

OCEAN BUNKERS
PHYSICAL BUNKER SUPPLIER, KARACHI, PAKISTAN

GENERAL TERMS AND CONDITIONS
FOR SALE OF MARINE FUELS/BUNKERS REVISED ON 1st March 2018

1. DEFINITIONS / GENERAL INTRODUCTION:

In this agreement (as hereafter defined) the following terms shall have the following meanings unless the context otherwise requires:

The Agreement or this Agreement

Any agreement between Buyer and Seller, whatever its form and these General Terms and Conditions together with any form of contract into which they are incorporated, form part thereof and *herein*, *hereunder*, *hereafter* and *hereof* refer to this Agreement.

These conditions apply to all offers, nominations, agreements, subsequent contracts and other party T&C not supersedes of Ocean Bunkers, Karachi, Pakistan, T&C.

Buyer

The Party Contracting to purchase bunkers (Marine Fuel For Consumption of vessel) AND/OR vessel AND/OR Master of vessel AND/OR Owners AND/OR Managers AND/OR Operators AND/OR Despondent Owners AND/OR Time Charterers AND/OR Voyage Charterers AND/OR Any Party request for offer AND/OR give Order/Nomination, of and for the Marine Fuels and here applicable, the agent so contracting on behalf of such party.

Seller

OCEAN BUNKERS or Their Principal.

Marine Fuels / Bunkers

The Bunker Fuels (IFO/MGO/LSMGO/MDO) products which are the subject of this agreement, delivered to or to be delivered to the Vessel.

Supplying Company

The party with whom (Source) the Seller contracts for securing the physical availability of Marine Fuels.

Vessel

Ship, Marine Craft, Off Shore Unit who receive the marine fuel/bunkers and Seller delivered to marine fuel/bunkers to her.

Nomination

Means the written request/requirement by email/fax etc by the buyer to the Seller/Supplier for the supply of bunkers to vessel, Seller/Supplier Rep directly deal with Buyer's Rep without involvement of 3rd Party, If it is not discussed/declared in nomination.

BDN

Means Bunker Delivery Note being the document(s) which is/are signed by the Buyer's Representative at the place of supply of the bunkers to the vessel, evidencing the bunker quality, quantity, samples supplied to and received by the vessel or Buyer's Rep.

BDR

BDR means, to proof that bunker quantity delivered from Ocean Bunkers AND/OR Seller/Supplier to a Buyer of bunkers, It is/are signed by the Buyer AND/OR Buyer's Representative at the place of supply, It will provide to Buyer as evidence of receipt of bunker product.

2. MARINE FUEL:

The Marine Fuel to be sold there under shall be the commercial grades of Bunker Fuel Oil and / or Intermediate Bunker Fuel and / or Marine Diesel Oil and / or Light Diesel oil and / or Marine Gas Oil or Low Sulphur Marine Gas Oil offered at the time and place of delivery by Seller or by the Supplying / Delivering Company (hereinafter called Supplying Company). Such Marine Fuel shall be used solely for the operation of Vessels on international trade that are owned, operated, chartered or controlled by Buyer during the term of this Contract and all such Marine Fuels shall be delivered in bulk and used solely in the operation of the vessel originally receiving it. The Buyer shall have the sole responsibility for the selection and acceptance of Marine Fuel for use in the vessels to which such Marine Fuel is delivered.

3. PRICE:

The price of Marine Fuel delivered there under shall be the selling price existing at the time and place of delivery of Seller or Supplying Company as the case may be, or the Grade of Marine Fuel delivered, as such seller Price List, shall exclude applicable duties, taxes, fees and other cost such as those imposed by government authorities and Tank Lorry/barging costs, all of which shall be paid by Buyer and included in Seller invoices to Buyer.

4. PAYMENT AND FINANCIAL RESPONSIBILITY:

- A.** Payment shall be made by Buyer as directed by Seller. Invoices will be based upon telegraphic advice details in lieu of delivery documents. Delivery documents may be provided to the Buyer at this request but payment shall not be conditional upon Buyer's receipt of such documents.

- B.** Payment shall be made by Buyer in full, without set-off, counterclaim, deduction and / or discount, free of bank charges in the manner and at the place as directed by the Seller. Buyer shall not make any deduction for claims relating to quantity, quality or service and payment in full shall be a pre-requisite for any review / negotiation / settlement of such claims. Seller may immediately recover any amount withheld from the full payment and buyer agrees that any claims related to the delivery of Marine Fuels such not constitute a valid defense against Seller's claim to the withheld amount.

- C.** Unless otherwise agreed, prices shall be deemed to be net in US dollars. All applicable taxes, levies, duties, tolls, fees, import charges and other cost including those imposed by governments and local authorities shall be Buyer's account and will not ordinarily be included in the price quoted.

- D.** If Marine Fuel is to be ordered by an Agent, then such Agent, as well the Principal shall be bound by, and liable for, all obligations as fully and as completely as if the Agent were himself the Principal, whether such Principal be disclosed, and whether or not such Agent purports to contract as Agent only. Both Principal and Agent shall be considered Buyer for the purposes of this agreement.

- E.** Deliveries of Marine Fuel hereunder, if sold on a credit basis, are delivered not only on the credit on the Buyer, but also on the credit of the receiving Vessel and the amount due shall become a maritime line against the Vessel immediately upon each delivery. Until payment has been received in full, the Seller has a right of lien over the Marine Fuel delivered.

- F.** Overdue payments shall bear interest at the rate of 10 percent per month or any part thereof, as well as alongwith USD 2000 Lump Sump will be charge will be charge as administration fee.

5. RISK AND TITLE:

Risk in the Marine Fuel shall pass to Buyer once the Marine Fuel have reached the flange connecting the delivery facilities provided by Seller or Supplying Company with the receiving facilities provided by Buyer. Buyer's risk includes, but is not limited to, loss, damage, deterioration, contamination, evaporation and responsibility of loss, damage, and harm caused by pollution or in any other manner to third parties.

- A. Buyer shall have the sole responsibilities for the selection, nomination and acceptance of Marine Fuel for use in the Vessel.
- B. When the product Cross the connecting flange, It will treat that title of product has transferred to Buyer, It is Buyer AND/OR Buyer Representative Responsibility to take the product in correct Receiving Tank, If product goes in wrong tank of Receiving Craft AND/OR Mix with any other fuel/product due to Buyer AND/OR Buyer Representative mistake OR Leakage of any valve(s) or loss the Supplied Product elsewhere in/out of the receiving craft, due to any reason, would be final QTY based on supplying source calculation.
- C. The quality of each grade of Marine Fuel shall be the usual quality of that grade offered for sale or being sold by Seller at the time and place of delivery but seller otherwise offers no guarantee or warranties of the quality, merchantability, fitness or suitability for any particular purpose beyond the description given above and any implied warranties or conditions whether statutory or otherwise are expressly excluded.

6. SAMPLING:

- A. Sampling by Seller or Supplying Company shall be carried out prior to marine Fuel leaving Seller's or Supplying Company's facilities. Buyer, or his authorized representative, shall have the right to witness the drawing of the sample. In the event that buyer is not present or represented he shall not make any challenge to the sampling procedure or result on that basis.
- B. Seller shall take four (4) representative samples for each delivery. The each sample shall be sealed and signed by the Vessel's Master or his authorized representative, and shore or barge representative. Two samples shall be given to the Master of the Vessel,

the other two samples shall be retained by Seller or Supplying Company for at least 15 days from the date of delivery in a safe place for verification of the quality on the Marine Fuel, if required. In the event of a discrepancy between the test results of the Buyer's sample and a corresponding sample submitted to testing by Seller, then the last retained sample will be submitted for analysis to an independent laboratory in Pakistan as per Seller choice, the results of which shall be conclusive and binding on all parties as to the quality of Marine Fuel delivered.

7. MEASUREMENT:

- A. The quantities of bunkers shall be determined from the official Gauge AND/OR flow meter of the bunkering barge AND/OR tank AND/OR Tank Lorry delivery or of the shore tank in case of delivery ex wharf.
- B. The Buyer or his representative shall together with the Seller's representative measure or check flow meter and verify the quantities of Bunkers delivered from the tank(s)/tank Lorry(ies)/barge(s) from which the delivery is made.
- C. Should the Buyer or his representative fail or decline to verify the quantities, the measurements of quantities made by the Seller (called as Sounding Certificate) shall be final, conclusive and binding and the Buyer shall be deemed to have waived any and all claims.
- D. The seller shall not accept a claim for short delivery based on the figures obtained by measuring the product in the vessel tanks. The (Seller) barge/Tank Lorry(ies)/Tank(s) sounding AND/OR flow meter reading is/are final and binding on all concerned parties.

8. DELIVERIES:

- A. Terms of Supply/Bunker Delivery Advice/Sounding Certificate must be signed by the Bunker Barge Officer & Buyer AND/OR his Rep AND/OR CE AND/OR Master of the ship, who receiving bunker fuel. The bunker delivery will start after signed/stamped acknowledgement of above documents by the Bunker Barge Officer.

- B.** Vessel will be bunkered as promptly as circumstances permit but neither Seller nor Supplying Company shall be liable for demurrage or for any loss due to congestion at the filling terminal or to prior commitments of available barges or delays at loading port to the bunkering barge due to adverse weather or strike or Traffic Jam etc of Tank Lorry(ies) or incidentally Non Avails of required bunker product or/of any other reasons which is beyond Seller's/supplier control.
- C.** Buyer shall pay demurrage to the Seller on the basis of actual cost incurred, and reimburse Seller or Supplying Company for all other expenses arising there from.
- D.** Delivery shall be made during normal working hours unless required at other times and permitted by port regulations, in which event Buyer shall reimburse Seller or Supplying Company for all additional expenses arising there from. If government permission is required for deliveries hereunder no deliveries shall be made until the permission has been obtained.
- E.** Deliveries shall be made by barge when barging facilities are available and required. The Seller or Supplying Company shall be under no obligation to make terminal or barge deliveries where, in their opinion, clear and safe berth is not available. When deliveries are made by barge Buyer shall pay Seller or Supplying Company the current barge rates plus any transportation taxes applicable and shall without charge immediately furnish clear and safe berth alongside Vessel's receiving lines and furnish or pay for necessary steam.
- F.** At all ports barging provided by or caused to be provided by Seller or Supplying Company shall be charged to Buyer at applicable rates for not less than ninety percent (90%) of the quantity ordered or tendered, whichever is less and Buyer shall also be charged for all additional expenses incurred by Seller or the Supplying Company in connection with Buyer's failure to take delivery of the full quantity ordered by Buyer. In the event Buyer fails to take delivery of the full amount ordered or tendered, whichever is less, of Marine Fuel either ex-barge or ex-terminal or ex-tank lorry, Seller will charge Buyer the amount of loss sustained by having to sell the fuel in down-graded form at a lower price than that at which ordered.

- G. Buyer shall give Seller at least three-seven (3-7) clear working days prior written notice of deliveries required specifying the name of the vessel, the location of bunkering/load port, the date of delivery, the grade and approximate quantity of Marine Fuel, and details of Vessel's agent with contacts. Thereafter, Buyer or Vessel's local agent shall give to Seller or Supplying Company (as applicable) at each port where deliveries are required at least forty eight (48) hours advance notice (unless otherwise stated in Seller's Price List), religious and public holidays excluded, of the exact quantity required and exact location and time at which delivery is required. Buyer shall reimburse Seller or Supplying Company for overtime and / or other additional expenses incurred due to the failure of Buyer, its servants or Vessel's local agents to provide Seller or Supplying Company (as applicable) with sufficient prior notice of amendments of delivery time, quantity changes or cancellation.
- H. Buyer shall make all connections and disconnections between the delivery hose and Vessel' intake pipe, and shall render all other receive promptly all deliveries hereunder.
- I. At Buyer's request deliveries will be made alongside Sellers or Supplying Company's dock if facilities for such deliveries are shown to be available in sellers price list. In no case shall seller or supplying company be liable for any damage or delay resulting from causes beyond their control or avoidable by due care on the part of buyer or its Vessel
- J. Where final quantity is agreed by the parties to be notified by the Master of the Vessel on arrival at the delivery point, such final quantity shall not be short of the original nomination by more than ten percent.
- K. In the case of did not Sign/Stamp on the bdn by Buyer AND/OR Buyer Representative, Sounding Certificate QTY will be final and binding on all Parties As Buyer AND/OR Buyer Representative acknowledged with the terms of supply.
- L. It is Buyer's Responsibility that If they want to appoint Surveyor at their own cost, to monitor the bunkering, should be declare the name of Survey Company at the time of bunker offer/nomination, It would be appoint with the consultation of seller/supplying company, after the fixing of bunkers/nomination with seller/supplying company,

It is seller/supplying company choice that they accept the survey company AND/OR did not accept survey company, as after the nomination Buyer waive all rights to appoint a surveyor, Any claim/demurrage will not accept by the buyer in this regard.

9. CLAIMS:

A. Any claim by buyer with respect to quantity must be notified to the seller in the form of a Letter of Protest signed by the Buyer or his authorized representative at time of delivery, which is acknowledged by the Seller or his authorized representative at time of delivery.

If seller or their representative not agree with the LOP words, they have a right to put the remarks on LOP.

Thereafter the Buyer shall provide full details of the claim in writing to the seller. Any other claims or complaints by the buyer including price or deficiency in quality of Marine Fuels must be received by seller in writing as soon as possible, but in no event shall seller be responsible for such claims notified more than 15 days from date of delivery in question. Failure to make any such complaints or claims as to quantity or quality within the time periods and manner specified above shall be deemed to be a waiver of any such complaints or claims. Buyer shall furnish all necessary details required by Seller to satisfactorily evaluate claim. Seller shall not be responsible for any claim arising in circumstances where there is or has been commingling of Marine Fuel delivered by Seller with other fuel or product on board Vessel.

B. If there is any claim against the seller then seller is entitle to ask the buyer to submit the same claim on buyer/client's company letter head duly signed and sealed.

C. If any claim stands against the seller by the buyer and communication starts then each and every email from the seller must be replied by the buyer in true spirit and within 7 working days.

10. NOTICE:

Unless otherwise provided, notice here under shall be given in writing or by fax, email to the sellers address in Pakistan or such other addresses as the parties may designate. All other notices shall be deemed given on the day when, in the ordinary course of events the letter, telex, telegraph, cable or radiogram message would have been received.

11. ASSIGNMENTS:

The Seller assign all or any of its rights and obligations hereunder Buyer without the prior written consent of the Seller.

12. FORCE MAJEURE:

A. The Seller or the Seller 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, authorities not permitted, 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.

B. If the Buyer exercises reasonable diligence, the Buyer shall not be liable for failure to receive any particular delivery if prevented there from 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.

C. 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.

13. SHORTAGE OF SUPPLIES:

If at the port location where delivery is to be made, supplies of Marine Fuel available to Seller or Supplying Company are curtailed, deliveries of Marine Fuel may at Sellers discretion be allocated among customers in such manner as Seller deems appropriate and Seller shall not be required to increase supplies from some other source of supply or to purchase Marine Fuel to replace the supplies so curtailed.

Anything herein contained to the contrary notwithstanding, deliveries at all ports are subject to stocks being available. If it is necessary to deliver a premium grade of Marine Fuel in lieu of the product ordered, Buyer shall pay the current price for the grade actually supplied.

14. CANCELLATION RESTRICTIONS:

Cancellation of bunker nominations should be advised to Seller at least seven (7) working days before the ETA of Vessel. Nevertheless Buyer shall support his cancellation for bunker nomination with reasons that should be considered by Seller as acceptable. If Seller reserves the right to recover from Buyer all damages and costs resulting from the cancellation.

15. LIABILITY – LIMIT TO SELLER LIABILITY

- A. The Seller AND/OR Supplier shall not be liable for damages of whatever nature, including physical injury, nor for delay of delivery of Bunkers or services, no matter whether such damages or delay have been caused by fault or negligence on the side of the Seller. The Seller shall furthermore not be liable for damages or delay as described above when such damages or delay have been caused by the fault or negligence of its personnel, representatives, Supplier or (sub)contractors.

- B. Liabilities of the Seller for consequential AND/OR liquidated damages including but not limited to loss of time, loss of cargo or charter cancelling date, loss of income or profit/earnings, are excluded. In any event and notwithstanding anything to the contrary herein, liability of the Seller shall under no circumstances exceed the invoice value of the Bunkers supplied under the relevant agreement to the relevant Vessel.

- C. The Buyer shall be liable towards the Seller and herewith undertakes to indemnify the Seller for any and all damages AND/OR costs suffered or otherwise incurred on the Seller due to a breach of contract and/or fault or neglect of the Buyers, its Supplier, agents, Servants, (sub)contractors, representatives, employees and the officers, crews and/or other people whether or not on board of the Vessel(s). The Buyer furthermore undertakes to hold the Seller harmless in case of any third party institutes a claim of whatever kind against the Seller whether direct or indirect relation to any agreement regulated by these terms and conditions. Third party shall mean any other (physical or legal) person/company than the Buyer.

D. No servant, supplier or agent of the Seller/Supplier (including independent (sub)contractors from time to time employed by the Seller/Supplier) shall be liable to the Buyer for loss, damage or delay, while acting in the course of or in connection with its employment and/or agency for the Seller. Without prejudice to the above every exemption, limitation, condition and liberty herein contained, and every right, exemption from or limit to liability, defence or immunity of whatever nature applicable to the Seller or to which it is entitled hereunder shall also be available and shall extend to protect every such servant, representative or agent of the Seller and/or the Supplier acting as aforesaid.

16. SPILLAGE, ENVIRONMENTAL PROTECTION

A. No valves in your receiving manifold should be closed without Prior notification to our operator. All precaution should be taken to prevent any form of shutdown against the pumping pressure, which may result in the bursting of hoses/gaskets/delivery pipe.

During the continuous supply if a burst occurs in the any of the pipe/hoses/gaskets etc. That has been caused as a result of back pressure from the ship.

In this case the Ship and their staff will be responsible for any damages/claims/pollution from the Port OR any concerned authority etc.

B. Close co-ordination is to be maintained between our representatives on duty and the nominated members of your crew who are placed in charge of receiving bunkers. Once delivery has started, any changes in valves on your vessel, that will affect the rate of delivery, must be notified to the Bunker Company's representative either on the dockside or on the Deck before any change is made. At no time should ANY valves be closed against line pressure without first warning the Company's Representative sufficiently in advance, to enable them to take the necessary precautions. The Company accepts no responsibility, for any damage or loss caused by in ability of your vessel's Officers to give ample warning before closing/changing valves against the line pressures.

C. If a spill occurs while the Bunkers are being delivered, the Buyer shall promptly take such action as is necessary to remove the spilled Bunkers and mitigate the effects of such spill. Without prejudice to the generality of the foregoing the Seller is hereby authorized in its full discretion at the expense of the Buyer to take such measures and incur such expenses (whether by employing its own resources or by contraction with others) as are necessary in the judgment of the Seller to remove the spilled Bunkers and mitigate the effects of such spill. The Buyer shall cooperate and render such assistance as is required by the Seller in the course of the action. All expenses, claims, costs, losses, damages, liability and penalties arising from spills shall be borne by the party that caused the spill by a negligent act or omission. If both parties have acted negligently, all expenses, claims, losses, damages, liability and penalties, shall be divided between the parties in accordance with the respective degree of negligence. The burden of proof to show the Seller's negligence shall be on the Buyer. The Buyer shall give the Seller all documents and other information concerning any spill or any program for the prevention thereof, that are required by the Seller, or are required by law or regulation applicable at the time and place of delivery.

**17. BUNKERING OPERATION PROCEDURE / HOW TO DEAL WITH
RECEIVER OF BUNKERS:**

- A. As per Internarional bunker procedure, Seller will serve a Letter to inform nominated AND/OR order QTY/Grade of Fuel by the Buyer, in the shape of bunker delivery advise/terms of supply/check list to Buyer's AND/OR Buyer's Rep (CE/Master/Captain or any authorized person) at nominated ship for the bunkers.
- B. In that, Seller clearly invite to Buyer AND/OR Buyer's Rep, to read that document, and witness/acknowledged with ship stamp for the terms of supply / Check List.
- C. Close co-ordination is to be maintained between our representatives on duty and the nominated members of your crew who are placed in charge of receiving bunkers. Once delivery has started, any changes in valves on your vessel, that will affect the rate of delivery, must be notified to the Bunker Company's representative either on the dockside or on the Deck before any change is made.

- D. At no time should ANY valves be closed against line pressure without first warning the Company's Representative sufficiently in advance, to enable them to take the necessary precautions. The Company accepts no responsibility, for any damage or loss caused by in ability of your vessel's Officers to give ample warning before closing/changing valves against the line pressures.
- E. No Naked Lights are allowed during the bunkering operation.
- F. No Hot Work (Welding etc) are allowed during the bunkering operation.
- G. Strictly No Smoking at the place of bunkering operation area.
- H. It is Buyer AND/OR Buyer's Rep responsibility that they arrange fire extinguisher, fire blanket, etc in the case of fire to handle.
- I. It is Buyer AND/OR Buyer's Rep responsibility that in the case of spill, for removal of oil, cloths, duster, perolene chemical/cleaning chemical etc, to clean the Bunkering operation area.

18. LAW & JURISDICTION

Any dispute arising out of the Sale Contract or of these General Terms and Conditions, Ocean Bunkers/Seller/Supplier has the discretion to use the applicable laws / Jurisdiction of either UK the USA and/or Pakistan. If the buyer is not agreeable they can nominate a legal jurisdiction from the applicable list and advise prior to the purchase of Marine Fuels. In the even the buyer does not nominate a single legal jurisdiction they waive all rights and the sellers may choose from the list without consultation.