmation and shall include any agent, principal, associate, manager, partner, servant, parent, subsidiary, owner or shareholder thereof and any Vessel and/or Vessel owner and/or charterer to which Bunkers are to be/have been delivered. All such person(s) and entity(ies) shall be jointly and severally liable towards the Seller for the full and timely payment of all the sums payable in relation to the delivery of Bunkers and/or other products.

## 2. INTRODUCTION

These Terms And Conditions are the Standard Terms And Conditions For The Sale And Supply Of Bunker Fuels And Other Products under which **OIL MARKETING AND TRADING INTERNATIONAL FZC, Fujairah, United Arab Emirates** and or **OIL MARKETING AND TRADING INTERNATIONAL EUROPE SA** and or **OIL MARKETING AND TRADING INTERNATIONAL PTE LTD** ("THE SELLER") is prepared to enter into an agreement with the Buyer to sell and supply to the Buyer, who has agreed to buy, Bunkers and/or other products and shall override any other or different terms or conditions stipulated, incorporated or referred to by Buyer, whether in its purchase order or in any negotiations, unless otherwise expressly agreed in writing. These Terms and Conditions define the rules regulating the agreement between the contracting parties with regard to the ordering, delivery, price and payment of Bunkers and/or other products.

## 3. CONTRACT OF SALE

**3.1** The Buyer shall notify his order to the Seller in writing (hereafter called 'THE NOMINATION'). The Seller shall acknowledge the Nomination by a confirmatory fax/e-mail setting out the terms of the contract of sale with regards to the Bunkers inclusive of their price ("THE CONFIRMATION").

**3.2** These Terms and Conditions, together with the Confirmation to the Buyer constitute the entire agreement and shall apply from the time and date of the Seller's offer.

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**3.3** Failing a written declaration to the contrary by the Buyer by return, the sale is final and binding.

**3.4** Deliveries of Bunkers made hereunder are delivered not only on the credit of the Buyer, but also on credit of the vessel receiving delivery of the Bunkers (“THE VESSEL”) and it is agreed and the Buyer warrants that the Seller will have and may assert a maritime lien against the Vessel for the price of the said Bunkers (see Clause 11 herebelow).

**3.5** Should Bunkers be ordered by an agent, who prior to the dispatch by the Seller of the Confirmation fax/e-mail has not specifically declared to the Seller that the party with whom the Seller is corresponding is not the Buyer and at the same time does not provide the Seller with full name and address of the Buyer, then such an agent, as well as its principal, shall be bound by and be liable for, all obligations as fully and as completely as if he were himself the principal whether such principal be disclosed or undisclosed and whether or not such agent purposes to contract as agent only.

## **4. PRE-DELIVERY ADVICE**

**4.1** Deliveries hereunder shall be made in accordance with Instructions given by the Buyer or its representative or the Master of the Vessel at the commencement of the delivery by the Seller.

**4.2** Buyer shall nominate to the Seller and the nominated supplier (“SUPPLIER”) by written notice of its requirements for each Vessel at least seven (7) days prior to the expected date of Vessel's arrival with further notice at least forty-eight (48) hours (excluding local/international non-business days) prior to the time of the requested delivery. Such notices and confirmations shall specify the port, the name of the Vessel to be supplied, expected date and time of arrival, delivery period, method of delivery and type, grades and quantity of marine fuels to be supplied and the name and address of the agent of the Vessel to be supplied.

**4.3** Buyer shall ensure that the Vessel and/or the agent of the Vessel, gives Seller/Supplier 72, 48 and 24 hours notice of Vessel's readiness to receive the delivery. Deliveries shall be made during regular business hours observed in the port unless required at other times and permitted by local regulations, in which case Buyer shall pay the extra expenses incurred.

## **5. DELIVERY**

**5.1** Before delivery, the Master of the Vessel shall confirm the quantity and description of the Bunkers to be delivered by countersigning the Bunker Oil Supply Form presented to him by the Seller/Supplier and/or its agent/

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representative.

**5.2** The Master shall also state whether or not he wishes to be present or be represented at the time of determination of quantities. Delivery shall commence only after this document is returned to the Seller or his agent, duly countersigned by the Master.

**5.3** The Vessel will be bunkered as promptly as circumstances permit but Seller/Supplier or its agent shall not be liable for any loss, damage, delay or demurrage incurred by the Buyer, the Vessel or any other party, or for loss or damage of any nature whatsoever and however caused, due to or resulting from (but not limited to) delays in availability of bunkering pier, weather, barge, difficulties in performance of the program for supply of barges, late delivery of fuel, refusal of Vessel to follow Seller's/Supplier's or its Agent's instructions, directions or orders, congestion of port installations, non-compliance by the Vessel's crew and/or other person present on board the Vessel and/or representative or agents of the Vessel with safety rules and environmental protection rules applicable at the time of bunker delivery operations, etc.

**5.4** If Seller/Supplier has agreed in writing to a time period for delivery of Bunkers, its only responsibility is to use best efforts to comply with such time period. If Seller/Supplier exceeds an agreed time period for delivery the Buyer is not entitled to claim cancellation of the contract of sale and/or compensation for any damage whatsoever. Buyer's obligation remains binding. If the Vessel fails for any reason to arrive at the agreed time for delivery or if unable to receive whole quantity as ordered, Buyer shall automatically be in default, without any notice served or required. In such case Seller/Supplier has the option to consider the contract of sale cancelled in whole or in part, without any requirement for judicial intervention and without prejudice to Seller's or its agent's right to claim further damage's from the Buyer.

**5.5** Seller or Supplier will arrange deliveries based on the principle of "First Come-First Served" but reserve the right to arrange bunkering sequence following its logistics, prior engagements, priorities, obligations and deliveries.

**5.6** Seller/Supplier or its agent have always the right to deliver 10% more or less.

**5.7** The responsibility for connecting the delivery facilities provided by the Seller /Supplier to the receiving facilities provided by the Buyer shall lie with the Buyer. The Vessel shall render all necessary assistance and provide a clear and sufficient tankage and equipment to receive each delivery promptly. Buyer is responsible for ensuring the delivery is conducted at a safe rate and pressure and that all equipment utilized is in a safe and

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satisfactory condition.

**5.8** Seller or its Supplier has the right to deliver the agreed quantity in one consignment or in part lots, each lot deemed to represent a separate contact. Buyer shall promptly receive deliveries and withdraw vessel from delivering barge. In the event of delay by Buyer for any reason in the use of delivery or barging facilities, Buyer shall reimburse Seller/Supplier for any expense incurred due to such delay.

## **6. QUANTITY AND QUALITY**

**6.1** Quantity of product delivered shall be determined at Seller's or Supplier's or its sub-contractor's option by one of such generally recognized methods of measurement as is appropriate in the circumstances. In case of delivery from shore terminal, the quantity of Bunkers delivered shall be determined from ullages taken in the shore tanks before and after the Bunkers are pumped out. In the case of delivery by barge, the quantity of Bunkers delivered shall be determined from the ullages or soundings of the barge tanks before and after the Bunkers are pumped out. These measurements shall be made in accordance with ASTM-IP Petroleum measurement tables.

**6.2** Such determination shall be conclusive, but Buyer shall have the right to be represented at the time of measuring and sampling and the representative may inspect the Bunkers to be delivered before they are pumped out of the shore or barge tank, but if the Buyer is not represented then the barge's determination of quantity shall be deemed to be correct and Buyer shall thereby waive any claim against Seller with respect thereto.

**6.3** Buyer shall have sole responsibility for the selection of proper marine fuels for use in the Vessel.

**6.4** The quality of each grade of marine fuel shall be the usual quality of that grade offered for sale or being sold by Seller/Supplier at the time and place of delivery.

**THERE ARE NO GUARANTEES NOR WARRANTIES, EXPRESSED OR IMPLIED, OF MERCHANTABILITY, FITNESS OR SUITABILITY OF THE BUNKERS FOR ANY PARTICULAR PURPOSE OR OTHERWISE, WHICH EXTEND BEYOND THE DESCRIPTION CONTAINED HERE.**

**6.5** Complaints and/or claims as to quality must be based on tests jointly made as soon as possible by an independent laboratory from samples taken at time of delivery from the shore tank or barge from which delivery is made. A representative of Seller/Supplier shall take, by continuous drip or through an automatic sampling device where applicable, seal and identify three (3) such samples of each grade of marine fuel delivered, giving one to

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the Master of the Vessel and giving the other two samples to Seller/Supplier to be retained for thirty (30) days following delivery. Buyer shall be entitled to have its representative present when such samples are taken. In the event of a discrepancy between test results of such sample retained by the Buyer and corresponding sample submitted by the Seller/Supplier, then the third sample will be submitted for analysis to an independent laboratory, the results of which shall be conclusive for the quality of the product delivered.

**6.6** It is the duty of Buyer to take all reasonable actions, including retention and burning of fuel, to eliminate or minimize any costs associated with an off-specification or suspected off-specification supply. To this end Buyer shall co-operate with Seller in achieving the most cost-effective solution. In any event Seller's liability hereunder shall not exceed the direct expenses incurred for removal and replacement of the off-spec Bunkers and shall not include any consequential or indirect damages, including without limitation, demurrage claims and loss of contract or loss of profit. If Buyer removes the Bunkers without the consent of the Seller then all such costs shall be for Buyer's account.

## **7. CLAIMS**

**7.1** Complaints as to quantity must be made to Seller/Supplier or its agent at time of delivery only by Letter of Protest addressed to Seller/Supplier before departure of the Vessel from alongside the installation or barge, and shall be confirmed in writing not later than fourteen(14) days from time of delivery. Within that time period Buyer must furnish necessary details required by Seller/Supplier to satisfactorily evaluate such claim. Failure to make any such complaint or claim as to quantity within the time periods and manner specified above shall be deemed to be a waiver of any such complaint or claims.

**7.2** All complaint or claim as to quality must be received by Seller as soon as possible, but in no event later than fourteen (14) days from the date of delivery. Within such time the Buyer must also furnish necessary details required by Seller to satisfactorily evaluate a claim. Failure to make any such complaints or claim as to quality within the time periods and manner specified above shall be deemed to be a waiver of any such complaints or claims. Seller/Supplier shall not be responsible for any claim arising in circumstances where there is or has been commingling of fuel delivered by Seller/Supplier with other fuel aboard the Vessel.

## **8. PRICE AND PAYMENT**

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**8.1** The price to be paid for the Bunkers shall be the price specified in the Confirmation. In the event the Vessel does not take delivery within seventy-two (72) hours of its confirmed delivery period per the Confirmation, Seller shall be entitled in its absolute discretion (i) to adjust the agreed price upwards to reflect any upward changes either in the value or the market price of the Bunkers to be delivered between the date of nomination and the date of actual delivery, or (ii) to charge the Buyer demurrage at the prevailing freight rate per day for barges of size and age comparable to that utilized by Seller/Supplier for the storage of the marine fuels to be delivered for the period from the confirmed ETA to the actual time of delivery to the Vessel. Seller shall be under no obligation, however, to reduce its price in the event that the value, or the market price, of marine fuels falls between the expiry of such seventy-two (72) hours period and the date of actual delivery. All taxes, duties and additional delivery charges, if any, are for account of Buyer. Seller or its Supplier has the right to charge at its discretion the Buyer a cancellation charge in case Buyer cancels the Nomination for any reason whatsoever or charge for the commercial loss incurred.

**8.2** Unless otherwise agreed, payment for each delivery shall be made free of any charges and without discount, deduction or set-off in United States Dollars to Seller within thirty (30) days from the date of each delivery by wire transfer as instructed by Sellers, upon receipt by Buyer/Seller's written notification of quantities delivered and amount due, in a format of a faxed or e-mailed invoice. Buyer shall make payment upon receipt of such invoice and Seller shall issue a revised invoice, if necessary, upon receipt of the respective delivery receipts and shall make adjustments to Buyer's account based upon the quantity(ies) actually delivered.

**8.3** Any deduction for claims related to delivery shall be a breach of Buyers' obligation hereunder and all negotiation for settlement of such claim shall be suspended until Buyer makes payment in full for the quantity delivered as notified by Seller. In the event payment is not made at the time and in the manner described above, Seller shall have the right to suspend further deliveries and/or to notify Buyer that payment not yet made for any delivery hereunder is immediately due and payable the relevant credit cancelled. Without prejudice to any other rights of Seller, if Buyer owes the Seller any sum whatsoever, the Seller has the right to set off sums against any sum which it may owe to the Buyer to the extent of the respective sums owing. Overdue payment shall bear default interest at the rate of two percent (2%) per month or any part thereof unless Buyer and Seller have agreed in writing some other rate in which event such other rate shall apply. It is mutually agreed and acknowledged that the said interest also compensates

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the Seller for its losses resulting from its deprivation of the funds corresponding to the value of the Bunkers.

**8.4** In addition to the prices payable for Bunkers, the Buyer shall pay the following charges:

- Any expenses incurred as a result of the Master of the Vessel rejecting the whole or any part of the delivery under a contract of sale.
- Any mooring and unmooring charges or port dues, which may be incurred by the delivery party in connection with any Vessel to which Bunkers are delivered hereunder.

## **9. RISK, TITLE AND INDEMNITY**

**9.1.** Deliveries of Bunkers shall be deemed to be complete and risk shall pass from the Seller to the Buyer, as the Bunkers pass the flange connecting Seller's/Supplier's delivery hose to the Vessel's permanent in-take facility. Buyer's risk includes loss, damage deterioration, contamination, evaporation and responsibility for loss, damage and harm caused by pollution or in any other manner to third parties.

**9.2** Title/Ownership of the Bunkers shall pass to the Buyer only after the full price and all other amounts due in relation to the particular delivery have been paid to and received by the Seller as provided in the contract of sale. Until such time as the full price and all other monies due are received by the Seller, the person or entity in possession of the Bunkers delivered shall hold same as a mere bailee, without any charge to the Seller and shall hold the Bunkers on behalf of the Seller and to the Seller's order, storing them in a way so that they can be identified as the Seller's property and not being entitled to use/consume the Bunkers. In case of non or short payment for the Bunkers by the Buyer, the Seller is entitled (but not obliged) to repossess the Bunkers without prior judicial intervention, without prejudice to all other rights or remedies available to the Seller. In the event that the Bunkers have been mixed with other products on board the Vessel, the Seller shall have the right to trace its proprietary interest in the Bunkers into the mixed product and/or to exercise a lien on such part of the mixed product as corresponds to the quantity or net value of the Bunkers delivered. The provisions of this Clause do not prejudice or in any way limit the Seller's right to arrest/attach the Vessel and/or any other assets, wherever situated in the world, without prior notice and/or to exercise any other right under the contract of sale or the Law.

**9.3** Buyer shall indemnify and hold Seller/Supplier and its agents harmless from any and all losses, damage, demands, claims, suits or liability for damage to property for injury or death caused to any person arising out or

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connected with an action or omission on Buyer's part, its officers, crew, servants or third parties acting on their using, and/or handling the Bunkers delivered hereunder.

## **10. SPILLAGE AND ENVIRONMENTAL PROTECTION:**

Buyer warrants that the Vessel will be properly equipped, maintained and operated so as to avoid leakage, spillage, overflow or water pollution. In the event of a spillage during delivery, Buyer shall assist and cooperate with Seller / Supplier and/or its agent / sub-contractor in taking any necessary action to remedy or mitigate spillage and its consequences. Buyer shall indemnify and hold Seller/Supplier and its agent harmless against any losses, damages, (including damages to the vessel), costs and expenses, including reasonable attorney's fees, which Seller/Supplier or its agent may incur either as a result of any claim, action, suit, assessment, fine, levy, penalty imposed by reason of any such alleged leakage, spillage, overflow, or water pollution, except to the extent that such losses, damages, costs and expenses arise out of the wrongful or negligent act or omission of Seller/Supplier or its agent. Buyer shall supply Seller/Supplier with all documents and information related to any escape of oil required by Seller/Supplier or as required by law or regulations applicable at the delivery place.

## **11. MARITIME LIEN:**

Where Bunkers are supplied to a Vessel, in addition to any other security, the contract of sale is entered into and supplied upon the faith and credit of the Vessel. It is agreed and acknowledged that a maritime lien over the Vessel is thereby created for the price of the Bunkers supplied and that the Seller in agreeing to deliver Bunkers to the Vessel does so relying upon the faith and credit of the Vessel. The Buyer, if not the owner of the Vessel, hereby expressly warrants that it has the authority of the owner to pledge the Vessel's credit as aforesaid and that it has given clear notice of the provisions of this Clause to the owner. The Seller shall not be bound by any attempt by any person or entity to restrict, limit or prohibit its lien or liens attaching to the Vessel, either by clausuring the respective bunker delivery receipt, or otherwise.

## **12. FORCE MAJEURE:**



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The Seller and Seller's agent shall not be liable for any loss, damage or demurrage from any breach, delay or nonperformance to the extent such is caused by:

- Any governmental act or compliance by that party with any order, request, or control of any governmental authority or person purporting to act therefore whether or not such order or request is later determined to be invalid (including compliance with or implementation of any order, request plan or program of any authority created by governments; or
- The interruption, unavailability, or inadequacy of marine fuels, or any facility of production, manufacture, storage, storing or transporting Marine transportation, distribution or delivery, because of wars, hostilities, public disorders, acts of enemies, sabotage, strikes, lockouts, labor or employment difficulties fires, acts of God, accidents, breakdown, weather conditions, or any other case whatsoever which is not within the control of Seller or his Agent including, but not limited to, the failure, cessation, termination or curtailment in whole or in part of any existing or contemplated sources of supply of Seller of marine fuels or the crude oil or petroleum products from which such marine fuels are delivered. In the event that any governmental authority (or authority created by governments) imposes any form of price control, rationing allocation or other emergency measures on Seller's sales and marine fuels at the port where Buyer desires to purchase Bunkers, then Seller has the right to
  - Suspend or cancel deliveries of any Bunkers contracted for in accordance herewith for such period or periods as Seller may determine are required to resolve uncertainties raised by such governmental actions; or
  - Allocate such quantities of Bunkers to the Buyer as Seller may determine to be appropriate; or
  - Cancel any further commitments to make deliveries under these Terms and Conditions and the contract of sale.

## **13. LAW AND JURISDICTION**

**13.1** The contract of sale and all claims, disputes and differences which may arise under or in connection therewith shall be governed by the General Maritime Law of the United States of America.

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**13.2** Without prejudice to the provisions of Clause 13.3 herebelow, any disputes and/or claims arising in connection with the contract of sale or hereunder, shall be submitted to the competent Courts of New York, U.S.A.

**13.3** For the sole benefit of the Seller, it is further agreed that the Seller, without prejudice to any of its rights, has the right to proceed against the Buyer and/or the Vessel and/or any other party, in such jurisdiction worldwide as the Seller in its sole discretion sees fit for the purpose of, among others, securing any payment due to it or proceeding in the main or any other proceedings in order to enforce and/or collect any claim or cause the issuance of any Court judgement whatsoever. The Buyer agrees and acknowledges that the nature of the transaction and of the respective business concerned is such, to the effect that the foregoing which are set for the benefit of the Seller, are absolutely reasonable and fully acceptable by the Buyer, who hereby confirms that it will also be liable for all costs of the Seller, including but without limitation attorney's fees.