



# SAUDI ARABIAN BUNKERING SERVICES

TERMS & CONDITIONS OF SALE  
DAMMAM, RASTANURA NHA & JUBAIL

## 1.0 DEFINITIONS

- 1.1 In these conditions of sale the following expressions shall have the following meanings;
- a) “the buyer” means the person, firm or company with whom the contract is made;
  - b) “SABS” means **SAUDI ARABIAN BUNKERING SERVICES**;
  - c) “the contract” means the contract for sale of bunkers by SABS to the buyer on the terms set out in these terms and conditions of sale, SABS Acknowledgement of Order and Conditions of Delivery.
  - d) “bunkers” means the marine fuel oil or any part thereof agreed to be sold under the contract.
  - e) “credit facilities” means any contract where SABS and the buyer have agreed, notwithstanding that the obligations to make payment arises upon completion of delivery of the bunkers to the vessel, that the time for payment shall be deferred to a time or date after the completion of delivery of the bunkers to the buyer.

## 2.0 CONTRACT

- 2.1 SABS gives quotations, accepts orders and undertakes obligations only on the terms and conditions contained in the contract unless otherwise expressly agreed in writing. Any customer’s conditions, which conflict with these terms and conditions or impose any additional obligations on SABS, shall be deemed not to apply.
- 2.2 No contract for sale of the bunkers to the buyer will be concluded until SABS dispatches its written Acknowledgement of Order to the buyer.
- 2.3 No firm order or part thereof or contract may be cancelled or varied except by written agreement with SABS and on such terms and conditions, including payment of SABS cancellations charges, as SABS may in its sole discretion stipulate.
- 2.4 The buyer may not assign the contract or any part thereof without the express prior written approval of SABS.

## 3.0 PRICE

- 3.1 The price payable for the bunkers shall be the Posted Price laid down by Saudi Aramco on the date of completion of delivery.
- 3.2 The price shall be invoiced and paid in U.S. Dollars unless otherwise agreed.
- 3.3 Posted Prices are subject to change without prior notice to the buyer.



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- 3.4 In the event that the vessel is delayed in taking delivery of the bunkers or if the delivery is re-scheduled by SABS due to operational reasons, then the Posted Price on the date of completion of delivery will apply.
- 3.5 Should the buyer fail to take delivery within seven days (7) after the ETA given at the time of nomination, SABS shall be automatically released from the contract and any obligations thereunder.

### 4.0 TERMS OF PAYMENT

- 4.1 Unless otherwise agreed an invoice will be rendered to the buyer on completion of delivery of the bunkers.
- 4.2 Unless otherwise agreed payment will be due from the buyer if it has credit facilities approved by SABS on the 30<sup>th</sup> day following the date of delivery. If credit facilities are withdrawn or the buyer does not have approved credit facilities payment shall be due immediately. SABS reserves the right to call upon the buyer at any time to deliver to SABS a bank guarantee drawn on a bank acceptable to SABS the effect of which guarantee shall be that the bank guarantees the due performance by the buyer of its obligations under the contract.
- 4.3 SABS reserves the right to levy administration charges of 0.05% of the gross invoice value per day for each day that the invoice amount or any parts of the invoice amount is overdue. This administration charge shall accrue on a day to day basis.
- 4.4 The buyer shall not be entitled to withhold payment of any amount payable under the contract to SABS because of any disputed claim of the buyer with respect to any alleged breach of contract; nor shall the buyer be entitled to set off against any amount payable under the contract to SABS, any monies which are not then presently payable by SABS or which SABS disputes liability.
- 4.5 All bunkers sold and delivered by SABS are sold and delivered, and is hereby agreed by the buyer on behalf of himself and the owner and charterers of the vessel to be sold and delivered, on the faith and credit of the buyer and the faith and credit of the vessel. SABS shall have a maritime lien against the vessel in respect of all sums due to SABS hereunder immediately upon the commencement of such delivery, whether or not the sale or delivery of bunkers has been made on credit facilities.

### 5.0 DELIVERY

- 5.1 Times or dates for delivery stated by SABS are only approximate and time is not of the essence.



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- 5.2 SABS will arrange deliveries based on the principle “first arrived first served” but reserve the right to arrange bunkering sequences to take account of SABS priorities and operational requirements.
- 5.3 Vessel will be supplied with bunkers ordered by the buyer as promptly as circumstances permit, but neither SABS nor its supplier shall be liable for any loss, damage, demurrage or delay whatsoever or howsoever caused or arising, incurred by the buyer or the vessel as a result of any delay in delivering bunkers.
- 5.4 All purchases and sales shall be made in accordance with the provisions of the contract.

### 6.0 NOMINATION PROCEDURES

- 6.1 The buyer shall give to SABS advance notice of the location of the receiving vessel, the bunkering rendezvous place and the exact quantity and grades of bunkers required.
- 6.2 (a) The buyer shall nominate each vessel to take bunkers under the contract giving SABS the maximum notice of each required delivery, but in any event not less than 4 days notice of the anticipated date of each required delivery. Such notice shall be by telex and shall contain the following information:
- (i) Name of the buyer
  - (ii) Name of the vessel
  - (iii) Name of agent of vessel at delivery port/area
  - (iv) Estimated date that delivery is required
  - (v) Grades and quantities of Marine Fuels required
  - (vi) Port at which delivery is required
  - (vii) Call sign and inmarsat no.
- (b) The buyer shall also give to SABS directly or through the local agent of the vessel seventy two (72) hours, forty eight (48) hours and twenty four (24) hours clear notice of the vessel to receive bunkers and confirm the quantities and grades required.
- (c) Each and every nomination received or notice of variation thereof shall be subject to telexed confirmation and acceptance by SABS, but no liability shall attach to SABS in the event of their declining a nomination or variation thereof for whatever reason.
- (d) In the event of the receiving vessel failing to arrive and being ready to receive bunkers within six (6) hours of the time specified in accordance with paragraph 6.2 (b), SABS shall be entitled to delay delivery to such time and date as shall be



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mutually agreed between SABS and the buyer. SABS shall not be liable for any loss, damage, or demurrage incurred by the buyer or the receiving vessel as a result of delay in delivery provided that SABS shall use its reasonable endeavours to minimise any delay in delivery.

- (e) As per Saudi Arabian Port Regulations it is mandatory to appoint a local agent to clear the vessel in and out.

### 7.0 OPERATIONS

- 7.1 The Master of the SABS bunker tender shall direct and control all bunkering operations and the Master of the receiving vessel shall obey and follow all lawful instructions, directions and orders of the Master of SABS bunker tender including mooring, coming alongside, acceptance of bunkers and generally whatever else may be related to the bunkering operations.
- 7.2 The Master of SABS bunker tender may in his complete discretion refuse to make deliveries in adverse weather conditions or where the Master or the receiving vessel fails to follow the Master's instructions, directions and orders regarding the bunkering operations in general or the Master /Chief Engineer of the receiving vessel does not sign SABS Conditions of Delivery. SABS shall not be liable for any damage or loss of whatever nature or delay as result of either the refusal of SABS bunker tender Master to make deliveries or making deliveries in any of the above circumstances or for any losses incurred by the buyer or the receiving vessel as a result of the break-down of the SABS bunker tender or its facilities.
- 7.3 Under Saudi Arabian law SABS crew is forbidden to board the receiving vessel. The crew of the receiving vessel shall, under the command of an experienced officer, connect and disconnect delivery hoses to the receiving vessel's manifold(s) and shall remain fully responsible for receiving promptly and efficiently all deliveries of bunkers from SABS without any spillage. In the case of oil spillage the Master of the receiving vessel must immediately notify the Port Authorities and the Master of the SABS bunker tender. The Master of the receiving vessel must also comply with all requests and directions of the Port Authorities and the Master of the SABS bunker tender with a view of restricting any oil spillage.



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## 8.0 TITLE and RISK of LOSS

8.1 Except as may be otherwise agreed delivery of bunkers shall be deemed to be complete and the risk shall pass from SABS to the buyer, as the bunkers pass the flange connecting the delivery facilities provided by SABS with the receiving facilities provided by the buyer's vessel. Notwithstanding that risk in bunkers delivered has already passed to the buyer, title in the deliveries shall remain with SABS and shall not pass to the buyer **or their designated vessel** until the price due for the deliveries has been paid in full. The buyer shall be bailee of deliveries for SABS until title has passed to the buyer. If bunkers supplied pursuant to the contract are mixed with other bunkers the buyer hereby assigns and transfers to SABS such quantity of the mixed fuels as would settle all monies due by the buyer in respect of deliveries made under the contract. In the event payment is not made at the time and the manner specified, SABS shall have the right to regain possession of deliveries of bunkers already made without being obliged to set a further deadline for payment and all expenses and charges arising in connection therewith shall be borne by the buyer. **Any attempt by or on behalf of the receiving vessel to waive, negate or nullify SABS maritime lien against the vessel's ultimate liability for the costs or product supplied in fulfilment of this transaction particularly by the endorsing of delivery receipts by way of stamp or otherwise is held invalid/rejected. Under the terms of sale, SABS will not recognise the bunker delivery receipt/-s endorsed with 'no-lien' stamps in any type or form.**

## 9.0 QUALITY

- 9.1 The bunkers to be supplied hereunder shall be Saudi Aramco's commercial grades offered generally to its customers for use at the time and place of delivery.
- 9.2 Under no circumstances shall SABS have any liability beyond the invoice value of the bunkers delivered and in no event shall SABS be liable for loss of profit or prospective profits or special, indirect or consequential damages.
- 9.3 Any complaint and claim as to the quality of the bunkers supplied to the vessel must be submitted to SABS in writing within one calendar month of the date of delivery thereof failing which any such complaint or claim shall be deemed to have been irrevocably waived.
- 9.4 SABS shall take representative samples of each grade of bunkers delivered, which samples shall be sealed and identified by a duly authorised representative of SABS. The buyer has a right to be represented when such samples are taken. One sealed sample shall be handed to the Master of the vessel receiving the bunkers and the other two samples shall be retained by SABS for a period of one calendar month. Any dispute as to the quality of bunkers delivered shall be determined conclusively by laboratory



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testing of one of the samples retained by SABS by an independent analyst appointed jointly by SABS and the buyer at the cost of the buyer.

- 9.5 In the absence of any complaint or claim by the buyer within the one month calendar period referred to in clause 9.3, SABS reserves the right to destroy the two samples held by it. If the buyer is not represented when the samples are taken in terms of clause 9.4, then the buyer shall be held to have irrevocably waived any claim as to the quality of the bunkers delivered.

### 10.0 MEASUREMENT

- 10.1 The quantity of bunkers delivered shall be determined from the gauges of the SABS bunker tender and SABS weights and measurements shall be conclusive evidence of the quantity delivered.
- 10.2 The buyers representative shall have the right to be present on the SABS bunker tender and check the accuracy of the measuring equipment and record tank sounding before commencement and after the completion of delivery. Any complaint as to quantity delivered must be made to SABS representatives at the time of delivery and confirmed in writing immediately on completion of delivery of the bunkers failing which the buyer shall be deemed to have waived such complaint or claim.
- 10.3 No claim of variance concerning the quantity of bunkers delivered will be allowed in any circumstances whatsoever after delivery has been effected unless the buyer can, in the sole opinion of SABS, show reasonable grounds for such claim and an authorised representative of the buyer shall have been present immediately prior to, during and on completion of delivery.
- 10.4 Under no circumstances shall the Chief Engineer or the Master of the receiving vessel or any crewmember alter any of the delivery documents prepared by SABS. In the event of any claims or complaints the Master of the receiving vessel shall be entitled to hand over to the Master of the SABS bunker tender a note of protest duly completed which shall fully and adequately specify any claim or complaint of the Master of the receiving vessel.

### 11.0 CONTINGENCIES

- a) SABS shall not be in breach of its obligations hereunder to the extent that performance is prevented, delayed or (in the sole but reasonable judgement of SABS) made substantially more expensive as a result of any of the following contingencies:
- i) any cause beyond the reasonable control of SABS;



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- ii) labour disturbances whether involving the employees of the SABS or otherwise, and regardless whether the disturbance could be settled by acceding to the demand of a labour group;
  - iii) compliance with a request or order of any Governmental authority or person purporting to act therefor;
  - iv) shortage in raw material, transportation, manufacturing capacity etc. or of bunkers from SABS then contemplated source of supply thereof;
- b) Whenever performance is prevented or delayed by such a contingency, SABS may reduce deliveries in such manner as it may in its sole discretion determine.
- c) Whenever performance is made substantially more expensive by such contingency, SABS shall have the option either to reduce deliveries as provided above or to continue deliveries and increase prices in a manner which fairly apportions the increased cost of operating under such a contingency.
- d) SABS shall not be liable for demurrage resulting from such contingency.
- e) Performances will be excused as provided herein even though the occurrence of the contingency in question may have been foreseen or be foreseeable at the time of entering into the contract or subsequently become foreseeable.
- f) Quantities not sold or purchased due to the occurrence of such a contingency need not be made up later.
- g) Nothing in this paragraph 11 shall excuse the buyer from its obligation to make payment when due.

### 12.0 INDEMNITY

The buyer shall hold SABS harmless from any and all expenses, claims, loss, damage and liability arising out of (a) buyer's receipt, use, storage and transportation of bunkers delivered hereunder, and (b) the buyer's failure to take delivery of the full quantity ordered or tendered, whichever is less.

### 13.0 NOTICES

Notice to be given under the provision of the contract or these terms and conditions shall be addressed to such address, as the addressee in question shall from time to time specify. If the contract is entered into by an agent acting for on behalf of the buyer, then any notice to the buyer shall be addressed to such agent at its address as specified in the contract, or directly to the buyer, at its address. Notices to be given under the provisions of the contract except where specifically provided otherwise shall be delivered or sent by registered or ordinary post or by



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telex. All notices shall be deemed given upon receipt and in the case of telex on receipt of a valid answer back signal.

## 14.0 GOVERNING LAW AND SETTLEMENT OF DISPUTES

14.1 Except as otherwise expressly agreed to in writing, the contract, its performance and enforcement shall be governed by the Law of England. The English courts shall have jurisdiction to entertain actions founded on the contract and to render judgement therein. Each provision hereto is to be deemed severable and if any provision contravenes any applicable law, the same shall be deemed to be amended so as to conform to such law or to be deleted if it can not be amended so as to conform.

14.2 Nothing herein shall prevent SABS from bringing proceedings, whether by way of arrest, conservatory seizure or otherwise against any vessel owned or chartered by the buyer and/or against any property owned by the buyer in any state or jurisdiction. The commencement of such proceedings shall not be deemed a waiver of SABS rights to have any action against the buyer determined by the English courts.

## 15.0 MISCELLANEOUS

15.1 Any warrants conditions representations and agreements implied by law or otherwise as to the quality of bunkers are excluded.

15.2 The right of either party to require strict performance of any condition of the contract shall not be affected by any prior waiver or course of dealing.

15.3 All rights and remedies are cumulative, and election of one remedy shall not exclude another.

15.4 SABS shall be entitled to apply, in satisfaction of any obligation owed by the buyer, the amount of any monies, which may then be or thereafter become owing by SABS to the buyer.

15.5 SABS shall be entitled at any time to vary these terms and conditions.

For **SAUDI ARABIAN BUNKERING SERVICES.,**  
**C.N. Mundkur**  
**General Manager**  
C/o YBA Kanoo

