

## GENERAL TERMS & CONDITIONS

Except as otherwise expressly agreed on in writing, all sales and supply of Goods as defined in Preamble shall be subject to the following terms and conditions.

**"Seller"** – AlenOil Handelsberatungsges. m. b. H.

**"Buyer"** - The registered owner, notwithstanding the heading of invoices.

All and any vessels owned by Buyer even if operated, time chartered, managed or controlled by third parties and/or by any affiliate of Buyer or by any sister company.

hereinafter collectively referred to as the **"Parties"**.

### DEFINITIONS AND THEIR INTERPRETATION

In this GT&C, including the preamble, the concepts listed below shall have the following meanings:

**"The Goods"** are any petroleum products supplied under this GT&C, designed for marine engines, units or mechanisms for the purpose of their normal functioning or maintenance;

**"Customs Union"** means the Customs Union of the Eurasian Economic Union (CU EEU) - a customs union which consists of all the Member states of the Eurasian Economic Union (EEU).

**"Bunker Supply Confirmation"** is an annex to the GT&C where the Parties shall agree the name, range, quantity and price of Goods to be supplied, payment terms, place and period of delivery, name of the Nominated Vessel, as well as other terms of supply of a particular batch of Goods;

**"Incoterms"** is Incoterms 2010 with all subsequent amendments. In the event of any discrepancy or contradiction between Incoterms and this GT&C, the terms of this GT&C shall prevail;

**"Banking Day"** is a day on which New York banks and Vienna banks are open for usual banking operations;

**"Nominated Vessel"** or **"Vessel Nominated by the Buyer"** is a sea (river) vessel specified as a consignee of Goods in the corresponding Bunker Supply Confirmation;

**"Day"** or **"Days"** is a calendar day or days of the Gregorian calendar;

**"Date of Delivery (Bunkering date)"** is the completion date for loading (transfer) Goods on board the Nominated Vessel specified in the Bunker receipt;

**"Metric Ton"** is a quantity equivalent to the weight of one thousand (1,000.00) kilograms.

References to sections and clauses are references to the sections and clauses of this GT&C. Titles are for convenience only and shall not be considered when interpreting this GT&C.

## 1. SUBJECT OF THE GT&C

**1.1.** The Seller shall supply Goods to the Vessel Nominated by the Buyer, and the Buyer shall pay for the received Goods in the amount and in accordance with the procedure provided for by this GT&C. Goods shall be supplied within the Customs Union.

**1.2.** The Seller's obligation to supply Goods to the Nominated Vessel shall arise only after the Seller prepares and the Buyer signs a Bunker Supply Confirmation.

**1.3.** All notifications, notices, offers, agreements, Bunker Supply Confirmations, commercial invoices and other documents required to agree the supply terms under this GT&C, the introduction of amendments (additions) to this GT&C, as well as to ensure that the Parties properly fulfill the terms of this GT&C, shall be sent by the Parties according to the addresses (including fax and email) provided in Section 15 of this GT&C.

## **2. GT&C VALUE**

**2.1.** The GT&C value is not agreed by the Parties in advance and shall be determined as the total cost of all Goods supplied by the Seller under this GT&C.

## **3. RIGHTS AND RESPONSIBILITIES OF THE PARTIES**

**3.1.** The Seller shall:

- supply Goods within the period, to the quantity and range specified in the Bunker Supply Confirmation signed by the Parties.

**3.2.** The Buyer shall:

- accept and pay for supplied Goods;
- ensure the timely and uninterrupted acceptance of Goods supplied under this GT&C;
- provide the administration of the Nominated Vessel with proper instructions on their performance of the obligations provided for by this GT&C.

## **4. PROCEDURE FOR THE AGREEMENT OF GOODS SUPPLY**

**4.1.** At least two (2) days before the planned date of arrival of the Vessel Nominated by the Buyer at the bunkering port, the Buyer shall provide the Seller with an offer specifying the kind and brand of Goods to be supplied, their specification (applied quality standard), as well as the quantity, price of the Goods, place (port / terminal etc.) and date of delivery, name and IMO number of the Nominated Vessel, as well as its flag.

**4.2.** On the basis of the Buyer's offer, the Seller shall send to the Buyer for signature a Bunker Supply Confirmation prepared by the Seller. The Buyer shall sign the Bunker Supply Confirmation and send it back to the Seller. The documents shall be exchanged by electronic means of communication (fax, email). The Bunker Supply Confirmation signed by the Buyer must be received by the Seller before the start of the supply of agreed Goods.

**4.3.** Upon signature of the Bunker Supply Confirmation, the Buyer may unilaterally withdraw his offer on the basis of which the Bunker Supply Confirmation was signed only before the Goods are actually loaded on the Nominated Vessel. If the offer is withdrawn 24 hours before the start of supply of Goods onboard the Nominated Vessel, the Buyer shall be released from the liability for offer withdrawal. Should the offer be withdrawn less than 24 hours before the start of supply of Goods onboard the Nominated Vessel, the Buyer shall compensate the Seller for losses with payment of a penalty as stipulated in Clause 11.3 of the GT&C.

## 5. TERMS AND CONDITIONS OF DELIVERY

**5.1.** Unless otherwise agreed by the Parties, the Goods hereunder shall be supplied FOB (board of the Vessel Nominated by the Buyer) as specified in Incoterms within the period specified in the Bunker Supply Confirmation.

**5.2.** The Buyer warrants that the Goods to be supplied under this GT&C are designed only to be used on the Vessel Nominated by the Buyer as marine stores.

Unless otherwise specified in the Bunker Supply Confirmation, the supplied Goods must be used by the Buyer exclusively outside the customs territory of the Customs Union.

**5.3.** The Buyer warrants that the Vessel Nominated by the Buyer complies with all applicable provisions of Russian and international legislation and rules. The vessel must be approved by the Seller in the Bunker Supply Confirmation. Goods shall not be supplied until all conditions, inconveniences, special aspects, drawbacks or defects which may pose risks to berthing, deberthing and bunkering of the vessel the Goods will be provided from are eliminated.

**5.4.** The right of ownership of the Goods shall pass from the Seller to the Buyer from the date of supply (bunkering) of the Goods onboard the Nominated Vessel.

**5.5.** All risks of loss or damage of the Goods, including unforeseen ones, shall pass from the Seller to the Buyer once the Goods pass the inlet flange of the fuel pipe of the Vessel Nominated by the Buyer.

**5.6.** Goods shall be considered delivered by the Seller and accepted by the Buyer:

- **With respect to the quantity:** the quantity specified in the bunker receipt (Bunker delivery note), which is final and binding on both Parties, except in the event of forgery or obvious error, is the quantity of Goods supplied by the Seller and accepted by the Buyer. The quantity of Goods supplied shall be measured onboard the vessel the Goods are supplied from. The quantity of Goods determined in this manner shall be final.
- **With respect to quality:** in accordance with the conformity (quality) certificate for the Goods or the opinion of an independent survey company.

**5.7.** During the provision of Goods, samples shall be collected in accordance with the procedure established in Section 6 of the GT&C.

**5.8.** The bunker receipt (Bunker delivery note) shall be signed by the captain or chief engineer of the Nominated Vessel (consignee's representative) and certified with the ship's seal.

## 6. SAMPLING

**6.1.** During the supply of Goods to the Nominated Vessel, main sample of supplied Goods shall be collected by way of continuous dripping in accordance with MARPOL 73/78, Annex IV, and MEPC.96(47) at a point closest to the inlet flange of the fuel pipe of the Nominated Vessel. In the event it is impossible or unsafe, or for other justified reasons, to collect main sample of supplied Goods at a point closest to the inlet flange of the fuel pipe of the Nominated Vessel, main sample of supplied Goods shall be collected at a point closest to the outlet flange of the fuel pipe of the vessel the Goods are provided from.

**6.2.** The Seller shall collect and split main sample of supplied Goods for at least four (4) identical representative samples, each one of at least 400 ml of each sort of supplied Goods. The Buyer has the

right to have his representative during the sampling and splitting of the main sample of supplied Goods. The absence of the Buyer or his representative shall not challenge the reliability of the samples collected. The Seller reserves the right to authorize an independent surveyor to collect samples. The abovementioned samples shall be securely sealed and provided with Seller's labels, and at least two (2) samples shall be delivered to the Captain of the Nominated Vessel, one (1) of them intended to comply with MARPOL requirements. Two (2) samples shall be kept by the Seller at least for thirty (30) days after the date of delivery in a safe place for subsequent confirmation of fuel quality, should this be required.

**6.3.** Sample numbers shall be entered in the bunker receipt (Bunker delivery note), and the Parties have agreed that the samples shall be considered valid and collected in accordance with the requirements specified in Clause 6.2 of the GT&C. Other samples, except those indicated in the bunker receipt (Bunker delivery note), may not be used to determine the quality of delivered Goods. Any samples collected by the Buyer's employees, agents or other persons at the time of delivery or on any day after the delivery may not be considered proper for the purpose of determining the quality rating of the supplied Goods.

**6.4.** The Buyer hereby waives the right to protest against an actually implemented sampling procedure if his representative was absent during the sampling and did not protest in writing against the applied procedure during the delivery.

## 7. QUALITY OF GOODS

**7.1.** Goods to be supplied hereunder shall comply with (depending on the kind and brand of Goods agreed in the Bunker Supply Confirmation) Russian and/or international quality standards. The quality of supplied Goods shall be confirmed with a conformity (quality) certificate or an opinion from an independent survey company.

**7.2.** The main quality parameters of Goods to be supplied shall be specified by the Seller in the bunker receipt (Bunker delivery note).

**7.3.** The Buyer shall be solely responsible to nominate in the offer for each supply, the kind and brand of Goods from among those supplied by the Seller at the port or agreed place of delivery.

**7.4.** The Buyer hereby confirms that when ordering Goods it was not relying and will not rely on any statements made by the Seller or any other person on the Seller's behalf, but will rely only on his own knowledge and judgment concerning the suitability of the Goods to be supplied for use on the Nominated Vessel.

**7.5.** The Seller shall supply Goods meeting the features specified in the Bunker Supply Confirmation. Moreover, due to the numerous properties of marine engines, boilers, mechanisms and units, of which the Seller is unaware, as well as due to the possible mixing of petroleum products or other materials present in the bunker tanks of the Nominated Vessel, which is beyond Seller's control, the Seller hereby does not represent or warrant that the Goods will be applied without any complications in a particular engine, boiler, unit or mechanism of the Nominated Vessel, or that it will be compatible with oil products contained in the bunker tanks of the Nominated Vessel or petroleum products which will subsequently be mixed with the Goods.

## 8. PRICE OF GOODS

**8.1.** The price of Goods to be supplied hereunder shall be set in US dollars per metric ton.

**8.2.** The cost of every batch of Goods to be supplied hereunder shall be finally agreed by the Parties by drawing up the relevant Bunker Supply Confirmation.

**8.3.** When supplying Goods, in respect of which customs operations for the transportation of store are carried out, the cost of the Goods shall not include value added tax (VAT rate: 0%). In the event Goods are delivered at a VAT rate of 0%, but subsequently these Goods or part thereof are not transported across the customs border of the Customs Union as stores (without confirmation from a customs authority of transportation of the stores across the customs border), the Buyer must reimburse the Seller for the amount of the value added tax (VAT rate – in accordance with the current tax legislation of the Russian Federation) on the cost of supplied Goods which were not transported across the customs border of the Customs Union. The invoice should be issued in accordance with the procedure and requirements provided by the current legislation of the Russian Federation.

**8.4.** In case of violation by the Buyer of the obligations, specified in clause 5.2. of GT&C, the Buyer shall reimburse the Seller for additionally charged duties, taxes, financial liability and other expenses incurred by the Seller at any time.

## **9. PAYMENT PROCEDURE**

**9.1.** Supplied Goods shall be paid for, and other payments hereunder shall be made, in accordance with the Seller's invoices (commercial invoices), in full in US dollars. This shall be done by bank transfer, specifying the number of the Seller's invoice (commercial invoice) and the Buyer's name, to the Seller's account provided in Section 15 hereunder.

**9.2.** Goods supplied hereunder shall be paid for by the Buyer within the period agreed by the Parties in the Bunker Supply Confirmation. The payment period shall be calculated from the date of delivery (bunkering) (this date shall not be taken into account). If the last day of the payment period falls on a Saturday, Sunday or any other day which is not a Banking Day, then payment shall be made on the Banking Day preceding it. In any event, taking into account a delay in payment transfer to the correspondent bank, payment for the supplied Goods shall be credited to the Seller's bank account within 180 days after the date of delivery (bunkering) specified in the bunker receipt (Bunker delivery note).

**9.3.** All bank charges and costs for the transfer of funds (bank expenses) imposed by the Seller's bank shall be paid by the Seller. All bank expenses imposed by the Buyer's bank as well as all correspondent banks expenses shall be paid by the Buyer.

**9.4.** The Buyer shall specify the number and day of the invoice (commercial invoice) on the basis of which the payment is being made, in all correspondence with the relevant and in interbank documents, including, but not limited to, SWIFT messages, and relating to the payment for Goods supplied hereunder.

**9.5.** The Buyer's obligation to pay for Goods shall be considered performed once 100% of the amount specified in the invoice (commercial invoice) has been credited to the Seller's account.

**9.6.** Original documents, including the invoice (commercial invoice) and bunker receipt (Bunker delivery note) may be provided to the Buyer upon request; however, payment shall be made regardless of whether the Buyer receives the original documents.

## **10. CLAIMS**

**10.1.** A claim over the quantity of supplied Goods, except for that specified in Clause 10.4 hereunder, may only be made immediately upon completion of the supply of Goods. Claims shall not be accepted

in the event that the supplied Goods were mixed with any other petroleum product onboard the Nominated Vessel the Goods were supplied to.

**10.2.** Claims over the quality or quantity of supplied Goods specified in Clauses 10.3 and 10.4 hereunder may be made by the Buyer only in writing within thirty (30) days after the date of delivery (bunkering). Failure to fulfill this requirement by the Buyer shall be considered the Buyer's failure to make (absence of) a claim.

**10.3.** The Seller shall examine the Buyer's claim regarding the quality of supplied Goods on the basis of the following properly prepared documents provided by the Buyer:

- (a) the Buyer's claim;
- (b) the result of the sample analysis, whose number was specified by the Parties in the bunker receipt (Bunker delivery note), conducted by an independent expert organization and confirming noncompliance of the Goods with Russian and/or international quality standards, or other parameters specified by the Parties in the respective Bunker Supply Confirmation.

**10.4.** The Seller shall examine the Buyer's claim regarding the quantity of supplied Goods based on its density on the basis of the following properly prepared documents provided by the Buyer:

- (a) the Buyer's claim;
- (b) the result of the sample analysis, whose number was specified by the Parties in the bunker receipt (Bunker delivery note), conducted by an independent expert organization and confirming noncompliance of density parameters of the supplied Goods with the parameters specified in the bunker receipt (Bunker delivery note).

**10.5.** Should claims specified in Clauses 10.3 and 10.4 hereunder be received from the Buyer, the Parties shall jointly appoint a certified laboratory to conduct the analysis; the opinion of the laboratory shall be final. A sample, whose number was specified in the bunker receipt (Bunker delivery note), shall be sent for testing. Testing expenses shall be incurred by the Seller.

**10.6.** Should the independent certified laboratory confirm the noncompliance of characteristics of the supplied Goods with those agreed in the Bunker Supply Confirmation or an error in the determination of the density parameter which resulted in the incorrect determination of the quantity of supplied Goods, the Parties must reach an agreement on settlement of the Buyer's claim.

**10.7.** In the event that the independent certified laboratory confirms the compliance of the characteristics of supplied Goods with those agreed in the Bunker Supply Confirmation or establishes the absence of an error in the determination of the Goods density parameter, the Buyer must reimburse the Seller for all expenses incurred by the Seller for the services of the independent certified laboratory within five (5) days after the date the Seller issues the invoice (commercial invoice), unless another period is specified in the respective invoice (commercial invoice).

**10.8.** The Seller shall not be liable for any claims arising as a result of mixing Goods supplied by the Seller with other petroleum products onboard the Nominated Vessel.

**10.9.** Despite any claims, the Buyer must pay for the Goods to the full extent in the amount and within the period specified hereunder. Should any claim of the Buyer be satisfied, payments shall be made by the Seller in accordance with Clause 10.10 hereunder.

**10.10.** Should the Seller acknowledge that a claim sent to him by the Buyer is valid (completely or to an extent agreed with the Buyer), the Seller shall satisfy the claim completely or to the extent agreed with the Buyer within 45 days after the date of recognition of the claim.

## 11. LIABILITY

**11.1.** The Seller shall be released from liability for nonperformance of the obligations to supply agreed Goods, should the Buyer delay payment for a previous supply.

**11.2.** In the event of a delay in the transfer of funds payable to the Seller's account in accordance with the terms hereunder, the Seller may charge the Buyer, and the Buyer shall in this event pay, a late fee on the delayed amount of funds.

The late fee shall amount to 0.1% of the amount owed per every day of the delay in the performance of the monetary obligation.

**11.3.** Should the Buyer unilaterally cancel the supply of Goods to the Nominated Vessel less than 24 hours before the start of the delivery, the Buyer must on the Seller's request pay to the Seller a penalty of one percent (1%) of the cost of the Goods, the supply of which was agreed by the Parties.

**11.4.** In case of violation by the Buyer of clause 5.2. of GT&C regarding the use of the delivered Goods exclusively outside the customs territory of the Customs Union the Seller has the right to demand and the Buyer is obliged, in case of receipt of such a request from the Seller, to pay the latter a penalty in the amount of 175 (One hundred seventy five) US dollars for each ton of the delivered Goods, which is not confirmed by customs authority for movement through the customs border of the Customs Union.

**11.5.** Liability of the Parties not covered by this GT&C shall be established in accordance with the current legislation of the Russian Federation.

## 12. FORCE MAJEURE

**12.1.** The Parties shall not be liable for nonperformance of the obligations hereunder, should the nonperformance of the obligations result from a force majeure, such as: fire, flood, earthquake, war, trade restrictions, Marine fuel export or import prohibitions (restrictions) imposed by state authorities, provided the force majeure directly affects the performance of the GT&C. In this event the period of performance of the obligations hereunder shall be extended by the entire period for which such force majeure persists.

**12.2.** An affected Party unable to perform the obligations hereunder must notify the other Party of the occurrence and end of such force majeure immediately, but in any event within five (5) days after its start. Should a Party fail to provide notification of the occurrence of a force majeure in a timely manner, such force majeure may not be used as defense.

## 13. MISCELLANEOUS

**13.1.** Late fees and fines shall be paid by the guilty Party only on the basis of a respective request (claim) received from the other Party. Payment of a late fee, fine shall not release the guilty Party from the performance of the obligations hereunder and compensation for losses in full.

**13.2.** The Parties confirm that requests, documents may be signed, invoices may be issued, Schedules and additions to the GT&C may be signed, and they may also send notifications to each other, using electronic means of communication (fax, email). Documents received in such manner shall have due legal force until replaced with the original.

Documents sent by fax or by means of electronic communication, as well as email correspondence of the Parties, may be used as evidence in court.

**13.3.** This GT&C shall be governed by, and interpreted in accordance with, Russian legislation. The UN Convention on Contracts for the International Sale of Goods made in Vienna on April 11, 1980, shall not apply to the GT&C.

**13.4.** Any dispute, disagreement or claim relating to this GT&C or to its violation, cancellation or invalidity shall be settled by negotiation. In the event no agreement is reached or one of the Parties avoids participation in negotiations, the dispute, disagreement or claim shall be finally settled in accordance with the law of the Russian Federation in the Commercial Court of Saint Petersburg and Leningradskaya Oblast.

**13.5.** Relations of the Parties not covered by this GT&C shall be governed by the current legislation and law of the Russian Federation