

## Nevsky Mazut Terms and Conditions 2017

### Preamble

Except as may otherwise be negotiated by the parties and agreed to in writing, the following terms and conditions shall be applied to all sales of marine bunker fuels, and/or lubricants and/or other products by a Seller as defined hereunder. These terms and conditions and any Sales confirmations made for Products, Fuels or Services provided by the Seller to Buyers shall constitute an integral part of the Fuel supply contract. These terms and conditions may be referred to as "Nevsky Mazut Standard Terms and conditions 2015".

### 1. Definitions

Throughout this Contract the following definitions shall be applied:

"Marine Fuels" mean products, derived from crude oil, delivered or to be delivered to the Vessel.

"Seller" is the "Nevsky Mazut Company" and also includes any agents or independent contractors used by the Seller to collect payments, effect supply or delivery to the Vessel, and

"Buyers" mean the entities which order, receive and/or pay for the Product.

"Bunker Tanker" means bunker barge or tanker supplying marine fuels to the Vessel.

"Product" means marine bunker fuels, and/or lubricants and/or other products of whatever type and description as specified in the Sales Confirmation, Bunker delivery Note.

"Vessel" means the vessel, ship or craft duly nominated to receive the Product as specified in the Sales Confirmation.

Should marine fuels or lubricants be ordered by an agent, then such agent, as well as the principal, shall be bound by, and liable for all obligations as fully and as completely as if the agent was itself the principal, whether such principal be disclosed or undisclosed, and whether or not such agent purports to contract as agent only. Both the principal and the agent shall be considered as the Buyers for purposes of this agreement.

### 2. Grades and quality

a. The Buyers shall have the sole responsibility for the nomination of grades of Marine Fuels suitable to the Vessel.

b. The Seller warrants that Marine Fuels shall be of homogeneous and stable nature, shall comply with the grades nominated by the Buyers and be of satisfactory quality. Unless otherwise agreed in the Sales Confirmation, Marine Fuels shall in all other respects comply with ISO Standard 8217: 2017 or any subsequent amendments thereof.

c. The Seller can in no circumstances be held responsible for the consequences of misuse or defective application of any such product, if caused by lack of information or misinformation given by the Buyers on use or application of any such product, the Seller bears no responsibility for the quality of the product onboard, in case the fuel oil delivered by him is commingled with the fuel oil onboard.

d. It is the duty of the Buyers to take all reasonable actions, including retention and burning of Marine fuels, in order to eliminate or minimize any costs associated with an off specification or suspected off specification supply. To this end the Buyers shall cooperate with the Seller in achieving the most cost effective solution. In any event, Seller's obligation hereunder shall not exceed direct expenses incurred for removal and replacement of fuel and shall not include any consequential or indirect damages or injuries, including without limitations, demurrage claims, loss of contract or loss of profit. If Buyers remove or burn such Marine fuels without the consent of the Seller, then all such costs shall be for the Buyers' account.

### 3. Quantity and Measurements

a. Subject to the provisions of Clauses 6(c) and 9 hereunder the quantities of delivered Marine Fuels shall be determined from the official gauge or meter of bunker tanker measurements of cargo tanks of bunker tanker or tank truck effecting delivery, or in case of delivery ex wharf, of the shore-meter, or from the measurements made by independent surveyor.

b. The Buyers and the Seller shall both have the right to be present or represented when such measurements are taken and shall be given sufficient information and access to bunker tanker or tank truck or shore-meter and relevant documentation to verify the volume delivered. If the Buyers are not present or represented, then the Seller's determination of quantities shall be deemed to be correct and conclusive.

c. Marine Fuels to be delivered under this Contract shall be measured and calculated in accordance with the ISO-ASTMAPI-IP Petroleum Measurement Tables.

### 4. Sampling

a. The Seller shall arrange representative sampling of each grade of Marine Fuels throughout the entire bunkering operation and that sample shall be thoroughly mixed and carefully divided into 3 (three) identical samples. The sampling shall be performed in the presence of both the Seller and the Buyers or their respective representatives. The absence of the Buyers or their representatives shall not prejudice the validity of the samples taken.

b. Samples shall be drawn at a point chosen by the Seller and closest to the receiving Vessel's bunker manifold.

c. Samples shall be drawn with the Seller's sampling device which shall be constructed, secured and sealed in such a way so as to prevent the sampling device and samples being tampered throughout the whole transfer period.

d. The aforementioned samples shall be securely sealed and provided with labels showing the Vessel's name, identity of delivery facility, product name, delivery date and place and point of sampling and seal number, authenticated with the Vessel's and Bunker Tanker's stamp and signed by the Seller's representative and the Master of the Vessel or his authorized representative, numbers of collected samples shall be clearly stated in Bunker delivery Note (BDN). Samples, which numbers are stated in BDN, are considered to be arbitrary.

e. One (1) sample shall be retained by the Seller for thirty (30) days after delivery of Marine Fuels to the Vessel. Two of the samples will be handed to the master of the vessel which has received Marine Fuels. It is the Master/Chief Engineer's responsibility to ensure that all samples have been drawn as per International Shipping Practice and that the vessel receives 2 (two) samples, one of them shall be Marpol.

### 5. Delivery

a. Delivery of Marine Fuels shall be made as promptly as circumstances permit, day and night, Sundays and holidays included, at the port or place of delivery, and always subject to the permission of customs of port or place of delivery.

b. The Vessel's estimated time of arrival shall be stated in the Sales Confirmation. The Seller shall be under no obligation to deliver the product to the vessel if the Vessel arrives outside the price validity time range from the estimated time of arrival as stated in the Sales Confirmation, not more than 7 (seven) days from the date, stated in the Sales Confirmation.

c. The Buyers, or their agents at the port or place of delivery (whose name to be advised by the Buyers in Sales Confirmation), shall give to the Seller, or their representatives at the port or place of delivery, 72- and 48-hours approximate and 24-hours definite notice of the Vessel's arrival, place and time at which deliveries are required.

d. The Seller shall be in possession of all permits required to comply with all relevant regulations pertaining to delivery of Marine Fuels at the port or place of delivery

e. The Buyers shall be responsible for making all connections and disconnections between the delivery hose(s) and the Vessel's manifold and to ensure that the hose(s) are properly connected to the Vessel's manifold prior to the commencement of delivery.

f. The Buyers shall ensure that the Vessel is in possession of all certificates required to comply with all relevant regulations pertaining to delivery of Marine Fuels at the port or place of delivery and that the Master of the Vessel shall:

1. advise the Seller in writing, prior to delivery, of the maximum allowable pumping rate and pressure and agree on communication and emergency shut-down procedures;

2. notify the Seller in writing, prior to delivery, of any special conditions, difficulties, peculiarities, deficiencies or defects in respect of and particular to the Vessel which might adversely affect delivery of Marine Fuels;

3. provide a free side to receive Marine Fuels and, when delivery is made by bunker tanker, render all necessary assistance which may reasonably be required to moor or unmoor the Bunker Tanker. The Seller shall be under no obligation to make deliveries when in its sole opinion a clear and safe berth, position or anchorage is not available. The Buyers shall indemnify the Seller against all claims and expenses for any loss, damage, demurrage or delay caused to the Seller's delivery equipment, irrespective of whether the circumstance causing the loss, damage, demurrage or delay was within the control of the Buyers or their local representative.

g. The Vessel shall provide segregated tankage to receive the requested quantity of Marine fuels. The Seller shall not be responsible for on board safety or storage failures that may affect requested delivery and shall have the right to recover from the Buyers any cost incurred there from (see also Clause 9(b) for quality claims). The Seller bears no responsibility for the quality of the product onboard, in case the fuel oil delivered by him is commingled with the fuel oil onboard.

h. Title to the product(s) supplied pursuant to this terms and conditions shall remain with the Seller until the Seller has been paid in full.

i. Delivery shall be deemed to have been completed and risk transferred as the Product passes the flange connecting the pipelines or delivery hoses with the intake lines of the Vessel at which point the Seller's responsibility shall cease.

### 6. Documentation

a. Before commencement of delivery the Seller may present for written confirmation by the Master of the Vessel or his representative, a Bunker List or similar document, duly signed by the Seller or their representative, which shall contain the following information:

\*name, IMO number of the vessel

\*grades of fuel to be supplied

\*pumping rate during beginning, finish and main time of bunker ops

\*meter readings onboard the barge before commencement of bunker ops

b. Once the delivery is completed and quantities measured, a Bunker Delivery Note (BDN) shall be signed and stamped by the Master of the Vessel or his representative, and returned to the Seller, or their representative, as acknowledgement of the actual volume and the actual delivery temperature only and a duplicate copy shall be retained by the Master of the Vessel. This Note shall contain the following minimum information:

delivered quantity in volume units

density in kg/m<sup>3</sup> at 15 C as per ISO 3675

delivery temperature

flash point

sulphur content in % m/m as per ISO 8754

viscosity

pour point

c. In the event the Master is not satisfied with the sampling, quality, quantity or any other matter concerning Marine Fuels or their delivery, he shall make appropriate remarks in the note referring to a separate letter of protest to be issued and delivered immediately. Verification of the information provided under Clause 6(b) may be obtained by analysis of the Seller's retained sample, which number is stated in BDN.

### 7. Price

a. Should the Vessel not arrive within the determined time range (7 days), the Sales Confirmation shall be considered null and void unless the Seller agrees to accept the new arrival date as the basis of a new one for which a new price should be agreed upon with the Buyers.

b. Any and all additional charges, if applicable, shall be specified in the Sales Confirmation and shall include but not be limited to:

1. Wharfage charges, barging charges or other similar charges;

2. Mooring charges or port duties incurred by the Seller which are for the Buyers' account;

3. Duties, taxes, charges or other costs in the country where delivery takes place, for which the Seller are accountable but which are for the Buyers' account.

4. Barging charges plus transportation taxes, if any, for delivery of fuel to distant regions of the port of delivery (Lomonosov, Kronstadt, Bronka, Outer roads of Saint-Petersburg Port and others), additional fees for providing ice-breaking services in winter.

c. In the event the Buyers fail to take delivery, in whole or in part, of the quantities nominated, the Buyers shall be responsible for any costs resulting from their failure to take delivery, as well as for any losses incurred by the Seller to downgrade the fuels.

d. Should the Buyers cancel the products delivery – the Buyers shall pay to the Seller mutually agreed compensation as liquidated damages, and the Buyers agree that this is a fair assessment of damages so caused to the Seller. The Seller shall be entitled at the Buyers' risk and expense, either to transport the product back to storage or to sell in a downgraded form at a market price without prejudice to the Seller's other rights under this Contract for damages.

### 8. Payment

a. Payment for Marine Fuels shall be made by the Buyers within the number of days stated in the Sales Confirmation after the completion of delivery on the ground of the invoice issued by the Seller. In the event payment has been made in advance of delivery, same shall be adjusted on the basis of the actual quantities of Marine Fuels delivered and additional payment/refund, as the case may be, shall be made within thirty (30) days after the completion of delivery.

b. Payment shall be made in full, without set-off, counterclaim, deduction and/or discount, free of bank charges.

c. Payment shall be deemed to have been made on the date the payment is credited to the counter of the bank designated by the Seller. If payment falls on a non-business day, then payment shall be made on or before the business day nearest to the due date. If the preceding and succeeding business days are equally near to the due date, then payment shall be made on or before the preceding business day.

d. Any delay in payment shall entitle the Seller to interest at the rate of 5% per month or any part thereof.

e. In the event of non-payment, the Seller reserve the right to pursue such legal remedies as may be available to them to recover the amount owed.

f. In case of the Seller's awareness of the facts that can be deemed by the Seller as the Buyers' incapability to fully or partly execute payments under present terms and conditions, the Seller is in right to require an early payment from the Buyers.

### 9. Claims

a.

1. Any dispute as to the quantity delivered must be noted at the time of delivery in the BDN or in the letter of protest referred to in Clause 6(c) above. Any claim as to the quantity delivered shall be presented by the Buyers in written within 7 days from the date of products delivery, failing which any such claim shall be deemed to be waived and barred.

2. Flow meters must be checked for seals, correct settings and calibration and general condition. All of these checks must be carried out before and after delivery of each consignment and each barge, wagon or vehicle tank load. Delivery must be supervised at all times and care must be recorded on the Seller's Bunker List. Unless these procedures are followed it is nearly always impossible for a claim to be substantiated. The Seller regrets therefore that it will be obliged to reject claims for short delivery where these receiving procedures are not followed.

3. The Buyers shall be charged for all proven additional expenses incurred by the Seller in connection with the Buyers' failure to take delivery of the full quantity of Marine Fuels ordered by the Buyers.

b.

1. Any claim as to the quality or description of Marine Fuels must be notified in writing, as per Clause 6(c) or promptly after the circumstances giving rise to such claim have been discovered. If the Buyers do not notify the Seller of any such claim within 14 days of the date of delivery, such claim shall be deemed to be waived and barred.

2. In the event a claim is raised pursuant to Clause 9(b)(1), the parties hereto shall arrange an analysis of Marine Fuels quality in mutually agreed qualified and independent laboratory. The Seller shall provide the laboratory with the arbitrary sample retained by him as per Clause 4 (d) & (e), the results of this analysis shall be final and binding upon both parties. No other samples, including the samples collected from the bunker tanks of the Buyers' vessel, cannot be judged as suitable for determination of the Fuel supplied. If ISO grades have been specified the analysis shall be established by tests in accordance with ISO 8217: 2017 and ISO 4259 or any subsequent amendments thereof. If non-ISO grades have been agreed, tests will be made in accordance with standards corresponding to the aforementioned ISO standards. Unless otherwise agreed the expenses for the analysis shall be for the account of the party whose claim is found wrong by the analyses.

c.

In the event of any delay resulting from the Buyers' failure to give proper notices and/or to comply with the notices given pursuant to Clause 5(b) above and/or the Buyers' Vessel failing to receive Marine Fuels at the pumping rate referred to in Clause 5(f)(1) above, then the Seller shall be entitled to compensation according to the present terms and conditions.

### 10. Risk/title

Risk in Marine Fuels shall pass to the Buyers once Marine Fuels have passed the Seller's flange connecting the Vessel's bunker manifold with the delivery facilities provided by the Seller.

Title to the product (s) supplied pursuant to this terms and conditions shall remain with the Seller until the Seller has been paid in full and the Seller shall have a lien on the vessel and on any bunkers on her board in respect of its claim for payment for the product (s) which are the subject hereof, which claim shall include interest, legal costs and any other ancillary costs attendant upon enforcement of this contract and/or the Seller's lien.

In purchasing this product (s) the Buyer is warranting that it has the authority to bind the vessel to a maritime lien. It is the Buyers' responsibility to obtain this authority and to advise any other interested party of this information. A disclaimer note placed by a vessel's representative on the delivery receipt (s) does not in any way waive the Seller's lien on the vessel and bunkers aboard.

### 11. Lien

The Seller shall have a right of lien over delivered Marine Fuels until payment has been made pursuant to the terms of Clause 8 hereof. In the event that Marine Fuels have been commingled with other bunkers on board of the Vessel, the Seller's lien shall extend to such part of the commingled bunkers as corresponds to the quantity of delivered Marine Fuels. The Seller shall not be bound by any attempt by any person to restrict, limit or prohibit its lien or liens of attaching to the Vessel.

The Buyers warrant that the Seller has the right to assert and enforce a lien against delivered Marine Fuels and(or) the Vessel for the amount of delivered Products and provided Services, plus but not limited to any other expenses related to enforcement of the lien.

In the event of the Seller decides to institute court proceedings in any competent Court, the Seller shall in addition to any other amounts it may recover from the Buyers, be entitled to recover its legal costs incurred on an attorney and losses connected with losing of its own client base, from the Buyers.

### 12. Termination

Without prejudice to accrued rights hereunder, either party shall be entitled to terminate this contract agreement and/or to demand and enforce early payment of the owing sums in the event of:

a. any application being made or any proceedings being commenced, or any order or judgement being given by any court concerning

1. liquidation, winding up, bankruptcy, insolvency, dissolution, administration or re-organisation or similar, or

2. appointment of a receiver, liquidator, trustee, administrator, administrative receiver or similar functionary of the other party (otherwise than for the purpose of a reconstruction or amalgamation);

b. the other party suspends payment, ceases to carry on business or compounds or makes any special arrangement with its creditors;

c. any action is done or event occurs which, under the applicable law hereof, has a substantially similar effect to any of the said actions or events described above.

d. the Seller shall have the right to terminate this agreement in the event of a material breach (including without limitation anticipatory breach) by the Buyers of any terms and conditions of this agreement and/or in the event the Buyers are threatened with or are in the process of liquidation, winding-up and/or receivership.

### 13. Indemnity

a. Without prejudice to any other claims arising hereunder or in connection herewith, if loss is suffered or a liability is incurred by either party hereto as a direct result of compliance with directions given by the other party hereto, during or for the purposes of the parties' obligations hereunder, then the injured party is to be indemnified by the other in respect of such loss or liability.

b. Where claims arise under Clause 9(c) and Clause 13(a), compensation payable in accordance with Clause 13(a) shall be taken into account in assessing sums payable under Clause 9(c) above.

c. The Buyers shall hold harmless and indemnify the Seller against all claim(s), loss(s), damage(s) and liability(s) arising from or in consequence of any actions and/or omissions of the Buyers and/or its employee(s), servant(s), the Vessels' officer(s), agent(s), representative(s) and/or crew(s) in connection with receiving, using, storing or transporting of delivered Marine Fuels.

### 14. Force majeure

Neither party shall be responsible for any loss, damage, delay or failure in performance of its obligations under this terms and conditions resulting from an act of God, or the port of delivery being affected by war, civil commotion, riot, quarantine, strike, stoppage, lock-out, arrest, restraint of prices, rulers and people, or any other event whatsoever which cannot be avoided or guarded against by the parties by the exercise of due diligence. The market fuel price fluctuations of more than 30% shall be considered to be a force majeure and may cause the Seller's cancellation of the Sales Confirmation and price revival.

### 15. Safety and the environment

a. In the event of any spillage (which for the purpose of this clause shall mean any leakage, escape, spillage or overflow of Marine Fuels) causing or likely to cause pollution occurring at any stage of the bunkering operation, the Buyers and the Seller shall jointly, and regardless as to whether the Buyers or the Seller are responsible, immediately take such actions as are reasonably necessary to effect clean up and which shall always be conducted in accordance with such local laws and regulations which may compulsorily apply.

b. Where it is a compulsory requirement of the Law of the port or place of delivery of Marine Fuels that the Seller shall have in place their own oil spill contingency plans, the Seller shall ensure that valid oil spill contingency plans approved by the relevant authorities are in effect to the extent that is so required.

c. The Buyers warrant that it and the vessel's crew are familiar with the health effects related to Marine Fuels supplied hereunder and with appropriate safety and health procedures for handling and for the use of such Marine Fuels. The Buyers and the vessel's crew shall adhere to such safety and health procedures while using or handling the Seller's Marine Fuels. The Buyers shall also facilitate the dissemination of such health and safety information to all employees, users, and others potentially exposed to Marine Fuels sold hereunder. The Buyers shall be responsible for compliance by its employees, agents, and other users with all health and safety requirements or recommendations related to Marine Fuels supplied hereunder and shall exert its best efforts to insure that any of its employees or agents, users, and other potentially exposed persons avoid frequent or prolonged contact with or exposure to marine fuel, both during and subsequent to delivery. The Seller or the Seller's supplier accept no responsibility for any consequences arising from failure by the Buyers, its employees or agents, any users, or any other party to comply with such health and safety requirements or recommendations arising from such contact or exposure.

d. The Buyers warrant that nominated Vessel is in compliance with all national regulations. The Vessel to be bunkered is subject to the Seller's acceptance and will not be bunkered by the Seller or the Seller's supplier unless free of all conditions, difficulties, peculiarities, deficiencies or defects which might impose hazards in connection with bunkering of the vessel. The Seller has the right to refuse to deliver the product to the vessel if it's deemed probable in the Seller's sole discretion that such delivery will result in adverse consequences of any kind whatsoever.

### 16. Law and arbitration

a. This agreement shall be governed by and construed in accordance with the English law.

b. Any dispute, disagreement or claim arising from this agreement and concerning this agreement, its infringement, termination or invalidity, shall be settled in the Arbitration Court of Saint-Petersburg and Leningradskiy region, (Russia), in accordance with Arbitration Procedure Code of the Russian Federation.