

GENERAL TERMS AND CONDITIONS FOR SALES OF BUNKERS

The Terms and Conditions for Bunkers (defined below) as set out herein are specifically negotiated for incorporation into the Agreement (defined below) between Sinanen Co., Ltd. (hereinafter referred to as Seller) and Buyer (defined below) as evidence in the Sales Confirmation (defined below). In the event of any inconsistency between this Terms and Conditions and the Sales Confirmation, the terms of the Sales Confirmation shall prevail to the extent of the inconsistency.

1. DEFINITIONS

Unless the context requires otherwise, the following terms and phrases shall have the meaning set out below in this Terms and Conditions:

“Agreement” means the agreement between the Seller and the Buyer as recorded in the Sales Confirmation and incorporating this Terms and Conditions.

“Buyer” means the buyer as stipulated in the Sales Confirmation and shall include the Buyer’s servants, agents, principal, brokers, designated representatives, subsidiaries, affiliates, whenever applicable.

“Bunkers” means the commercial grades of marine fuel and petroleum products from time to time available from the Seller and sold to the Buyer pursuant to the Agreement.

“Force Majeure Event” in the case of the Seller (or its suppliers) means any act, event or circumstance, the case of which is not of such party’s making nor within such party’s reasonable control, including (to the extent not of that party’s making nor within that party’s reasonable control) any act of God, war, hostilities (whether or not war has been declared), terrorist acts, acts of any civil or military authority, governmental or regulatory direction or restriction, riot, insurrection, civil commotion, public demonstration, sabotage, acts of vandalism, fire, flood, earthquake, extreme weather conditions, epidemic, explosion, air crashes, release of ionizing radiation or contamination by radioactivity, chemical or biological contamination, the order of any court or governmental or regulatory authority,

delay in transportation or communications, breakage of a accidental damage to equipment, any strike, lock-out or industrial trade dispute(not involving solely the employees of that party), structural shift or subsidence, provided always that lack of funds shall not be interpreted as a cause which is not of a party's making nor within a party's reasonable control.

"Sales Confirmation" means the sales confirmation recording the key terms for the sale of Bunkers by the Seller to the Buyer providing for the incorporation of this Terms and Conditions.

"Seller" means Sinanen Co., Ltd.

2. APPLICATION

2.1 Except as otherwise expressly agreed in writing between the Seller and the Buyer, these Terms and Conditions shall constitute the standard terms and conditions under which the Seller sells Bunkers and shall be incorporated into every Agreement between the Seller and the Buyer for the sale of Bunkers.

2.2 For the avoidance of doubt, the general terms and conditions of the Buyer shall not be applied, unless expressly agreed in writing by the Seller.

2.3 If there is any conflict between these Terms and Conditions and the terms and conditions of any specific order for Bunkers as specified by the Seller from time to time, the terms and conditions of that specific order shall prevail.

3. ENTIRETY AND VALIDITY

This Terms and Conditions together with the Sales Confirmation constitute the entirety of Agreement and supersede all previous oral or written negotiations, representations, statements, warranties, conditions and agreements concerning the subject matter. No derogation, addition or amendment to the Agreement shall be of any force or effect unless and until expressly confirmed in writing by the Seller. If any provision of the Agreement shall be invalid or unenforceable, the remainder of the Agreement shall not be affected thereby.

4. ASSIGNMENT AND WAIVER

- 4.1 The Buyer shall not assign the Agreement or any of its rights and obligations thereunder.
- 4.2 The Seller may assign any or all of its rights under the Agreement, in which case any such assignee, with the Seller's consent, shall enjoy and be entitled to exercise against the Buyer any and all rights therein conferred upon the Seller.
- 4.3 No waiver or variation by either the Seller or the Buyer of any provision of the Agreement or these Terms and Conditions shall be binding unless expressly confirmed in writing by the Seller through one of its authorized representatives.

5. FORCEMAJEURE

- 5.1 The Seller shall not be liable for any failure to fulfill any term or condition of the Agreement if fulfillment has been delayed, hindered or prevented by any circumstances whatsoever which are not within the immediate control of the Seller but without limiting the generality of the foregoing any strike, lockout or labor dispute or reasonable apprehension thereof, any governmental order, request or restriction, any limitation restriction or interruption to existing or contemplated sources of supply of Bunkers or the means of supply thereof.
- 5.2 This provision does not relieve the Buyer from its full obligations to make payment of all amounts due to the Seller under the Agreement and in accordance with the terms and conditions as here set out.

6. NOMINATIONS

- 6.1 The Buyer shall give to the Seller, in writing (Nomination) of not less than seven (7) working days of the date Bunkers is to be delivered, specifying grades and quantities, expected date of arrival at delivery port and of the name of the vessel which required delivery of marine fuel, the vessel's local agent(s), the expected date of delivery of Bunkers to the vessel, and any other detail as shall be necessary or desirable or required by the Seller.

6.2 The Buyer or the local agent shall give the Seller at least three (3) working days' notice, exclusive of Saturday, Sunday and Public Holiday (unless otherwise agreed to by the Seller) prior to the time Bunkers is to be delivered, of the exact time and location at which delivery is required together with a confirmation of the quantity and grade of Bunkers ordered. Notwithstanding the foregoing, the Buyer shall be liable for any cost and expense incurred by the Seller resulting from the failure of Buyer to take delivery of or rejecting in part or in full the quantity of Bunkers purchased by the Buyer under this Agreement.

7. DELIVERY

7.1 Vessels shall be bunkered as promptly as circumstances permit but the Seller shall not be liable for demurrage or for any loss due to congestion at the terminal or prior commitments of available barges.

7.2 If the Buyer causes a delay to delivery, the Buyer shall compensate the Seller on the basis of actual costs incurred including any other damage and expense arising therefrom.

7.3 Delivery shall be made during normal working hours unless otherwise required and permitted by port regulations, in which case the Seller shall charge the Buyer with all additional costs arising therefrom. If governmental and/or local authority permission is required for delivery, the Buyer will be responsible for obtaining the same and no delivery shall be made by the Seller until such permission has been obtained. If a government and/or local authority forces the Seller to effect delivery out of normal working hours, the Buyer agrees to accept such delivery without notice and agrees to pay any additional costs arising therefrom.

7.4 Delivery shall be made by the barge or by any other accredited method of delivery to the vessel specified by the Buyer.

7.5 The Buyer shall provide clear sale berth for the barge alongside the vessel where receiving lines are located. The Buyer shall indemnify the Seller against any loss, damage, or delay caused by the Buyer's vessel to the barge.

7.6 The Buyer shall arrange for all connections and disconnection between supplying pipelines or hoses and vessel intake lines and shall provide all necessary assistance and equipment to receive all deliveries promptly and efficiently. It is the Buyer's responsibility to ensure that the vessel shall have sufficient empty space in its tanks to receive the Bunker quantities as ordered by the Buyer or the Buyer's agent. In case part of the Bunker, as ordered by the Buyer or the Buyer's agent, cannot be received by the vessel and must be returned to shore or otherwise, the Buyer shall be responsible for all costs arising therefrom.

7.7 The Buyer shall indemnify the Seller and its suppliers for all damage liabilities arising from any acts or omissions by the Buyer or its employees, officers, crew or independent contractor(s) in connection with the delivery of Bunkers.

7.8 If the nominated vessel does not arrive within seven(7) days (excluding Saturday, Sunday and public holiday in the delivery place) as indicated by the Buyer, the Seller shall have the right to cancel the supply without notice and the Buyer shall be liable for the costs arising therefrom.

8. QUANTITY

8.1 The quantity of Bunkers delivered shall be determined from the official gauge of the barge effecting delivery or by gauging the Seller's or the Seller's supplier's shore tank or oil meter on the Seller's or the Seller's supplier's selection.

8.2 Except where government regulations determine otherwise, any adjustment in volume due to difference in temperature shall be made in accordance with ASTM-IP petroleum measurement tables.

8.3 The Buyer is requested to be present or represented by a properly accredited agent when measurements are taken and if the Buyer is not present or represented, then the Seller's determination of quantities shall be deemed to be correct and final and any complaint or claim for writing measurement or short delivery shall be deemed to be waived.

8.4 In the countries where local regulations determine so, quantities measured by the customs authorities shall be deemed to be correct and final.

9. QUALITY

9.1 Bunkers shall be the Seller's commercial grades of marine fuel and petroleum products as currently offered to its customers from time to time at the place of delivery.

9.2 The Buyer has the sole responsibility for the selection and acceptance of Bunkers including the determination of compatibility with Bunkers already existing on board the vessel.

9.3 The Seller, in any event, shall not be liable for any loss or damage to the Buyer due to any delay or detention of any vessel or for any consequential loss or damage arising out of defective Bunkers or for any other loss or damage whatsoever.

9.4 Bunkers shall be sold to the Buyer on the assumption that they are to be used solely for consumption on the vessel originally receiving it and the Seller can under no circumstances be responsible for any other use of the Bunkers delivered.

9.5 In the event that Bunkers supplied by the Seller prove to be defective after analysis of the sample bottles (signed by the chief engineer or other vessel's representatives and barge's representative) described in Bunker Delivery Note by an independent inspector (approved between the Seller and the Buyer), the Buyer shall have the right to return the defective Bunkers and the Seller will refund all payments by the Buyer in respect of defective Bunkers and this shall be the limit of the Seller's liability. Unless otherwise agreed by the parties, the Marine Fuel to be delivered under the sales contract shall conform to ISO TABLE-1 and TABLE-2 or LOCALLY GUARANTEED SPEC for the relevant grade or product being delivered.

10. PRICE

10.1 Prices shall be the Seller's prices in effect as at the time and place of delivery as set forth in the Agreement.

10.2 Unless otherwise agreed between the Seller and the Buyer, all applicable taxes, levies, duties, fees and other costs (including those imposed by governments and/or local authorities) shall be for the Buyer's account and are not included in the price. For the avoidance of doubt, all prices are exclusive of VAT, unless specifically agreed between the Seller and the Buyer.

10.3 Agreements entered into by brokers or any other representative on behalf of the Seller will only bind the Seller upon the written confirmation of the Seller.

11. PAYMENT

11.1 Payment shall be made by the Buyer as directed by the Seller within the days agreed as set out in the Agreement.

11.2 Payment shall be made in US Dollars by telegraphic transfer to the Seller's bank as indicated in the Agreement and such payment shall be in full, without set-off, counterclaim, deduction or discount and free of bank charges.

11.3 Payment shall be deemed to have been made on the date designated by the Seller as the date on which the Seller has received payment. If payment falls on Saturday, Sunday, or public holiday, then payment shall be made by the Buyer on the preceding business day.

11.4 Any delay in payments shall entitle the Seller to charge the Buyer with interest at a rate of two(2) percent above LIBOR per month from the due date of payment without prejudice to any other rights or remedies available to the Seller.

11.5 All costs borne by the Seller in connection with the collection of overdue payments, whether made in or out of court and, in general, all costs in connection with any breach of Agreement by the Buyer, shall be for the Buyer's sole account.

11.6 Notwithstanding any agreement to the contrary, payment will be due immediately in the case of the Buyer's bankruptcy, liquidation, or suspension of payment or any such comparable situation which substantially affects the Buyer's financial position in the reasonable opinion of the Seller.

12. CLAIMS

12.1 Claims concerning quantities shall have to be submitted to the Seller in writing within seven(7) days after delivery and must be supported by the proper evidence, failing which the rights to complain or claim compensation of whatever nature shall be deemed to be waived and absolutely barred.

12.2 Claims concerning quality shall have to be submitted to the Seller in writing within thirty(30) days after delivery and must be supported by proper evidence, failing which the rights to complain or claim compensation of whatever nature shall be deemed to be waived and absolutely barred.

12.3 The Buyer shall be obligated to make payment in full and fulfil all other obligations in accordance with the terms hereof, whether or not they have any claims or complaints pending.

13. RISK AND TITLE

13.1 The delivery of Bunkers shall be deemed to be complete and risk shall pass to the Buyer once the Bunkers have passed the flange connecting the delivery hose provided by the Seller and the receiving facilities provided by the Buyer at which point the Seller's responsibility shall cease.

13.2 Title to Bunkers delivered under the Agreement shall pass to the Buyer at the time of completion of payment of the price for Bunkers delivered to Buyer in accordance with Article 7 hereof, and the Seller shall retain the title of Bunkers until the completion of payment of the price for Bunkers delivered hereunder.

13.3 Until final payment of any amounts due to the Seller, for whatever nature, has been made, the Buyer shall not be entitled to use the Bunkers (other than for propulsing of the vessel) and the Buyer shall not be allowed to mix, blend, sell, encumber, pledge, alienate and/or surrender the Bunkers to any third party.

- 13.4 If the Buyer breaches the Agreement, the Seller shall be entitled to take back the Bunkers without prior judicial intervention and without prejudice to any other Rights or remedies available to the Seller.
- 13.5 In the event that the Bunkers have been mixed with other bunkers on board the vessel, the Seller shall have the right of lien to such part of the mixed bunkers as corresponds to the quality of Bunkers delivered.
- 13.6 To the extent that Bunkers, in part or full, are no longer (definably) present, the Seller shall have the right to attach the Buyer's vessel and/or sister ship and/or other definable assets wherever situated in the world without prior notice.

14. ENVIRONMENT PROTECTION

- 14.1 It shall be the sole responsibility of the Buyer to comply, and advise its personnel, agents and/or customers to comply, both during and after delivery, with all health and safety requirements applicable to Bunkers supplied. The Seller accepts no responsibility for any consequence arising from any failure to comply with such health and safety requirements. The Buyer acknowledges familiarity with the hazards inherent in the nature of marine fuels, and shall protect indemnity and hold the Seller harmless against any claim or liability incurred as a result of Buyer, or any user of the fuels, or its customers, failing to comply with any applicable health and safety requirements.
- 14.2 In the event that a spill occurs while Bunkers is being delivered under the Agreement, the Buyer shall regardless as to whether the Buyer or the Seller is responsible for the spill, promptly take such action as is reasonably necessary to remove the spilled Bunkers and mitigate the effects of such spills. The Seller is hereby authorized, as its option on notice to the Buyer, to take such measure and incur such expenses, as are reasonably necessary in the judgment of the Seller or the physical supplier, to remove the oil and mitigate the effects of such spill. Any expenses, damages, costs, fines and penalties arising from the spillage, discharge or pollution of the Bunkers (hereinafter referred to as "Spillage Expenses") shall be paid by the party that caused such spillage, discharge or pollution.

14.3 If both parties have caused or contributed to the occurrence of the spillage, the liability for payment of the Spillage Expenses shall be divided between the parties in accordance with the respective degree of culpability, to be mutually agree and failing agreement, to be determined in accordance with clause 16 of this Terms and Conditions. The Buyer shall give, or cause to be given to the Seller all such documents and other information concerning any spill or any program for the prevention thereof, which might adversely affect the delivery of Bunkers. The Seller shall be at liberty to refuse to deliver Bunkers to the vessel if it is deemed probable in the Seller's sole discretion that such delivery will result in adverse consequences of any kind whatsoever.

15. BUYER'S WARRANTY OF AUTHORITY

15.1 The Buyer, if not the owner of the vessel, expressly warrants that it has full authority of the owner of the vessel to act on behalf of the owner and of the vessel in entering into Agreement, and, if applicable, specifically has the authority of the owner of the vessel to contract on the owner's personal credit and on the credit of the vessel.

15.2 For the purposes of entering into the Agreement, the Buyer is deemed to be in possession and control of the vessel and the Buyer further warrants that it has given or will give full notice of these Term and Conditions to the owner of the vessel.

16. GOVERNING LAW AND JURISDICTION

16.1 These Terms and conditions shall be governed by, and construed in accordance with, the law of the territory of Japan.

16.2 The Sale of goods(United Nations Convention) Act and the United Nations Convention on Contracts for the International Sales of Goods concluded at Vienna on 11th April 1980 shall not apply.

16.3 All disputes, controversies or differences arising out of or in connection with the Agreement shall be finally settled by arbitration in accordance with the Commercial Arbitration Rules of The Japan Commercial Arbitration Association. The place of the arbitration shall be Tokyo, Japan.

17. Antisocial Force

Each Party shall be entitled to terminate the Agreement without prior notice if the other party, its affiliates, directors, officers and employees are crime syndicates, members of crime syndicates, crime syndicates-related companies or associations, corporate racketeer or any other antisocial forces (hereinafter referred to as “Antisocial Force”) or it, its affiliates, directors, officers and employees are involved in any actions or activities using, or jointly associated with, any Antisocial Force.

18. LIMITATIONS OF LIABILITY

18.1 The Seller shall not be liable for damage of whatsoever nature (including for the avoidance of doubt, special, indirect and consequential damages), including physical injury, nor for delay in making deliveries or rendering services (even when such damages or delay have been caused by the faults or negligence on the side of the Seller) nor for any loss of prospective profits, anticipated cost savings, contracts or financial or economic loss including, for the avoidance of doubt, any loss of prospective profits, anticipated cost savings, contracts or financial or economic loss of the Buyer caused as a result of Force Majeure Event.

18.2 The Seller shall furthermore not be liable for damage or delay as described above when such damages or delay have been caused by the fault of its sub-contractor(s).

18.3 In any event and, notwithstanding anything to the contrary herein, the liability of the Seller shall not exceed the invoice value of the Bunkers supplied under the Agreement.

19. TERMINATION

Notwithstanding any term of the Agreement or these Terms and Conditions, the Seller may at its sole discretion immediately terminate the Agreement in full or in part in any of (but not limited to) the following cases:

- (1) the Buyer is in breach of the Agreement or any of these Terms and Conditions (including, but not limited to, the Buyer failing in part or in full to comply with its obligations to pay any amount due to the Seller);
- (2) for whatever reason, the Buyer fails to accept Bunkers in part or in full at the place and time designated for delivery;
- (3) before the date of delivery, it is apparent in the Seller's reasonable opinion that the financial position of the Buyer entails a risk to the Seller;
- (4) in the event of a natural disaster, dispute, or other event that prevents the seller from fulfilling its obligations as a seller;
- (5) a liquidator, trustee in bankruptcy, receiver or similar person is appointed in respect of any of the Buyer's assets or undertaking or any of its associated companies or if the Buyer or any of its associated companies enters into a plan or arrangement or similar agreement with their creditors.

20. OTHERS

- 20.1 The Seller reserves the right, at its sole discretion, to revise and amend this Terms and Conditions herein from time to time, with or without giving any notice.
- 20.2 All contractual and operations correspondence (contracts, counters, amendments, response, emails etc) to the Seller in connection with the Agreement shall be sent directly to group47@sinanengroup.co.jp.