



**GENERAL STANDARD TERMS AND CONDITIONS FOR THE SALE
OF MARINE BUNKERS AND LUBRICANTS**

[Effective from 01ST of March 2012]

The present General Standard Terms and Conditions of Sale apply to every delivery/supply made by TERMOIL (hereinafter “the Supplier”) and absolutely overrides any other terms and/or conditions presented or invoked by any other party whatsoever, including the Buyer (as hereinafter defined).

1. Definitions

For the purposes of these General Terms and Conditions of Sale:

1.1 “Buyer” means, jointly and severally, in any event the registered and the disponent owner of the Vessel and (as the case may be) the manager of the Vessel, her demise/bareboat charterer, lessee and any other party which has contracted with the Supplier for the particular supply of Products and is stated as a buyer in the Supplier’s “Confirmation of Supply”. The manager of a Vessel shall, unless otherwise expressly advising the Supplier in writing before the latter despatches its “Confirmation of Supply”, be deemed as acting for the owner of the Vessel.

1.2 “Products” mean the fuel oil and/or marine gas oil and/or any other kind of marine fuel and/or marine lubricants which the Supplier may supply the Vessel.

1.3 “Vessel” means the ship to which Products are supplied.

2. Orders

The Supplier's written "Confirmation of Supply" dispatched by the Supplier prior to delivery and not contested in writing by the Buyer before the delivery of the Products to the Vessel, shall be conclusive evidence of (i) the order for Products placed by the Buyer, (ii) the identity of the latter and (iii) the price and other details of the delivery thereof. All the party(ies) stated in the relevant Confirmation of Supply as buyer(s) shall be deemed to be the Buyer of the respective Products on a joint and several basis.

3. Quality

3.1 The Products delivered shall be the Supplier's commercial grade for each respective kind of Products (bunkers or lubricants) as generally offered to its customers at the time and place of delivery. The Buyer shall be solely responsible to select and nominate the appropriate kind and grade of the Product to be delivered. The Supplier has no liability whatsoever in case the Product ordered and supplied is for any reason whatsoever not suitable or fit for use in the Vessel. The Products are to be exclusively used by the Vessel.

3.2 In case a particular grade is not available, the Supplier shall discharge its obligations by supplying another similar Product or one of another brand name, provided that such substitute Product is suitable for the declared purposes of the Buyer.

3.3 Where standard specifications are given, tolerances of 5% in quality are to be accepted by the Buyer without any liability on the part of the Supplier. Moreover, local specifications supersede any other specifications which may be agreed to by the Supplier in good faith.

3.4 In cases where the Buyer mixes the Products with other products already existing in the tanks of the Vessel, no quality claims shall be made nor allowed against the Supplier.

3.5 Any claims related to the quality of the Products must be made in writing and delivered to the Supplier latest within seven (7) running days from the date of the particular delivery (see also clause 6.2 herebelow). Thereafter any right of the Buyer and/or any other party to make such claim shall be inadmissible as groundless and in any event time-barred. The Buyer agrees that the nature of such claims requires the immediate notification of the Supplier, failing which the Supplier can be seriously prejudiced.

4. Quantity – Measurements

4.1 The quantity of the bunkers delivered hereunder shall be conclusively determined, at Supplier's option from the gauge of the shoretanks from where the bunkers shall be provided or of the barge effecting the delivery or from the Supplier's oil meter.

4.2 Where the determination of supplied quantity is made according to the delivering barge's ullage report prior and after delivery duly signed and stamped by both parties or by officially calibrated barge's flow meter readings, no subsequent quantity claim shall be valid.

4.3 Where the quantity is determined by the Supplier otherwise than by gauge or meter of terminal or barge tank, such determination shall be conclusive and no claims shall be entertained, unless a specific complaint is made in writing to Supplier at the time of delivery.

4.4 In the case of lubricants, their quantity shall be conclusively determined by the signing of the Delivery Receipt by an officer of the Vessel.

4.5 In any event the Buyer is not allowed to mark the Delivery Receipt for bunkers or lubricants. The Buyer has the right to issue a Letter of Protest stating his complaint. A Letter of Protest in relation to quantity shall only be valid and admissible if it is made in writing and delivered to the Supplier immediately after the completion of the specific delivery; it must contain, among others, the facts supporting the Buyer's contentions as to the quantity short delivered and the tank(s) in which

the Product was placed during delivery as well as all pre existing in the Vessel quantities and qualities.

5. Delivery – Measurements

5.1 Supplier's obligation to make any delivery is subject to the availability of the Product at the delivery port and the proper operation of such port enabling such delivery.

5.2 If the Supplier at any time and for any reason believes that there may be a shortage of supply at any port which may make it unable to meet the demands of all its customers, the Supplier may allocate its available and anticipated supply among its customers in such manner as it may in its sole discretion determine.

5.3 The Supplier shall not be required to deliver a Product into any of the Vessel's tanks or spaces which are not regularly used for the storage of such Product, and shall not be required to deliver any Product for the export of which a Government permit is required and has not been obtained. Any export or other permit which may be required from time to time by any Government must be promptly and timely obtained by the Buyer.

5.4 Delivery shall be made in one or more consignments by such means and at such particular place of the port of delivery as the Supplier may deem appropriate in the circumstances.

5.5 In the event of delivery by barge, the Buyer shall at its own expense provide a clear and safe berth for the barge(s) alongside the Vessel's receiving lines and shall provide the steam or other means required to effect such delivery. The Buyer shall pay to the Supplier the amount due to the latter according to its current barging rates at the port concerned, also all other charges, as/if incurred, such as for mooring and unmooring; the Buyer will also pay the Supplier for any overtime that may be necessary to effect the supply of the Products at the time(s) agreed.

5.6 The Buyer shall make connection between the pipelines or delivery hoses and Vessel's intake lines, and shall render all other necessary

assistance and provide sufficient tankage and equipment to receive promptly all deliveries. The Buyer is responsible for ensuring that a Product is received at a safe rate and pressure and that all equipment utilized therefore is in a safe and satisfactory condition.

5.7 Delivery shall be deemed completed when the bunkers have passed the flange connecting the Supplier's delivery facilities with the receiving facilities provided by the Buyer, at which point Supplier's responsibility shall cease and the Buyer shall assume all risks, including for loss, damage, deterioration, depreciation, evaporation or shrinkage as to the Products delivered. However, the ownership of the Products shall remain with the Supplier and shall pass to the Buyer only after the selling price and all and any additional charges related to the sale and delivery which are due and payable by the Buyer shall have been fully paid – see sub-clause 9.9 below.

5.8 The Buyer shall, as its own risk and expense, take all appropriate preventive measures to avoid the collision and contact of the Vessel with the supplying barge(s) and any risk of spillage/pollution.

6. Sample taking – Quality claims

6.1 Representative official and binding samples of the bunkers supplied are only those taken at barge's manifold during the delivery by dripping method. Three (3) such samples shall be taken and sealed/signed/stamped by Supplier's and Buyer's representatives (in the latter case by an officer of the Vessel); one to be kept by the Buyer, one for Marpol for fuel oil, and one by the Supplier.

6.2 No complaint as to the quality of the Products supplied by the Supplier nor any claim in relation thereto shall be admissible unless notified to the Supplier in writing within seven (7) running days from the date of delivery, such notification to include (otherwise it will be invalid) the alleged deficiency and the clear description of any damage caused. Following the lapsing of the said seven (7) days all quality claims relating to the particular delivery shall be inadmissible as groundless and in any event time-barred.

6.3 In case of a dispute as to quality the only conclusive evidence/proof shall be the result of the joint (between Supplier and Buyer) analysis of the aforesaid official samples (sealed, signed and stamped by both parties) which will take place at the port of supply at a mutually accepted first class laboratory, which will also witness the sound condition of the sample's seal before it is broken, in the presence of all present, for testing. If the Buyer refuses to attend such seal breaking and/or testing, same will be carried out without his participation and the test results shall be binding upon all parties, including the Buyer.

7. Delay

7.1 The Buyer or its agent at the port of delivery shall give the Supplier written notices of the date and time of the forthcoming arrival of the Vessel and of the appropriate place where the Vessel shall anchor or berth at the port of delivery. These notices must be tendered at such prior times so as to allow the Supplier to properly arrange for the supply; they must be tendered during working hours at the port of delivery. Notices tendered after 18:00 hours shall be deemed tendered at 09:00 a.m. on the next working day.

7.2 The Supplier shall not be liable for any delay which is caused by any reason whatsoever save for the proven gross negligence of the Supplier/its executives or the intentional action thereof. Indicatively only, the Supplier shall not be liable for any delay caused by strike, lock out or other actions of its employees or subcontractors, or those of the port, refinery, barge, etc., any shortage of the Product, the placement of the Vessel on a waiting list, the non tendering or tendering of inaccurate/insufficient notices under clause 7.1 hereinabove, weather conditions, bureaucracy, formalities of any kind, etc.

7.3 In any event the Supplier shall, under no circumstances, be liable for any loss of profit or other consequential damages of the Buyer and the total liability of the Supplier shall not exceed the proven actual running costs of the Vessel for the period of any delay for which the Supplier may be liable (exclusive of any loan/finance servicing costs

and any other expenses not directly connected to the actual running of the Vessel).

8. Price

8.1 The prices quoted for any delivery of a Product, unless otherwise stated in any written quotation or confirmation of the Supplier, are valid only for the date(s) of the expected delivery of the Product as same appear(s) in the relevant quotation or confirmation or – in the lack thereof – as declared by the Buyer and agreed by the Supplier. Outside such date(s), the Supplier shall notify in writing the Buyer of the availability or not of the Product and the new price thereof.

8.2 Wharfage, barging and/or pipeline dues (as may be applicable at the place of delivery), overtime, any environmental surcharges, as well as any and all taxes or other charges imposed on any Product, shall be paid extra by the Buyer together with the price of the Product.

8.3 Any increase in the price of a Product following agreement on its price and before delivery, due to the change of the legislation or of the refinery prices or of the market conditions, shall be added to the price and paid by the Buyer to the Supplier together with the original price.

9. Payment – Retention of Ownership

9.1 Unless otherwise expressly agreed the Buyer will pay the respective invoice(s) of the Supplier net in cash within thirty (30) running days from delivery in the currency stipulated by the Supplier at the time of confirmation by the Supplier of the Product(s) supplied.

9.2 In the event of the Buyer not making payment in full by the due date, the Buyer shall be charged and obliged to pay to the Supplier default interest at the rate of 2% per month on the principal amount due from the due date of payment to the date of actual full payment of the principal, without prejudice to the Supplier's right to claim full payment forthwith. The Buyer hereby agrees and accepts that the quantum of the default interest as calculated hereinabove in this subclause, constitutes the agreed damages suffered by the Supplier as

a result of the latter being deprived of the timely payment of the principal amount, without prejudice to all other rights and entitlements of the Supplier under the present Terms and Conditions or under the applicable Law or otherwise.

9.3 If at any time before the delivery the financial standing of the Buyer appears to the Supplier (in its absolute discretion) to have become impaired or unsatisfactory, the Supplier may require cash payment or security to be provided by the Buyer prior to delivery, failing which the Supplier may cancel the delivery without any liability on the part of the latter or its subcontractors.

9.4 If at any time after delivery but before the due date the financial standing of the Buyer appears to the Supplier (in its absolute discretion) to have become impaired or unsatisfactory, the Supplier may require immediate full payment of all its invoices due and/or of those not yet due, or such security, as it shall deem to be satisfactory.

9.5 In the event that the Buyer shall default in making any payment due, the Supplier may suspend deliveries until such payment has been made in full (together with interest and costs), or the Supplier may, in its discretion, elect to treat such default as a serious breach of the contract and thereupon terminate the contract in whole or in part without prejudice to any claim against the Buyer for damages. Such suspension or termination shall not relieve the Buyer of any obligation undertaken by virtue of a contract so terminated.

9.6 Where the Supplier has extended any kind of credit to a group of companies or associated companies, default by any one relevant Buyer in respect to any one invoice of the Supplier shall give the right to the Supplier to cancel all credit arrangements of the entire group or of all the associates, whereupon sub-clauses 9.4 and 9.5 shall apply mutatis-mutandis.

9.7 Where the Buyer fails to pay timely, the Supplier has the right to (without prejudice to its right to receive default interest) take all appropriate steps to secure and enforce its claim; the Supplier may also

unilaterally cancel any credit arrangements agreed with/extended to the Buyer.

9.8 All judicial and extrajudicial costs and expenses, including preaction costs, expenses and disbursements of Supplier's lawyers, incurred in connection with non payment or delayed payment or by any other breach by the Buyer of these conditions, shall be for the Buyer's account, immediately payable by the latter to the Supplier. In case of litigation, the Buyers shall also pay all the relevant expenses of the Supplier, including but without limitation all his legal/lawyers' costs.

9.9 All Products, shall remain Supplier's property until the Buyer has fully made all the payments for them to the Supplier. Until such time the Buyer shall hold the Products as bailee, store them in such a way so that they can be identified as Supplier's property; they shall however remain on the Vessel at Buyer's sole risk and expense and without any cost for the Supplier, until such full payment and the Buyer shall insure them against all risks, the Supplier having also the right to receive the relevant insurance proceeds directly from the insurers.

The Buyer's right to possess the Products during such period shall cease if

- (a) the Buyer has not paid for the Products in full by the expiry of any credit period agreed; or
- (b) the Vessel is arrested for the purpose of or in any way becomes the object of an auction, judicial, Court or other kind of compulsory sale; or
- (c) the Buyer is declared bankrupt or makes any proposal to its creditors for reorganization or other voluntary arrangement or seeks such protection from any Court; or
- (d) a receiver, administrator or liquidator is appointed in relation to the Buyer.

Upon the cessation of the right to possess the Products, the Buyer shall at its own time and expense make the Products available to the Supplier allowing it to repossess same and remove them from the Vessel at a suitable place, without prejudice to all other rights of the Supplier, who

shall always be entitled to also claim and receive any removal expenses and all other losses and expenses whatsoever. The Buyer hereby grants to the Supplier and its agents irrevocable authority to board the Vessel or enter any other premises where the Products are stored for the purpose of repossessing same.

9.10 The Buyer or any other party is not entitled to place any markings on the Delivery Receipts as to non-liability on its part to pay for the Products, unless such marking has been agreed in writing between the Supplier and the Buyer in advance of the delivery. Any such marking placed without agreement shall have no validity or effect whatsoever; where such marking is placed before the completion of the delivery of the Product(s) the Supplier has the right to withhold or interrupt the supply, with all relevant delay being for the exclusive account of the Buyer.

10. Taxes and other charges

Should any kind of tax (including but without limitation VAT), due, stamp duty, surcharge, freight, insurance premium, pilotage, port dues or other kind of additional expense be imposed or incurred by the Supplier at any time in relation to the Products or their delivery, same shall be borne by the Buyer who shall be obliged to forthwith pay same directly or to reimburse the Supplier, as the case may be.

11. Supplier's Liability

Without prejudice to any other provision in these terms and conditions:

11.1 Under no circumstances shall the Supplier or its servants, subcontractors and/or agents be liable for any physical injury or damage.

11.2 The Buyer shall be solely liable for making the hose connections on board the Vessel and generally to accept the Products on board; therefore the liability for any loss or spillage of Products overboard the Vessel shall be solely with the Buyer, the Supplier not having any liability whatsoever.

11.3 The Supplier shall not be liable for loss of profit or any consequential damages of the Buyer. Where the Supplier is liable for any delay caused to the Vessel, its liability shall be limited to the proven actual running costs of the Vessel for the actual period of any such delay (exclusive of any loan/finance servicing costs in relation to the Vessel and/or any other expenses not directly connected to the actual running of the Vessel). Where a Product is proven to be offspecifications to the extent of not being able to be used in the Vessel and the Supplier is liable, the liability of the latter in respect of the value of the replacement product cannot exceed the price of the Product replaced as invoiced by the Supplier.

12. Buyer's Liability

In addition to Buyer's obligations to pay for the Products as provided in clause 9 hereof, and without prejudice to any other provisions in these terms and conditions (including but not limited to Clause 11.2 hereinabove), the Buyer shall be liable towards the Supplier and shall keep it fully indemnified in respect of all damages and/or losses and/or expenses incurred by the Supplier as a result of any breach of contract, fault of the Buyer or its employees, officers, servants and/or agents; such liability/indemnity shall include –but without limitation– any claims by third parties which may be brought against the Supplier in respect thereof.

13. Force Majeure

Neither the Supplier nor the Buyer shall be held responsible for any losses, resulting if the fulfillment of any terms or provisions hereof shall be delayed or prevented by compliance with any regulation or other government restriction or by compliance with any order or request of any government or other competent authority or party acting for such authority, or by any disorders, wars, acts of enemies, strikes, lockouts, fires, floods, acts of God, restraint of princes, perils of the sea, accidents of navigation, failure of or interference with supply from Supplier's

sources of supply, breakdown or injury to, or expropriation, confiscation, injury or breakdown of the facilities used for the production, transportation, handling or delivery of the Products.

If the Supplier shall suffer any loss of tanker or barge tonnage, or if compliance with an order or request of any governmental or other competent authority shall reduce the tanker or barge tonnage available for the normal movement of the Products, the obligation to make deliveries hereunder may be reduced at Supplier's option approximately in proportion to such loss or reduction. The Supplier shall not be required to make up any deliveries omitted in accordance with this clause.

The Supplier shall generally not be liable for any total or partial inability to supply any Product and/or for any delay, by reason of any cause which is not within the immediate control of the Supplier.

14. Maritime Lien

The sale of Products to the Buyer and/or their acceptance on the Vessel affords to the Supplier a maritime lien on the Vessel. In any event the Law governing these provisions and/or any other applicable law shall not prejudice the right of the maritime lien of the Supplier afforded either hereunder or by any other applicable Law, be it of the place of delivery, of the flag of the Vessel, of the place of jurisdiction, and/or of an arrest of the Vessel, or otherwise howsoever.

15. Spillage – Environmental Protection

Always without prejudice to Clause 11.2 hereinabove, if a spill occurs while a Product is delivered, the Buyer shall promptly take such action as is necessary to collect the spilled Product and prevent, extinguish

and/or mitigate (as the best possible case may be under the prevailing circumstances) the effects of such spill. Without prejudice to the generality of the foregoing, the Supplier is hereby authorized at its option and the expense of the Buyer to take any such measures and incur any such expenses (whether by employing its own resources or by contracting with others) as are necessary in the judgment of the Supplier to collect the spilled Product and prevent, extinguish or mitigate the effects of such spill. The Buyer shall cooperate and render such assistance as is required by the Supplier in the course of such actions. All relevant expenses, claims, losses, damages, liability and penalties arising in relation to spills shall be borne by the Buyer. The burden of proof to show any liability of the Supplier shall be on the Buyer. The Buyer shall have available and give the Supplier all documents and other information concerning any spill or any program for the prevention thereof, as required by the Supplier, or by Law or by any regulation applicable at the time and place of delivery.

16. Brokers and Agents

Unless a party involved specifically declares in writing to the Supplier prior to the dispatch by the latter of its "Confirmation of Supply", that it is acting as a broker or agent for another party (in such case clearly identifying its principal by way of name, capacity, address and contact numbers), such party shall be deemed to be a Buyer, on a joint and several basis.

17. Assignment

The Buyer does not have the right to, at any time whatsoever, assign any of its rights and/or obligations hereunder or in relation to any delivery of Products, or to substitute the Vessel by another one. The Supplier has the right to do so provided that the assignee shall be a professional supplier of the particular Product(s).

18. Miscellaneous

18.1 Any breach on the part of the Buyer shall give the right to the Supplier (at its absolute sole discretion) to cancel the relevant contract for supply, without prejudice to all its other rights against the Buyer.

18.2 Failure by the Supplier to exercise or enforce any rights shall not be construed as a waiver of such rights or in any way affect the validity of the contract.

18.3 The headings herein are only indicative and do not limit the interpretation of these terms and conditions.

19. Law and Jurisdiction

These terms and conditions and the agreement governed by them, as well as any disputes and/or other matters relevant thereto, shall be governed by the Law of the United States of America.

In case of any default in the prompt, full and/or timely payment of any Product(s) supplied by the Supplier or in relation to any other issue whatsoever in relation to this Agreement, the Supplier shall have the right, in its absolute discretion, to proceed against the Buyer and/or the Vessel and/or any other party, in such jurisdiction as the Supplier sees fit for the purpose(s) of, among others, securing any payment due to it or proceeding in the main or other proceedings in order to enforce and/or collect any claim. The Buyer agrees and acknowledges that the nature of the transaction and of the respective business is such, to the effect that the foregoing which are set for the benefit of the Supplier, are absolutely reasonable and fully acceptable by the Buyer.

20. Validity

These Terms and Conditions shall be valid and binding in respect of all offers, quotations, prices and deliveries of Products made by TERMOIL as of March 01ST, 2012, or on any other later date.

The present are available at the web-site <http://www.termoil.com/termoil-terms.pdf>, on which the Supplier may

notify amendments, alterations and/or changes hereto, which are deemed to be an integral part of these Terms and Conditions, once same have been made available through the above web-site.

