



General Terms and Conditions of Sale

1. Preamble

These General Terms and Conditions of Sale shall apply to all deliveries where Far Bay Trading Pte Ltd acts as a Seller. In conjunction with the applicable Bunker Supply Confirmation, General Terms and Conditions of Sale shall constitute the Contract. No other terms and conditions that may be contained in any purchase order (nomination) or other document issued by the Buyer shall become part of the Contract.

2. Definitions

2.1 **“Bunker Delivery Receipt”** means the document issued at the time of delivery and signed by the Vessel’s representative to confirm the specifications and quantity of Marine Fuels received by the Vessel.

2.2 **“Bunker Supply Confirmation”** means the document issued by the Seller stating the details of the agreement between the Seller and the Buyer with regard to the specifications and quantity of the Marine Fuels, date and place of delivery, price, terms of payment and other information related to the transaction.

2.3 **“Buyer”** means the party contracting to buy Marine Fuels, identified in the Bunker Supply Confirmation.

2.4 **“Contract”** means the agreement between the Buyer and the Seller, consisting of these General Terms and Conditions of Sale, and the Bunker Supply Confirmation in accordance to which the Seller shall deliver and the Buyer shall accept and pay for the Marine Fuels.

2.5 **“Due Date”** means the date, specified in the Seller’s invoice, when the payment shall be credited to the Seller’s account.

2.6 **“Marine Fuels”** means distillate marine fuels and residual marine purchased by the Buyer as specified in the Bunker Supply Confirmation.

2.7 **“Seller”** means the party contracting to sell Marine Fuels, namely Far Bay Trading Pte Ltd.

2.8 **“Supplier”** means the party nominated by the Seller to deliver the Marine Fuels



2.9 “**Vessel**” means the vessel, ship, or craft nominated by the Buyer to receive the Marine Fuels.

3. Application

3.1 By entering into Contract, the Seller undertakes to sell and arrange the delivery of the Marine Fuels, marine lubricants and/or other related products and services, and the Buyer undertakes to accept and pay for them.

3.2 The Contract shall be deemed firm and binding upon the issuance by the Seller of a Bunker Supply Confirmation. No written or oral quotations, statements, or warranties made by or on behalf of the Seller prior to issuing Bunker Supply Confirmation shall be binding upon the Seller.

3.3 The Bunker Supply Confirmation shall state the details of a transaction, including the specifications and quantity of the Marine Fuels; the method of delivery; the date and place of delivery; the Vessel’s name and IMO number; price; payment terms; the Buyer’s company details (full style) and invoicing address, and other information related to the transaction agreed by the parties.

3.4 The Seller’s offer shall be based on the applicable taxes, costs and charges valid at the time of the issuing of the Bunker Supply Confirmation. If any unforeseen cost increase shall come into existence after the signing of the Bunker Supply Confirmation, the Seller can withdraw the Bunker Supply Confirmation to renegotiate the price.

3.5 The price stated in the Bunker Supply Confirmation is valid only for the delivery dates specified in the Bunker Supply Confirmation. The Seller shall not be liable to maintain an agreed price if the Buyer requests the delivery to be implemented at a different date.

3.6 A failure by either party to enforce any right under the Contract shall not be construed as a waiver and preclude such party from exercising that right in the future.

3.7 By entering into the Contract, the Buyer warrants that it is authorized by the registered owners of the Vessel to make purchases for that vessel and that it has the owners’ consent that the Seller shall have a maritime lien on the Vessel for all amounts owed to the Seller in relation with the delivery to that vessel.

4. Delivery

4.1 The Seller shall perform the delivery of the Marine Fuels at the place and within date range stated in the Bunker Supply Confirmation. The Marine Fuels shall be delivered by one or several bunker tankers, vehicles or from shore tank, in accordance with all applicable laws, regulations and other requirements of the relevant authorities at the delivery location.



4.2 The Buyer shall warrant that the Vessel it nominates has all necessary permits and operates in compliance with all applicable laws, regulations and other requirements of the relevant authorities at the delivery location.

4.3 The Buyer shall notify the Seller of the exact date of delivery no later than 72 hours beforehand. The Seller shall make reasonable efforts, but shall be under no obligation to perform the delivery on a date outside the range stated in the Bunker Supply Confirmation.

4.4 The Buyer is responsible for making a berth alongside the Vessel available for receiving the Marine Fuels, connecting the delivery hose with the intake line of the Vessel, and providing all necessary assistance and equipment in satisfactory condition, required to safely receive the Marine Fuels.

4.5 If there are any specific conditions or characteristics of the Vessel which might adversely affect the delivery, the Buyer shall notify the Seller at the time of the request for quotation. The Seller has the right to suspend or cancel the delivery without any penalty if in the Seller's opinion, the Vessel is not fit to safely receive the Marine Fuels or the environment for delivery of the Marine Fuels is unsafe.

4.6 The Seller shall not be liable for any delay or demurrage, suffered by the Buyer as a result of any delay in delivery or failure to deliver the Marine Fuels for any reason, including bad weather, breakdown, congestion, and impediments caused by customs, port or other authorities, including delay or failure to obtain permits.

4.7 The Seller shall not be responsible for quality impairment caused by commingling of the Marine Fuels supplied by the Seller with any other Marine Fuels already in tanks of the Vessel or delivered afterwards. Specifically, the Seller shall not be held accountable for any loss caused by incompatible fuels, including damage to the Vessel's machinery, equipment and appliances.

4.8 In the event that the Vessel fails to take delivery of the Marine Fuels in part or in full, or causes demurrage to the bunker tanker, the Buyer shall be liable to indemnify the Seller for any loss or expense, including loss of profit, transportation and storage cost incurred by the Seller as a result thereof.

4.9 The quantity of the Marine Fuels delivered shall be determined by the Supplier's personnel or a mutually agreed independent surveyor based on the measurements taken on a bunker tanker, vehicle, or shore tank from which the delivery is made. Such determination shall be final, conclusive and binding. The Buyer, or his representative, shall have the right to be present when measurements are taken, however the absence of the Buyer shall not prejudice the validity of the measurements. No measurements taken on the Vessel shall be valid and no claim can be based on them.

4.10 Upon completion of the delivery of the Marine Fuels to the Vessel, the Master or Chief Engineer of the Vessel shall confirm the delivery by signing the Bunker Delivery



Receipt issued by the Seller. The Bunker Delivery Receipt shall not include remarks or stamps by the Buyer. No such remarks or stamps shall be accepted or have any effect.

4.11 Delivery shall be deemed completed and all risks, including loss, damage, deterioration, depreciation, contamination, evaporation, shrinkage, pollution and harm caused to third parties shall pass to the Buyer at the time the Marine Fuels pass the flange connecting the pipelines or delivery hoses with the intake lines of the Vessel. Products supplied by other methods shall be considered to be delivered upon passing the Vessel's rail.

5. Quality

5.1 The Seller undertakes to supply Marine Fuels, marine lubricants and/or other related products and services in accordance with the specifications nominated by the Buyer as stated in the Bunker Supply Confirmation.

5.2 The Buyer shall have the sole responsibility for the selection and nomination of the grades of the Marine Fuels to be used by the Vessel and has to rely exclusively on his own knowledge and judgement as to the fitness of the Marine Fuels for any particular purpose including determination of compatibility with the Marine Fuels already on board the Vessel.

5.3 All representations, warranties or conditions, expressed or implied, relating to the quality, merchantability, fitness for purpose, description or otherwise, are hereby expressly excluded and disclaimed.

6. Sampling

6.1 The Seller shall arrange for representative samples to be taken during the delivery of the Marine Fuels. All samples shall be taken simultaneously at barge manifold. For each grade of the Marine Fuels delivered, minimum 4 identical samples, of not less than 400 ml shall be taken. If the Marine Fuels are delivered in more than one batch, the sampling shall be performed for each batch separately. The Buyer, or his representative, shall have the right to witness the sampling process, however the absence of the Buyer shall not prejudice the validity of the samples.

6.2 All samples shall be sealed, labeled and signed by the representatives of the Supplier and the Vessel. Minimum 2 samples shall be retained by the Supplier for at least 30 days for a quality verification, if required. Minimum 2 samples shall be retained by the Vessel. The seal numbers of the aforementioned samples shall be recorded in the corresponding fields of the Bunker Delivery Receipts. No other samples taken by any party during or after the delivery and not recorded in the Bunker Delivery Receipt shall be valid for determination of the quality of the Marine Fuels delivered.



7. Payment

7.1 The price to be paid shall be the price quoted by the Seller and accepted by the Buyer as stated in the Bunker Supply Confirmation. In addition to the price, the Buyer shall pay all applicable taxes, duties, tariffs, fees and charges, associated with the delivery.

7.2 The Buyer shall indemnify the Seller if any expenses, charges, fines or interest are imposed on the Seller at any time as a result of the Buyer's failure to comply with the applicable law, regulation or procedure at the delivery location.

7.3 Payment shall be made not later than the Due Date in full amount without any deduction, set-off or counterclaim, free of bank charges by bank transfer to the bank account specified by the Seller.

7.4 The Seller shall issue and send to the Buyer an invoice corresponding to each delivery, but the Buyer shall be liable to pay full amount on or before the Due Date regardless of whether an invoice has been received.

7.5 Payment shall be deemed to have been made when the full amount owed is credited to the Seller's bank account. The Buyer shall be responsible for taking into account the non-business days so that the payment reaches the Seller's bank account not later than the Due Date.

7.6 In the event of failure by the Buyer to make payment on or before the Due Date, the Seller shall be entitled to suspend any further deliveries to the Buyer and charge interest on outstanding amount at the rate of 24% per annum pro rata or the maximum interest rate permitted by applicable law. Interest shall be accrued at the end of every month until payment is credited to the Seller's bank account.

7.7 All legal and other expenses, including lawyer's/attorney's fees, incurred by the Seller in relation with collection of the overdue payments, shall be for the Buyer's account.

7.8 All payments received by the Seller from or on behalf of the Buyer, if insufficient to settle all due amounts, shall be applied to settle the obligations of the Buyer in order solely determined by the Seller with priority given to the interest, then the collection expenses and compensations, and then the principal amounts for deliveries in chronological order.

7.9 If at any time the financial position of the Buyer in sole discretion of the Seller becomes impaired or unsatisfactory, the Seller shall be entitled to terminate any further deliveries and require the Buyer to make immediate full payment for all unpaid deliveries notwithstanding the Due Date, or to provide such security as the Seller deems satisfying.

7.10 The title, ownership and property rights to the Marine Fuels shall remain with the Seller as a security until full payment of all amounts due to the Seller in relation with the



delivery has been received by the Seller. Until such time, the Buyer shall hold the Marine Fuels solely as a Bailee for the Seller. In the event of non-payment, the Seller has right to remove the Marine Fuels from the Vessel at the expense of the Buyer. If the Seller's Marine Fuels are replaced or commingled with other Marine Fuels on board the Vessel, the title shall remain with the Seller corresponding to the quantity of the Marine Fuels delivered.

7.11 The Seller shall have a maritime lien on the Vessel for all amounts owed to the Seller in relation to the delivery made to that Vessel. The Seller's right to arrest the Vessel as a security shall not be waived, limited or prohibited by statements in any form, including "No-Lien" stamp on the Bunker Delivery Receipt. Maritime lien shall extend to the Vessel's freight payments for the voyage during which the Marine Fuels were supplied and to freight payments on subsequent voyages.

8. Claims

8.1 Any claims regarding the quantity of the Marine Fuels delivered together with all supporting documents must be submitted to the Seller within 3 calendar days following the date of delivery failing which any such claim shall be deemed to be waived and barred. Only measurements taken on the bunker tanker, vehicle or shore tank, from which the delivery was made, verified by the Supplier or mutually agreed independent surveyor shall be accepted as evidence of short delivery. No claims based on measurements taken on the Vessel shall be given any proceedings.

8.2 Any claims regarding the quality of the Marine Fuels delivered together with all supporting documents must be submitted to the Seller within 21 calendar days following the date of delivery failing which any such claim shall be deemed to be waived and barred. The quality claims can be based only on analysis of the sample taken at the time of delivery and specified in the Bunker Delivery Receipt. No other samples shall be valid as evidence of quality.

8.3 Upon receipt of a valid quality claim, the Seller shall submit one of the samples retained by the Supplier and specified in the Bunker Delivery Receipt to a mutually agreed independent laboratory for analysis of the quality parameters in question. The results of such analysis shall be admitted by both parties as final and binding. If the result of the analysis proves the quality to be within specification, the cost of the analysis shall be reimbursed by the Buyer.

8.4 In the event that the Marine Fuels are found to be off-specification, the Buyer is entitled to demand reimbursement for the expenses related to a) the treatment of the defective fuel on board the Vessel, b) removal and returning of the Marine Fuels to the Seller, c) repair or replacement of the damaged equipment, where there is unambiguous documentary evidence of the expenses directly traceable to the defective Marine Fuels delivered by the Seller. The total amount of the reimbursement shall not exceed the price paid to the Seller for the Marine Fuels that has caused the claim.



8.5 The submission of any claim does not entitle the Buyer to reduce the amount payable to the Seller or holdback the payment.

9. Liability

9.1 The Seller's liability to the Buyer for any losses, expenses or damages arising from the delivery of the Marine Fuels shall be limited to the price paid to the Seller for that Marine Fuels. The Seller shall have no liability until the Seller has received full payment from the Buyer of all amounts due to the Seller pertaining to the delivery in question.

9.2. The Seller under no circumstances shall be liable for any indirect or consequential losses, including but not limited to demurrage, delay, loss of profit or income, damage to the cargo, cost of tank cleaning, deviation cost, increased fuel consumption, purchasing replacement fuel at additional cost, and whatever losses arising from the exercise of the Seller's right to suspend or cancel the delivery.

9.3 Reimbursement amount for the replacement of damaged equipment by the Seller shall be reduced by 20% for each year or fraction thereof in which the replaced equipment has been in use.

9.4 Compensation to the Buyer for losses or damages caused by the actions or omissions of the Seller's supplier, agent, or subcontractor is conditional upon the Seller's ability to claim compensation from the guilty party.

10. Force Majeure

10.1 Neither party shall be held liable for any loss or damage arising from inability to fulfill the terms of the Contract due to the circumstances that lie beyond reasonable control of such party, including but not limited to natural disasters, fires, flood, adverse weather, congestions, accidents, war, military operations, terrorist actions, embargoes, civil commotions, strikes, breakdown or impairment of the facilities used for delivery or receipt of the Marine Fuels, acts in compliance with requests of any government authority, or any similar causes. Notwithstanding any circumstances mentioned in this clause, the Buyer shall not be relieved of the obligation to make timely payment of full amount due to the Seller.

10.2 When any of the abovementioned circumstances arise, which prevents either party from fulfilling its obligations or substantially increases the cost of operation, such party shall be entitled to cancel the delivery by giving prior notice with explanation to the other party.

11. Cancellation and termination

11.1 In the event that the Buyer willingly cancels the delivery without express written consent by the Seller, or the Vessel rejects or fails to take the delivery requested by the



Buyer in part or in full, the cancellation fee of 5% of the price of the ordered products shall apply in addition to any loss or expense incurred by the Seller as a result thereof.

11.2 The Seller reserves the right to terminate the Contract without incurring any liability whatsoever upon the breach of any terms of the Contract by the Buyer or in any of the following events:

- a) the Buyer becomes insolvent or is unable to meet its financial obligations
- b) the Vessel or any other asset of the Buyer is arrested
- c) arrangements are made for the liquidation, dissolution or bankruptcy of the Buyer, its parent company or company affiliated to the Buyer
- d) any other change to the financial or legal position of the Buyer, which may in the Seller's sole discretion negatively affect the Buyer's ability to meet its financial obligations

11.3 The termination of the Contract by the Seller shall not affect any of the Seller's rights and the Buyer's obligations under the Contract or any other contracts between the parties which have been made prior to termination by the Seller.

12. Law and jurisdiction

12.1 This Contract shall be governed by and construed in accordance with the laws of Singapore. Any dispute arising in connection with the Contract shall be resolved by arbitration in Singapore in accordance with the effective Arbitration Rules of the Singapore Chamber of Maritime Arbitration (SCMA).

12.2 Notwithstanding the previous clause, in case of breach of the Contract by the Buyer, the Seller shall be entitled to take legal action in any court or tribunal in any state or country as the Seller sees fit in its sole discretion.