



الشركة السعودية للملاحة والخدمات البحرية
SAUDI SHIPPING & MARITIME SERVICES CO. LTD.

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TRANSHIP BUNKERS

STANDARD CONDITIONS FOR THE SUPPLY OF MARINE FUEL OILS FROM (OFFSHORE) BUNKER TANKERS

Conditions for the supply of Marine Fuel Oils from Bunker Tankers (Or Barge / Tug and Barge), when the vessel to be supplied is offshore or at anchorage or alongside cargo berth. The term “Marine Fuel Oils” shall mean all and any bunker fuel oils, marine diesel and gas oil.

ARTICLE 1. THE PLACING OF AN ORDER

The placing of an order, oral or written, with Saudi Shipping and Maritime Services Co. Ltd., (hereinafter referred to as “TRANSHIP BUNKERS”) shall constitute acceptance of these terms, except where a formal written contract signed by TRANSHIP BUNKERS is entered into and that contract specifically varies these terms and conditions.

ARTICLE 2. MARINE FUEL OILS

The Marine Fuel Oils supplied by TRANSHIP BUNKERS shall be the commercial grades of Marine Fuel Oils as currently offered by TRANSHIP BUNKERS to its buyers for similar use at the time and place of delivery. The Buyers shall have the sole responsibility for the selection and acceptance of Marine Fuel Oil for use in the vessels to which such Marine Fuel Oils are delivered.

ARTICLE 3. PRICE

The Buyers shall pay for the Marine Fuel Oils supplied by TRANSHIP BUNKERS at current prices for the grades involved ruling on date of delivery as set forth in TRANSHIP BUNKERS Marine Fuel Oil price schedule then current, with price(s) subject to change without notice.

ARTICLE 4. DELIVERIES

(4.1) The phrase “whilst supplying Marine Fuel Oils” shall cover the period commencing when the Buyers vessel and the Bunker Tanker (or barge or tug and barge) have approached within five (5) cables of each other and ending when vessel in question and the Bunker Tanker or barge are five (5) cables clear of each other.

(4.2) Whilst supplying Marine Fuel Oils, the Master of the Buyers vessel shall obey all orders, directions and instructions of the Master of the Bunker Tanker (or barge or tug and barge) except insofar as any such orders, directions and instructions may be unlawful. In the event that the Master of the Buyers vessel does not obey the said orders, directions

and instructions, the Master of the Bunker Tanker (or barge or tug and barge) shall be entitled to refuse to supply any of the Marine Fuel Oils ordered, and shall be entitled to stop any supply that may have been started, and in that event TRANSHIP BUNKERS shall have no liability whatsoever for any loss, damage, delay or demurrage suffered by the vessel to be supplied.

(4.3) In the event of adverse weather whilst supplying Marine Fuel Oils, the Master of the Bunker Tanker (or barge or tug and barge) may in his sole discretions refuse to effect Delivery or stop any supply that may have been started, and TRANSHIP BUNKERS shall have no liability for any loss, damage, delay or demurrage suffered by the vessel to be supplied.

(4.4) The Buyers shall nominate the vessel to be supplied by giving TRANSHIP BUNKERS at least fourteen (14) days notice in writing, such notice to give details of the Buyer's name, the name of the vessel, the estimated date of supply and the grades and quantities of Marine Fuels Oils required. Each and every nomination shall be subject to TRANSHIP BUNKERS confirmation. The Buyers shall give a further forty eight (48) hours and twenty four (24) hours clear notice of readiness, exclusive to weekends or national holidays, of the precise estimated time of arrival of the Buyers vessel and of her readiness to receive the agreed grades and quantities of Marine Fuel Oils. If the supply is to be made offshore from a Bunker Tanker, the Master of the Buyers vessel shall make radio contact with the Bunker Tanker at maximum range, but not less than 20 nm from prescribed anchorage, and shall maintain that radio contact, in the event of the Buyers vessel failing to arrive by the time specified in the twenty-four (24) hours notice of readiness, TRANSHIP BUNKERS shall be entitled to cancel the supply and shall have no liability whatsoever for any resultant loss, damage, delay or demurrage to the Buyers' vessel.

Notice of nomination and all notices of readiness shall be sent to Saudi Shipping and Maritime Services Co. Ltd., P.O. Box 7522, Jeddah.- 21472, Saudi Arabia. Telephone Jeddah 966-12-642 4255 / 642 4043 / 645 0637 / 645 0638, Fax No. 966-12-643 2821, E-mail: bunker@tranship.com

(4.5) Whilst supplying Marine Fuels Oil TRANSHIP BUNKERS shall have no liability whatsoever for damage of any description suffered by the vessel to be supplied, or any property on that vessel, or for personal injury or loss of life to anybody of that vessel arising from any cause whatsoever. Buyers vessels which have accepted these terms and conditions will be supplied as promptly as circumstances permit, but TRANSHIP BUNKERS shall not be liable for any loss, damage, delay or demurrage which may be suffered by the Buyers vessel if there is delay in making the supply, even though this delay is due to congestion affecting TRANSHIP BUNKERS delivery or bunkering facilities or to prior commitment of TRANSHIP BUNKERS Tankers (or barge or tug and barge). Allocation of respective Bunkering Tankers (or barge or tug and barge) and individual deliveries shall be made to Buyers vessels on a first-come-first-served basis, subject to TRANSHIP BUNKERS final decision.

(4.6) The Buyers must provide free of cost to TRANSHIP BUNKERS a clear and safe berth for the Bunker Tanker (or barge or tug and barge) alongside the Buyers vessel and

must have sufficient personnel available fore and aft to pull in and secure mooring ropes when coming alongside, when moored, and when casting off, and shall be responsible for all delay and expenses resulting from their failure to do so and / or the failure of the Buyers vessel to receive immediately the Marine Fuels Oils ordered and/or resulting from the Master of the Buyers vessel rejecting the whole or any part of the Marine Fuels Oils ordered. The Buyers shall make and be responsible for all connections and disconnections between the delivery hose and the Buyers vessel intake manifold and shall provide tankage and equipment to receive promptly and efficiently all deliveries of Marine Fuel Oils ordered. Assistance may be given by crew of TRANSHIP BUNKERS but full responsibility shall remain with the Buyers. Without prejudice to anything elsewhere herein contained, the Buyers shall indemnify the Seller against all loss, damage or injury whatsoever and howsoever caused to any person or property arising from any acts or omissions on the part of the Buyers or their servants, agents, ships officers or crews or other persons acting under their supervision, direction or control.

(4.7) Each and every contract entered into by TRANSHIP BUNKERS for the supply of Marine Fuel Oils shall be subject to stock being available.

ARTICLE 5. QUANTITY AND QUALITY DETERMINATION

(5.1) The quantity of Marine Fuel Oils delivered to the Buyers shall be determined at TRANSHIP BUNKERS option from either the gauge or meter of the Bunker Tanker (or barge) or from ullages or soundings taken in the Bunkering Tankers tanks before and after the Marine Fuel Oils have been pumped out, and such measurements shall be final and will not be adjusted based on ullages of Buyers vessels tanks. The Chief Engineer of the Buyers vessel or other qualified representative is invited to attend while the said ullages or soundings are taken and should the Chief Engineer or other representative not attend, then no claim whatsoever can be made against TRANSHIP BUNKERS measurements.

The Buyers representative will be required to sign for quantity and quality of Marine Fuel Oils received, and said representative will be given a sample drawn at ships rail, which together with equivalent sample drawn simultaneously and retained by the Bunkering Tanker, shall be the only basis on which determination of quality of the product delivered can be determined in cases of difference.

ARTICLE 6. PAYMENT

(6.1) Deliveries of Marine Fuel Oil are made not only on the faith and credit of the Buyers, but also expressly on that of the vessel's hull to which delivery is made, and TRANSHIP BUNKERS shall have and may assert at any time and in any place in the world a lien against such vessel for all amounts payable in respect of the deliveries made of Marine Fuel Oils. In the event of any default by the Buyers in the payment of any indebtedness to the Seller or other default or in breach of his other obligations to the Seller, or in the event of any distress or execution levied upon the Buyers property, assets or his making any agreement or compensation with his creditors, or his committing any act of bankruptcy or if a petition or receiving order or analogous proceeding is levied against him, or if any resolution for his winding up is passed or presented or if a receiver is appointed over his undertaking, property or assets, then the Sellers shall have the right at any time, without prejudice to any other rights or remedies, to suspend future deliveries

forthwith and to take such steps against the vessels hull, her registered owners and the Buyers as circumstances may lawfully permit.

(6.2) Full payment must be made, in advance and prior to the supply of the Marine Fuel Oil ordered to TRANSHIP BUNKERS in Jeddah at Al Bank Al Saudi Al Fransi, Jeddah US Dollars A/C No. 02 / 2000 / 30635 002 / 69 or as advised in United States Dollars or whatever international currency may be specified by TRANSHIP BUNKERS when confirming the Buyers nominations.

(6.3) Any delay in payment shall entitle the Seller to interest at, presently, the rate of 1 (one) percent per month or any part thereof without prejudice to any rights or remedies available to the Seller, and furthermore the Seller is entitled to charging administrative penalty fee of US \$ 1.00 PMT supplied, or the equality thereof in local currency, thus minimum penalty fee of US \$ 250.00.

(6.4) 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.

ARTICLE 7. FORCE MAJEURE

Without prejudice to anything elsewhere herein contained neither party hereto shall be responsible or liable for any delay, failure or omission to carry out or observe any of the provisions, conditions or obligations hereof if the same shall directly or indirectly be due to or caused by any matter not within the control of that party, including (but without limitation to the generality of the foregoing) labor dispute, strikes, breakdown, accident, government or like intervention, war or hostilities (whether war be declared or not), civil commotion, invasion, rebellion, revolution, insurrection, usurpation of power, disorder, non-availability of supplies or other causes, whether eiusdem generis or not. If supplies of Marine Fuel Oil available to the Seller are curtailed for whatever reason, deliveries may in the Seller's sole discretion be allocated among customers in such manner as the Seller deems appropriate and the Seller shall not be required to increase supplies from any other source of supply or to effect purchase elsewhere or otherwise to replace the supplies so curtailed.

ARTICLE 8. ARREST OF VESSEL

(8.1) Notwithstanding anything to the contrary herein and without prejudice to any rights or remedies otherwise available to the Seller, the Buyer, by their acceptance of these conditions, expressly authorizes the Seller to arrest the Vessel in question, or any other Vessel owned or operated by the Buyer, under any applicable jurisdiction as security for the obligations of the Buyer. Should the Buyer fail to make any payment to the Seller immediately, when due the Seller may dispose of such arrested Vessel whether by sale or otherwise as applicable under the relevant jurisdiction. Any costs or expenses of whatever kind incurred by the seller in respect of such arrest shall be for the sole account of the Buyer and shall be added to the claim for which arrest is made.

(8.2) The Seller shall have the right to obtain a payment guarantee from the Owner. If such guarantee has been given by the Owner and the Owner has not paid the outstanding amount to the Seller within 5 (five) business days after proper written notice has been

received, the Seller has the right to arrest the Vessel or any other Vessel owner or operated by the Owner. The Seller shall further have the right to dispose of such Vessel as set forth in Clause 1 above.

ARTICLE 9. ARBITRATION AND GOVERNING LAW

All questions, disputes or differences arising at any time out of these conditions or formal written contract or in any way concerning the same shall be settled amicably, failing which, the same shall be referred to a single arbitrator to be agreed upon by the parties, failing which, to an arbitrator to be appointed by a court of competent jurisdiction of Jeddah, Saudi Arabia, which arbitration shall be final and binding and in all other respects in accordance with and governed by Saudi Arabian Law at the time being in force. These conditions and any contract entered into in terms hereof shall be governed by and given effect to in accordance with Saudi Arabian Law.

ARTICLE 10. SUB – CONTRACT

TRANSHIP BUNKERS reserve the right to assign or sub-contract the fulfillment of any order or contract or any part thereof to any party deemed by TRANSHIP BUNKERS to be qualified to carry out such assignment or sub-contract.

ARTICLE 11. SEPARATE DELIVERIES

Each particular quantity of respective grades of Marine Fuels Oils deliverable in accordance with the conditions hereof shall be deemed to be a separate transaction and either party in any respect in default with regard thereto shall be liable accordingly.

ARTICLE 12. AGENTS

If any nomination is made by an agent acting for or on behalf of a principal then that agent shall be liable not only as an agent but also as a principal for the full performance of all obligations of the Buyers unless the principal be disclosed and identified.

ARTICLE 13. CLAIMS

(13.1) Notwithstanding anything elsewhere herein contained, no claim shall be entertained by the TRANSHIP BUNKERS unless notice in writing thereof is given to the TRANSHIP BUNKERS within a period not exceeding three (3) days from completion of delivery of the Marina Fuel Oils and no action shall lie against TRANSHIP BUNKERS unless the same is brought within ninety (90) days from delivery of the Marine Fuel Oils, after which all rights and remedies shall be extinguished.

(13.2) The Buyer shall be obliged to make payment, in full and fulfill all other obligations in accordance with Terms hereof, whether or not, they have any claims or complaints.

Updated - April' 2010.