

VB | Valletta
Bunkers
LIMITED



TERMS & CONDITIONS FOR PURCHASE AND DELIVERY OF MARINE FUELS

1. Definitions:

- Seller:** Valletta Bunkers Ltd – "Virtu" Ta' Xbiex Terrace – Ta' Xbiex
- Buyer:** Broker/trader/owner/charterer as indicated in the stem confirmation. Supplier: The Seller or the company from whom the Seller contracts to procure the physical delivery of Marine Fuel.
- Marine Fuel:** All or any of the Marine Fuel Oil, Diesel Oil, Gas Oil or other products which the Seller has agreed to supply to the Buyer in accordance with the Nomination.
- Nomination:** The pre-delivery telex/telefax/e-mail communication from Buyer to Seller confirming acceptance of the prices, specifications, and other terms agreed upon by the Buyer and Seller for the sale and delivery of Marine Fuel. In the event of any conflict between the Nomination and this Agreement, the Nomination shall govern.
- Vessel:** The Vessel to which the Marine Fuel is to be delivered.
- Port:** The Port or position at which the Seller has agreed to deliver the Marine Fuel under this Agreement.
- Agreement:** This Agreement between the Seller and the Buyer for the supply of Marine Fuel forms part of the nomination as referred to in the stem.

2. Prices and Charges:

2.1: The prices and charges for Marine Fuel shall be as set forth in the Nomination.

3. Quantity:

3.1: The quantities of Marine Fuel delivered shall be measured and calculated in accordance with the ASTM-API-IP Petroleum Measurement Tables. (Table 54B).

3.2: Any discrepancy between Supplier's figure and Vessel's figure shall be resolved pursuant to Clause 16.

3.3: For safety reasons (overflow etc.), acceptance of final quantity to be delivered shall be in the option of the Master of receiving Vessel. In the event Master's final quantity determination results in a shutout of product, the Buyer will be responsible for all reasonable and substantiated expenses involved in return of the product, unless non-acceptance is due to Supplier's default.

4. Quality:

The quality of the Marine Fuel shall be within the Min/Max limits of the International Standard ISO 8217, 2005

5. Sampling:

5.1: Samples shall be representative of the Marine Fuel supplied. Sampling by Supplier shall be done at the time and place where the product leaves either shore pipe, tank truck, or barges by continuous drip method. If sampling by the drip method is not available on Supplier's installation or equipment, the sample shall be taken by the continuous drip sampling device placed at Vessel's flange.

5.2: Supplier shall take three representative samples of each grade of marine fuel(s) to be delivered. One sample shall be given to the Master of the Vessel receiving the Marine Fuel; the other two samples shall be retained by Supplier.

5.3: The samples must be kept by the Supplier for at least three months from the date of delivery in a safe place for verification of the quality thereof. If Buyer makes a claim or complaint within fifteen (15) days of date of delivery one of the two remaining samples along with any other Supplier's and Buyer's relevant representative samples, shall be submitted for analysis to a locally independent laboratory mutually appointed by Buyer and Supplier.

5.4: The findings from the independent laboratory shall manifest the quality of the product delivered.

6. Nomination:

6.1: The Nomination shall contain information regarding Vessel's name, Port or point and expected date of delivery, quantity and grades, and Vessel's agent. The Supplier shall deliver the Marine Fuel at the terms and prices agreed to in the Nomination.

6.2: Buyer or Vessel's agent in the delivery Port shall provide the Supplier with as accurate information about the Vessel's arrival as possible.

6.3: Nominated price will be valid for 5 days. The Eta shall become the accepted date for delivery and Suppliers bind themselves to deliver with 24 hrs from arrival which would have been accepted as the delivery date.

Buyer is to ensure that vessel can receive min of 200 cbm of fuel oil and 90 cbm of gas oil per hour.

6.4: Buyer or agent is to provide Supplier with 72/48/24/12 hr notices of arrival and any cancellation within that period shall be deemed as a cancellation and clause 7.4 is to apply.

7. Delivery:

7.1: The Supplier shall 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. The buyer shall be responsible to make all connections and disconnections between the delivery hose(s) and the Vessel's intake pipe and to ensure that the hose(s) are properly secured to the Vessel's manifold prior to the commencement of delivery. The buyer will give instructions to the barge to commence pumping.

7.2: The Vessel shall be bunkered as promptly after readiness as possible, and the Supplier will ensure sufficient pumping capacity to deliver the Marine Fuel within Vessel's scheduled port stay.

7.3: Subject to the custom of the Delivery Port, delivery of the Marine Fuel shall be made day and night, Sundays and holidays included without any overtime charges to Buyer unless such charges have been agreed prior to delivery.

7.4: In the event that Vessel is delayed, after notice of arrival has been submitted to Supplier, and the Supplier as a result of this is incurring waiting and/or overtime expenses, the Buyer will compensate Supplier for substantiated and reasonable operational charges as agreed between Buyer and Supplier unless the delay is caused by circumstances beyond the reasonable control of the buyer. Loss of such time shall be at the rate of Us\$ 5000 per 24 hrs pro-rata. If the nomination has been cancelled after the stem had been issued by the supplier, the buyer is to compensate the supplier for loss of business.

7.5: If Buyer's Vessel is delayed due to late arrival of barge, truck or delay in preparing pipe delivery, Supplier will compensate Buyer for substantiated and reasonable cost incurred by Buyer, unless the delay is caused by circumstances beyond supplier's reasonable control. However, clause 6.3 is to apply.

7.6: Buyer shall procure a safe berth and all relative costs are for buyer's account.

Buyer is to ensure that all tanks are clean and cargo worthy.

Buyer is responsible to have vessel ready to receive bunkers and all blank flanges removed and all gaskets and hoses fitted.

Buyer is to ensure that vessel's representative takes all ullages of Suppliers barge prior and after delivery. Failing to do so will be the full and sole responsibility of the buyer and no claims on shortage will be entertained. In such a case Suppliers determination of quantity shall be deemed as correct and binding.

7.7: The Sellers will not be held responsible for any delay/demurrage /loss of charter / taxes/ anchorage dues etc, if buyers stem another supply of any similar or other grade with other suppliers during this bunker call. Sellers also reserve the right to claim for any delays/demurrage if supply cannot be made on arrival due to other suppliers taking preference.

8. Delivery Note:

The bunker barge will present the following documentation to the receiving vessel :-

- 1) Bunker requisition form
- 2) Ship to Ship transfer check list
- 3) Copy of the BDR indicating the quantity and grade of fuel to be supplied. Together with Viscosity at 50 degrees Centigrade, Density at 15 degrees Centigrade , water content in percent volume and flash point

A copy of this delivery note will be signed by the responsible officer onboard the receiving Vessel as acknowledgement of receipt.

9. Payment:

9.1: Payment for Marine fuel shall be made by Buyer to Supplier by telegraphic transfer within 30 days from date of delivery or 15 days from the date of invoice, whichever is the latest, unless other agreement has been made between Buyer and Supplier. A copy of the bunker delivery receipt signed by Supplier and Vessel shall be made available to Buyer before payment date.

9.2: The Supplier's invoice must as a minimum include:

- Name of receiving Vessel
- Port and date of delivery
- Description of quantities and grades
- Payment bank details, and corresponding bank, if required

9.3: The Marine Fuel under this contract delivered on credit to the Buyer.
The Supplier shall not exercise a lien against the receiving Vessel before the expiry date for payment unless sufficient reason to do so.

9.4: Full Payment is to be received free of any bank charges on the due date.
Interest at 2.5% per month or part thereof will be charged on overdue accounts together with a late payment fee of USD 1000.

9.5: When due date is a Saturday / Sunday bank or public holiday, payment must reach the supplier on a working day before or after such closures. If the due date proceeding or following one of these days is also a bank or public holiday, payment is to be received on the working day before or after such closures.

10. Title & Risk:

Title in and risk of loss of the Marine Fuel shall remain with the Supplier until the Marine Fuel has passed the inlet flange on the receiving Vessel. The Marine Fuel shall be transported and pumped by and at the risk of the Supplier until it has passed the inlet flange on the receiving Vessel.

Title to the products in the specific stem shall remain with the supplier until they would have been paid in full. The supplier shall have a lien on the vessel and on any bunker on board in respect of such claim for payment for the products including payments of interest, legal and ancillary costs. In purchasing these bunkers, the buyers are warranting that they have the authority to bind the vessel with this lien and that they are making the stem on behalf of both the owners and charterers. It is the buyers' responsibility to obtain authority and to advise any other interested party of the condition mentioned here. A disclaimer note issued by the vessel's representative does not in any way waive the supplier's lien on the vessel.

11. Claims:

11.1: Any claim as to quality or specification of the Marine Fuels must be notified in writing promptly after the circumstances giving rise to such claim have been discovered. If the Buyers do not notify the Sellers of any such claim within fifteen (15) days of the Bunker Delivery Note date, such claim shall be deemed to be waived and barred.

11.2: The Buyer's representative may state any protest, regarding the supplied quantity and/or the Suppliers performance on the bunker delivery receipt or by submitting separate letter of protest.

11.3 Buyer will be responsible for all demurrage, or any other expense incurred by the Suppliers if the documents are not signed, and the barge not released from alongside the vessel.

12. Indemnity:

12.1: The Buyer will indemnify and hold harmless, the Supplier against any claims, losses, costs, damages, or expenses incurred by the Supplier and resulting from the supply of the Marine Fuel under this Agreement to the extent that such claims, losses, costs, damages, or expenses are caused by the negligence, error, omission, or violation of law of the Buyer or its agents or subcontractors, in performing any obligation under this Agreement. Notwithstanding any other provision, the Buyer will not indemnify or hold harmless the Supplier against any claims, losses, costs, damages, or expenses caused by the act or omission of any third party that is not an agent or sub-contractor of the Buyer.

12.2: The Supplier will indemnify and hold harmless the Buyer and the Vessel Owner/Operator against any claims, losses, costs, damages, or expenses incurred by the Buyer or Vessel Owner/Operator and resulting from the supply of the Marine Fuel under this Agreement to the extent that such claims, losses, costs, damages, or expenses are caused by the negligence, error, omission, or violation of law of the Supplier, or its agents or subcontractors, in performing its obligations under this Agreement. Notwithstanding any other provision, the Supplier will not indemnify or hold harmless the Buyer or Vessel Owner/Operator against any claims, losses, costs, damages, or expenses caused by the act or omission of any third party that is not an agent or subcontractor of the Supplier.

12.3: In the event that the Marine Fuel is found to be outside the applicable quality specifications of this Agreement, Supplier shall pay Buyer full compensation for any direct costs, expenses, or damages to the extent incurred by the Buyer as a consequence of such breach, including but not limited to mechanical damages and loss of time and hire for the Vessel to which the Marine Fuel was supplied.

12.4: If the quality of the Marine Fuel supplied is outside the applicable Minimum/Maximum Specification limits to such an extent that the Buyer reasonably determines that the Marine Fuel shall be off-loaded the Supplier shall arrange the necessary barging and receiving facilities to receive such Marine Fuel without any cost to the Buyer.

12.5: The Buyer shall to the greatest extent possible limit the losses of the Supplier by arranging the off-loading, preferably in a Port in which the Supplier has operations to facilitate the off-loading, and the Buyer shall assist the Supplier in any other way reasonably possible to limit the losses of the Supplier.

12.6: In the event that the Marine Fuel must be off-loaded because of failure to meet the quality specifications of this Agreement, title to and risk of loss in the Marine Fuel shall transfer to the Supplier immediately upon its passing the outlet flange on the Vessel. The indemnification and hold harmless provisions of this Agreement shall apply with full force to any off-loading which may occur in connection with this Agreement.

12.7: Both buyers and suppliers shall be responsible for ensuring that their respective vessels have an adequate P & I cover. Any disputes arising between the buyer and supplier related to any

damages caused during manoeuvring as well as during the supply, shall be handled by the respective clubs. Both buyers and sellers are obliged to indicate names of such clubs together with details. Buyers have no right to withhold payment for bunkers supplied in lieu of any damage caused during manoeuvring or during the supply. If this is done buyers are in breach of their contractual obligation on this agreement and incur a fine of USD \$ 3000 besides the late payment fees and interest as stipulated in this agreement.

13. Environmental Protection:

13.1: If in the course of any delivery performed under this Agreement there is any escape or spillage of Marine Fuel prompt action shall be taken by both the Buyer and the Supplier to contain the spillage and limit the damage to the environment, persons and/or property.

13.2: The Supplier will ensure that oil spill contingency plans exist and so far as it is able that such plans are approved by the appropriate authorities and that required personnel and equipment are present. Supplier shall require all its agents and subcontractors to meet all oil spill response planning, personnel, and equipment regulations.

13.3: The indemnification and hold harmless provisions of clause 12 are hereby expressly made applicable to liability arising in respect of any escape or spillage of Marine Fuel.

13.4: The Supplier shall be responsible for ensuring that the barge company is adequately insured for oil spill damages. The insurance shall cover liability for all spills caused in whole or in part by the acts or omissions of the Supplier, including spills caused by the Supplier from the Vessel during delivery.

14. Force Majeure:

14.1: Neither the Buyer nor the Supplier shall be responsible for failure to fulfil their respective obligations under this Agreement if such failure is caused by circumstances beyond their control.

14.2: This clause shall not apply to Supplier's obligations to deliver Marine Fuel within the agreed specifications or to Supplier's obligations according to 13.3 and 13.4.

15. Agreement:

Unless otherwise agreed in writing, the terms and conditions of this Agreement shall apply to the exclusion of all others.

16. Disputes:

1.2 Disputes arising from this Agreement and/or deliveries effected under this Agreement shall be solved by amicable discussions between the parties concerned. Should this fail the provisions of this Agreement shall be governed by the Law of Malta and disputes shall be settled by arbitration in Malta in terms of the Arbitration Act 1997 as amended by statutory instrument from time to time.

17. Amendment:

The Company reserves the right to amend these Standard Terms and Conditions of Trading at any time without notifying the Customer. Such amendments will not, of course, apply retrospectively, and will not effect any business transaction which the Company has contracted with the Customer prior to such amendment