



Al Arabia Bunkering Company L.L.C.

BASIC TERMS AND CONDITIONS

1. DEFINITIONS:

"**Agreement**" means the GTCs, the Bunker Confirmation, the Physical Supplier GTCs and any other relevant contractual documents. In the event of any inconsistency between the provisions of the any of the documents forming the Agreement the following priority shall be applied: Bunker Confirmation, GTCs, Physical Supplier GTCs and any other relevant contractual document.

"**Bunkers**" means the grade or grades of bunker fuel oil, marine diesel oil and gas oil supplied to the Vessel.

"**Bunker Barge**" means the barge or tanker supplying Bunkers to the Vessel.

"**BB Clause Receipt**" means the receipt signed by the Buyer prior to delivery, pursuant to which the Buyer shall issue a clean Bunkers Delivery Receipt without any remarks and agree to make any remarks on a separate letter of protest.

"**Bunkers Delivery Receipt**" means the receipt for the Bunkers supplied to the Vessel issued following delivery. It shall contain the information detailed in clause 6 below.

"**Bunkering Notice**" means the notice issued when the Bunker Barge is alongside the Vessel and shall contain the information detailed at clause 6.3.

"**Buyer**" means the company(ies) named in the Bunker Confirmation buying the Bunkers under an Agreement with the Seller and shall include its servants, agents and designated representatives and the registered owner of the Vessel to which bunkers are being supplied, its charterers and/or managers and/or operators.

"**Credit Period**" means the period commencing on the date of delivery and expiring on the Due Date.

"**Delivery Window**" means the period stated in the Bunker Confirmation during which the Bunkers are to be delivered to the Vessel.

"**Due Date**" means the date stated on the Seller's invoice by which full payment for the Bunkers should be credited to the Seller's account and the Seller shall receive interest from this date.

"**GTCs**" means these General Terms and Conditions

"**Bunker Confirmation**" means the document issued by the Seller confirming the agreement between the Buyer and the Seller and shall contain the information detailed in clause 2.2 below.

"**Physical Supplier**" means a third-party supplier contracted to physically supply the Bunkers to the Vessel.

"**Physical Supplier GTCs**" means the terms and conditions of the Physical Supplier.

"**Samples Delivery Receipt**" means the receipt issued by the Seller after the samples are taken in accordance with clause 8.

"**Seller**" means Al Arabia Bunkering Company LLC who are the party contracting to sell the Bunkers to the Buyer.

"**Vessel**" means the vessel named in the Bunker Confirmation to which the Bunkers shall be supplied.

The Seller and Buyer are referred to collectively as the "**Parties**" and individually a "**Party**".



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2. **NOMINATION AND AGREEMENT**

- 2.1 The Buyer shall submit to the Seller a nomination for the purchase of Bunkers. The nomination shall specify: The Vessel name and IMO number, the delivery port, the anchorage at the delivery port, the ETA and ETD of the Vessel at the delivery port, the name and contact details of the Vessel agents, the barging fees, and the grade(s), quantities, and method of delivery of Bunkers as per ISO Standard 8217(E):2005 or equivalent. In the nomination, the Buyer shall also advise the Seller of any special conditions, difficulties, peculiarities, deficiencies or defects in respect of the Vessel which might adversely affect the delivery of the Bunkers.
- 2.2 The Seller shall only accept the nomination and the Agreement shall only be binding on the Seller when the Seller sends the Bunker Confirmation to the Buyer. The Bunker Confirmation shall confirm the Vessel name and IMO number, the Buyer, the delivery port, Delivery Window, the Credit Period, the terms on which (payment/credit) shall be (made/extended), any additional charges and the price, grade(s), quantities of the Bunkers. Each Bunker Confirmation shall incorporate these GTCs. The Buyer warrants that pursuant to the Bunker Confirmation the Buyer is bound by these GTCs. The Buyer further warrants that they are authorised by the Vessel's owners or operators to order the Bunkers and enter this Agreement and that they have provided a copy of the Agreement to the Vessel's owners or operators.

3. **PRICE/DELIVERY TERM**

- 3.1 The price of the Bunkers shall be in the amount per unit and currency stated in the Bunker Confirmation. The price shall be valid for the Delivery Window. If the Buyer or the Vessel fail to take delivery of the Bunkers within the Delivery Window, the Seller shall have the right either to choose to deliver the Bunkers on a date of the Seller's choice and charge any additional costs incurred in delivering outside the Delivery Window; or accept a new Delivery Window as a new agreement with a new price to be agreed; or terminate the Agreement with the Buyer paying the Seller any damages, expenses or costs resulting from the Buyer's failure to take delivery.
- 3.2 Any charges in addition to the price of the Bunkers shall be specified in the Bunker Confirmation. These shall include but shall not be limited to wharfage charges, barging charges including demurrage, mooring charges, port duties, overtime charges, duties, taxes, charges and freight incurred by the Seller. If after the Bunker Confirmation is issued the Seller incurs any charges in addition to the price of the Bunkers, including but not limited to wharfage charges, barging charges including demurrage, mooring charges, port duties, overtime charges, duties, taxes, charges and freight, the additional charges shall be for the Buyer's account once the Buyer is notified thereof by the Seller.

4. **CANCELATION**

If the Buyer cancels the nomination after the Bunker Confirmation is issued and prior to delivery, the Buyer shall be in repudiatory breach of the Agreement and shall be liable to the Seller for any damages, costs or expenses suffered or incurred by the Seller in respect of the Buyer's cancellation, including but not limited to the difference between the market value of the Bunkers at the time of cancellation and the price of the Bunkers stated in the Bunker Confirmation.

5. **QUANTITY AND QUALITY**

- 5.1 The Buyer assumes sole responsibility for the quantity and quality of the Bunkers nominated, the compatibility of the Bunkers with any fuels already onboard the Vessel, the fitness for purpose of the Bunkers and the compliance of the Bunkers with a specific type of engine or equipment. The Seller excludes all warranties regarding the satisfactory quality, merchantability, fitness for purpose, description or otherwise of the Bunkers.



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5.2 The Seller shall ensure that the Bunkers are of a homogenous and stable nature, that the quantity and quality of the Bunkers supplied correspond to the quantity and quality of the Bunkers stated on the Bunker Confirmation and that the Bunkers correspond with the relevant ISO Standard 8217(E):2005 or equivalent. Further, the Bunkers delivered under this Agreement shall be measured in accordance with the ISO-ASTM-API-IP Petroleum Measurement Tables.

5.3 The Buyer shall accept a variation of 5% from the agreed quantity, with no other consequence than a similar variation to the corresponding invoice issued by the Seller.

6. DELIVERY

6.1 The Vessel shall be ready to accept delivery of the Bunkers within the Delivery Window. The Seller shall be under no obligation to deliver the Bunkers outside the Delivery Window.

6.2 The Buyer shall give the Seller 72 hours approximate notice, 48 hours approximate notice, 24 hours definite notice, 12 hours definite notice and 6 hours definite notice (exclusive of Fridays, Saturdays and Public Holidays at the delivery port) of the time of the Vessel's arrival at the delivery port, the location of delivery and the time at which delivery is required. These notice periods shall be calculated from the commencement of the Delivery Window. Upon receipt of the 48 hours' notice, the Seller shall give an approximate time of delivery to the Buyer. This approximate time of delivery shall not be binding on the Seller.

7. RISK

7.1 Risk of the Bunkers shall pass to the Buyer once the Bunkers pass the Seller's flange connecting the Vessel's bunker manifold with the delivery facilities provided by the Seller.

8. PAYMENT

8.1 After delivery of the Bunkers to the Vessel, the Seller shall issue an invoice for the Bunkers specifying the Due Date. The Buyer shall follow the payment instructions detailed on the invoice issued by the Seller. Should the Buyer fail to follow the instructions detailed on the Seller's invoice the Buyer shall be responsible for any resulting delays. Payment must be made by the Buyer on or before the Due Date. Payment shall be deemed to have been made on the date it is credited to the designated account of the Seller. If the Due Date falls on a non-banking day, then payment must be made on the business day nearest to the Due Date. If the preceding and succeeding business day are equally near to the Due Date, the preceding business day shall be deemed the Due Date. If the Seller considers that the Buyer is unable to pay its debts as they fall due the Seller may give written notice to the Buyer to accelerate the payment date in which case payment is automatically due.

8.2 Payment shall be made in full without set-off, counterclaim, deduction, and/or discount free of bank charges. If payment has been made in advance of delivery, that payment shall be adjusted to reflect the actual quantities of Bunkers delivered and any additional payment and/or refund shall be made on the Due Date.

8.3 If full payment is not received by the Due Date:

(a) interest at a rate of 2% per month compounding monthly shall accrue on any outstanding amount;

(b) the Seller reserves the right to pursue all legal remedies available to recover the amount owed, take all appropriate steps to secure and enforce its claim and may unilaterally cancel any credit arrangements extended to the Buyer or any associated companies; and

(c) all reasonable legal fees incurred by the Seller in connection with the collection of the overdue payment shall be for the Buyer's account.



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9. LIABILITY/INDEMNITIES

- 9.1 The Seller shall not be liable to the Buyer for any claims for indirect or consequential loss, financial or economic loss, or demurrage, detention or deviation arising out of or in connection with this Agreement. The Seller shall not be liable for damages arising out of or in connection with physical injury or delay in delivery of Bunkers irrespective of whether such damages or delay have been caused by the fault or negligence of the Seller. The Seller shall not be liable for any claim arising out of or in connection with the comingling of the Bunkers with other fuels onboard the Vessel.
- 9.2 The Buyer shall take all reasonable measures including the retention of and/or burning of the Bunkers in accordance with the Seller's instructions in order to minimize the costs associated the Seller's failure or suspected failure to supply Bunkers of the quality specified in the Bunker Confirmation. The liability of the Seller for any loss damage or other expenditure arising out of or in connection with the failure by the Seller to supply Bunkers of the quality specified in the Bunker Confirmation shall be limited to the removal at a reasonable location of any Bunkers not of the quality specified in the Bunker Confirmation and either the replacement of such Bunkers or the reimbursement of the Buyer for the price of such Bunkers.
- 9.3 The Buyer assumes all liability for any loss or damage to the Vessel or injury to the crew thereon caused by the Bunker Barge or any fault of the Master or crew of the Bunker Barge.
- 9.4 The Buyer shall be liable to the Seller and undertakes to indemnify the Seller for all damages suffered and losses incurred by the Seller due to a breach of contract and/or fault or negligence of the Buyer, 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 shall indemnify the Seller for any losses incurred in respect of any claims instituted by a third party against the Seller, whether such claims are directly or indirectly related to the Agreement.

10. SANCTIONS

- 10.1 Nothing in this Agreement is intended to be or should be interpreted as contrary to any laws, regulations, decrees, ordinances, orders, demands, requests, rules or requirements of the European Union, any EU member state, the United Nations, the United States of America or any other jurisdiction applicable to the Parties relating to trade sanctions, foreign trade controls, export controls, non-proliferation, anti-terrorism and similar laws.
- 10.2 Neither Party shall be obliged to perform any obligation required by the Agreement if this would be in breach of any laws, regulations, decrees, ordinances, orders, demands, requests, rules or requirements of the European Union, any EU member state, the United Nations, the United States of America or any other jurisdiction applicable to the Parties relating to trade sanctions, foreign trade controls, export controls, non-proliferation, anti-terrorism and similar laws. In such a case, the Parties shall be released from the affected obligation.
- 10.3 The Seller reserves the right at all times to decline to supply the Bunkers to the Vessel if the Seller reasonably considers the supply could cause the Seller to be in breach of any laws, regulations, decrees, ordinances, orders, demands, requests, rules or requirements of the European Union, any EU member state, the United Nations, the United States of America or any other jurisdiction applicable to the Parties relating to trade sanctions, foreign trade controls, export controls, non-proliferation, anti-terrorism and similar laws.

11. ANTI-CORRUPTION

- 11.1 Each Party warrants they shall respectively comply with all applicable laws, regulations, rules, decrees and/or official government orders and requirements imposed by any relevant jurisdiction relating to anti-bribery or anti-money laundering.



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- 11.2 Each Party represents, warrants and undertakes to the other that they shall not engage in acts or transactions if this is in violation of or inconsistent with the anti-bribery or anti-money laundering legislation of any government
- 11.3 Each Party may terminate the Contract forthwith upon written notice to the other Party at any time, if in its reasonable judgment the other Party is in breach of any of the representations, warranties or undertakings in Clause 16.

12. JURISDICTION

- 12.1 This Agreement shall be governed and construed in accordance with English law. The 1980 United Nations Convention on Contracts for the International Sale of Goods of Vienna 11 April 1980 shall not apply.

For more information and for receiving the analytical Terms & Conditions please contact us at:

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