

## SINGAPORE PETROLEUM COMPANY LIMITED TERMS AND CONDITIONS OF MARINE FUEL SUPPLY

### 1. APPLICATION

These terms and conditions shall apply to the contract of sale of Marine Fuel made between SINGAPORE PETROLEUM COMPANY LIMITED (SELLER) and BUYER. The term SELLER or BUYER shall include servants, agents, brokers, designated representatives, subsidiaries or affiliates wherever applicable.

### 2. MARINE FUEL AND DISCLAIMER OF WARRANTIES

The Marine Fuel to be sold shall be the commercial grade offered generally by SELLER at the time and place of delivery. BUYER has the sole responsibility for the selection, acceptance and use of Marine Fuel including determination of compatibility with marine fuel already on board the vessel. SELLER shall not be liable to deliver Marine Fuel with any characteristic or specification that is not expressly agreed to and described in the contract of sale.

Except as provided above, there are no guarantees or warranties, express or implied, of merchantability, fitness or suitability of the Marine Fuel for any particular purpose or otherwise.

### 3. APPLICATION OF THE SINGAPORE BUNKERING PROCEDURE (SBP)

Where delivery of Marine Fuel is carried out by barges/tankers, the bunkering operation shall follow the procedures prescribed by the Singapore Bunkering Procedure ("the SBP") issued by Singapore National Shipping Association.

### 4. QUANTITY AND QUALITY

The quantity of Marine Fuel delivered shall be determined by dipping of tanks or meter reading and cargo temperature reading of the barges/tankers' tanks effecting delivery or by gauging the Seller's shore tanks or oil meter at the SELLER's supplying terminal, all at SELLER's election. The Chief Engineer shall witness and confirm the opening and closing of SELLER's barges/tankers' tanks failing which, SELLER reserves all right to refuse to bunker BUYER's vessel. In such an event, all costs resulting from delay in supplying the bunker shall be borne by the BUYER.

The findings obtained and necessary adjustments in volume due to temperature differences in accordance with ASTM-IP Petroleum Measurement Tables shall apply to establish the quantity delivered by SELLER to BUYER pursuant to the contract of sale and the findings so determined in accordance with the SBP shall be conclusive and binding on BUYER and SELLER.

If BUYER should contravene, decline or waive compliance with any of the procedures

prescribed by SBP for deliveries by barges/tankers and a dispute arises between SELLER and BUYER, the failure or omission in compliance with the SBP shall be construed strictly against the interests of BUYER who shall be stopped from denying, contradicting or challenging the findings on quantity or quality obtained by SELLER which shall be conclusive and binding on BUYER.

## 5. NOMINATION

BUYER shall give SELLER at least seventy-two (72) hours notice exclusive of Saturdays, Sundays and Public Holidays (unless otherwise agreed to by SELLER) of the exact time and location at which delivery is required. Notwithstanding the foregoing, BUYER shall be liable for any cost and expense incurred by SELLER resulting from the failure of BUYER to take delivery of or rejecting in part or in full the quantity of Marine Fuel ordered by BUYER and accepted by SELLER.

## 6. DELIVERY

Delivery shall be made ex-wharf or ex-barge/tanker at the discretion of SELLER and the vessel will be bunkered as promptly as circumstances will permit. SELLER shall not be liable for any cancellation, loss, damage, delay or demurrage whatsoever which may be suffered by BUYER as a result of any congestion at the delivery location or at SELLER's or its supplier's facilities, prior commitments of available barges or from any other circumstance beyond the control of SELLER or its suppliers.

## 7. CANCELLATION

If the vessel fails to arrive or receive Marine Fuel within five (5) days from the date of the nominated estimated time of arrival, either party has the option to cancel the delivery of Marine Fuel without incurring any liability whatsoever.

## 8. RISK AND TITLE

Delivery is deemed complete and risk shall pass to BUYER as the Marine Fuel passes the vessel's permanent hose connection. Notwithstanding the passing of risk to BUYER, title to the Marine Fuel shall remain with SELLER and pass only upon full payment to SELLER for the delivery. Prior to the passing of title, BUYER is deemed bailee for Seller of the Marine Fuel delivered by SELLER.

If the Marine Fuel delivered is commingled with other marine fuel or products, BUYER hereby assigns and transfers to SELLER such quantity of the admixture as would satisfy all outstanding debt owed to SELLER in respect of the Marine Fuel delivered. In the event payment is not made by BUYER in the manner provided hereunder, SELLER shall have the right to regain possession of Marine Fuel delivered without obligation to give further notice. All costs and expenses incurred shall be borne by BUYER and shall be aggregated with and form part of the outstanding debt owed to SELLER.

## 9. PRICE

The price of Marine Fuel delivered shall be as agreed in the contract of sale. BUYER shall pay for any and all applicable duties, Goods and Services Tax, taxes, fees, costs (including those imposed by government authorities), barging/jetty fees, delivery charges and such other costs and expenses arising from the delivery which shall be included in SELLER's invoice to BUYER.

## 10. PAYMENT

BUYER shall pay SELLER the full amount stated in SELLER's invoice without any deduction, set-off, counter claim whatsoever. The information contained in SELLER's delivery documents shall form the basis of the invoice. Payment on the invoice is not conditioned on the receipt of delivery documents.

The method of payment shall be as agreed in the contract of sale but in the absence of any such terms, payment for each delivery of Marine Fuel shall be made by BUYER within thirty (30) days from the date of delivery unless otherwise agreed by SELLER.

## 11. LIEN

Sales of Marine Fuel are made on the credit of receiving vessels as well as on BUYER's promises to pay. SELLER shall have and may assert a lien against such receiving vessels for the invoiced amount for the Marine Fuel delivered. Additionally, SELLER shall have and may assert a lien for the said invoiced amount against such receiving vessels if the laws applicable at the place of delivery of Marine Fuel and/or at the place of seizure of such receiving vessels grant or recognise a lien for Marine Fuel delivered to a vessel. The taking of any additional security measures by SELLER shall not operate as a waiver of this provision.

## 12. CLAIMS

Any claim for shortage in quantity shall be communicated to SELLER within fourteen (14) days from the date of delivery failing which the claim is time barred. Any complaints of defect in quality shall be notified to SELLER within twenty-one (21) days from the date of the delivery failing which the claim is time-barred. The communication of such claim for shortage of quantity and complaint of defect in quality shall be in the form of the Note of Protest prescribed by the SBP and accompanied by details of the claim. In deliveries ex-wharf where the SBP does not apply, the claim procedures established by SELLER shall be followed.

Notwithstanding anything above, if the Master/Chief Engineer should contravene, decline or waive compliance with any of the procedures in the SBP, then Clause 4 above shall operate to exclude BUYER's claim.

If BUYER shall have complied with the SBP and the claim of defect in quality is duly notified to SELLER, SELLER and BUYER shall each send their retained sample to independent and

internationally recognised laboratories of their own choice to test the specification of the sample Marine Fuel for verification. If the two results are not compatible or do not fall within the tolerance, reproducibility or repeatability limits generally accepted for the applicable test method, then the remaining sample within SELLER's custody shall be tested at another independent and internationally recognised laboratory of SELLER's sole choice. The result of such testing shall be conclusive and binding on SELLER and BUYER.

Any sample taken in a manner outside the control of SELLER or in contravention or non-compliance with the SBP shall not be recognised as representative of Marine Fuel supplied.

The submission of any claim to SELLER shall not release BUYER of the responsibility to make full payment of the invoiced amount as required in Clause 10 above and no right of set-off or counterclaim is allowed to BUYER.

### 13. INDEMNITY AND LIMITATION OF LIABILITY

BUYER shall indemnify and hold harmless SELLER or its supplier from any and all claims, costs, damages and liabilities, fines, penalties including injury, loss, damage caused to persons or property arising out of or in connection with any breach of the contract of sale, or from any act, omission, negligence or misconduct by BUYER.

Notwithstanding anything contained herein, SELLER shall not be liable to BUYER for consequential, special or economic loss or damage including loss of profit or business due to delay or by reason of shutdown, non-availability of supply of Marine Fuel, non-operation or the like.

Any loss of or damage to Marine Fuel or to property of SELLER or its supplier or any other party caused by BUYER's designated vessel shall as between parties hereto, be borne by BUYER and BUYER shall to such extent indemnify SELLER or its supplier for the same.

### 14. FORCE MAJEURE

No failure or omission by either party to carry out or observe any of the terms or conditions of the contract shall, except in relation to obligations to make payments for all amounts due on account of Marine Fuel previously delivered, give rise to any claim against that party in question or be deemed a breach of the contract if such failure or omission arises from any cause reasonably beyond the control of that party.

### 15. SHORTAGE OF OIL

If, as a result of any of the Force Majeure events exempted by Clause 14 above, or any other foreseeable or non-foreseeable event, including contractual changes relating to the supply of crude oil and/or petroleum products from which Marine Fuel of the type to be sold hereunder is derived, supplies of Marine Fuel are curtailed, or are available to SELLER only under conditions which, in SELLER's sole judgment are deemed unacceptable, SELLER may allocate

on any fair and reasonable basis according to its own discretion its available supplies of Marine Fuel to meet its own requirements and those of its subsidiaries and affiliated companies and other customers, including BUYER and, at SELLER's option, customers not then under agreement; 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.

## 16. ENVIRONMENTAL PROTECTION

If an escape, spillage or discharge of oil (hereinafter referred to as a "spill") occurs while Marine Fuel is being delivered to BUYER hereunder, BUYER will promptly take such action as is reasonably necessary to remove the oil and mitigate the effects of such spill. However, notwithstanding the cause of such spill, SELLER or its supplier is hereby authorised, at its option, upon notice to BUYER, or the receiving vessel, to take such measures, either in cooperation with BUYER, or exclusively as the sole party, and incur such expenses (whether by employing its own resources or by contracting with others) as are reasonably necessary, in the judgment of SELLER or its suppliers to remove the oil and mitigate the effects of such spill. If SELLER has exercised its option to remove the oil and mitigate the effect of such spill, BUYER agrees to cooperate and render such assistance as is required by SELLER in the course of such action. Any expenses, damages, costs, fines and penalties arising from escape, spillage, discharge or pollution of oil shall be paid by the party that caused such escape, spillage, etc by a negligent act or omission. If both parties have acted negligently, any expenses etc shall be divided between the parties in accordance with the respective degree of negligence. BUYER also agrees to give, or cause to be given, to SELLER, all such documents, and other information concerning any spill, or any programme for the prevention thereof, which are requested by SELLER, or required by law or regulation applicable at the time and place where SELLER delivers Marine Fuel to BUYER.

## 17. ADDITIONAL PROVISION

Notices hereunder shall be mailed to SELLER and to BUYER the last address notified by BUYER and SELLER. Either party may change its address by giving fifteen (15) days' prior written notice of its new address to the other party. No waiver by either party of any breach of any of the covenants or conditions herein contained to be performed by the other party shall be construed as a waiver of any succeeding breach of the same or any other covenant or condition. Assignment of any right or delegation of any obligation hereunder by BUYER without SELLER's prior written consent shall be void.

## 18. ARBITRATION

Any disputes arising out of or in connection with this contract, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration in the Singapore International Arbitration Centre (SIAC) in accordance with the Singapore Bunker Claims Procedure ("SBC Terms") for the time being in force which terms are deemed to be incorporated by reference into this clause.

## 19. GOVERNING LAW

The construction, validity and performance of the contract shall be governed by the laws of the Republic of Singapore.

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