



中石化浙江舟山石油有限公司  
SINOPEC ZHEJIANG ZHOUSHAN PETROLEUM CO., LTD.

中国石化燃料油（新加坡）有限公司  
SINOPEC FUEL OIL (SINGAPORE) PTE LTD

## Sinopec General Terms and Conditions for Sale of Marine Lubricants

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### Preamble

According to the law of the People's Republic of China, the buyer and the seller have reached the following contract on the transaction of marine lubricants.

**1. Operation plan.** Unless otherwise agreed by both sides, the buyer shall inform the seller of the specific operation plan 3 working days in advance (hereinafter referred to as: order), and the operation plan can be implemented after being confirmed by both sides. The content of operation plan shall include: products, quantity, location, receiving vessel, operation time, etc. The business contacts designated by both sides shall be confirmed in writing. If the buyer has special requirements for the supply operation, or there are circumstances that may affect the lubricants supply operation, the buyer shall inform the seller in writing, and the seller shall confirm in writing if it agrees to meet the requirements.

**2. Delivery quantity.** The delivered goods are prepackaged lubricants. Both sides shall count the quantity of the delivered goods by piece instead of by volume or weight. The lubricant delivery receipt (LDR) jointly signed by the representatives of both sides is the only certificate for the delivery of the goods.

**3. Quality control.** The Seller shall guarantee that the lubricants meet the agreed specifications. In case of any dispute over the quality, both sides may jointly appoint a qualified and independent laboratory to conduct quality analysis. The Seller shall be liable for the buyer's loss due to the quality discrepancy of lubricants. The buyer shall bear the losses caused by the wrong selection of the marine lubricants or improper storage or use after delivery. Lubricants should avoid direct exposure to the sun and rain.

**4. Transportation and handling charges.** Unless otherwise agreed by both sides, the Seller shall bear cost of land transportation, and the buyer shall bear the cost of waterway transportation. Unless otherwise agreed by both sides, when the buyer and the seller hand over the goods, the pumping operation shall be arranged or borne by the seller, and the lifting operation shall be arranged or borne by the buyer.

**5. Package recycling.** The 1000L packages shall be recycled by the seller, and the buyer shall pay for them separately if necessary. The lubricants packages of 200L and below belongs to the buyer. If the buyer does not need them, the seller can recycle them free of charge, and their title will be transferred to the seller.

**6. Payment method.** For bonded lubricants, unless otherwise agreed by both sides, the buyer shall make payment in full within thirty (30) days (delivery day inclusive) after delivery. For domestic lubricants, unless otherwise agreed by both sides, the buyer shall make payment before delivery.

**7 Exchange rates.** For bonded lubricants, both sides may choose USD or CNY for settlement. In case the currency of settlement is inconsistent with the currency of pricing, unless otherwise agreed by both sides, the exchange rate shall be the central exchange rate published by the Bank of China on the order day. The settlement and pricing currency of domestic lubricants is CNY.

**8 Receiving bank account.** The buyer shall pay according to the account information on the sealed invoices issued by the seller, and the seller shall not inform the buyer of the change of bank account only via email or instant messenger.

**9. Safety and environmental protection.** During the delivery, the representatives of both sides shall wear safety helmets and other necessary protective equipment, and shall not operate after drinking. No naked fire at the site of operation. If any improper behavior goes against regulations, the other side's representative can immediately suspend the operation and demand to correct it. If the fault side refuses to correct, the operation can be terminated, and the relevant expenses or losses shall be borne by the fault side.

**10 Technical support.** The seller shall guide and advice the buyer for free in lubricants selection and use. In case of any abnormality when using, the seller shall provide the sample analysis service free of charge during the contract period.

**11. Transfer of contract.** Unless otherwise agreed by both sides, the rights and obligations of this contract shall not be transferred to a third party. In case the buyer needs a third party to make the payment, the payer can only be the buyer's employee, legal representative, investor or asset related company, and the buyer shall provide the Payment Consignment Agreement which shall be signed and sealed by both the buyer and the payer, and the proof of asset relationship or labor relationship.

**12. Right of uneasy defense.** If the buyer fails to pay the due payment to the seller or the seller's relative companies (including lubricants or other refined products) on the planned delivery date, or the seller has reasonable concern on the buyer's ability to pay, the seller has the right to suspend the implementation of the contract. However, after the buyer has paid the full amount of the contract, or after the reasons for the seller's uneasiness have been eliminated, the seller shall still fulfill the contract actively.

**13. Force majeure.** In case of any situation that cannot be avoided or prevented even though both sides have done their duties of honesty, faithfulness, and diligence, which results in the failure to fulfill this contract, it shall be deemed as having encountered force majeure. If the contract cannot be performed or cannot be fully performed due to force majeure, the party that has encountered the force majeure shall notify the other party within 24 hours of the occurrence of the force majeure event, and shall take measures to avoid and reduce the expansion of the loss. If any party fails to take effective measures to cause the expansion of loss, it shall be liable for the expanded loss. The term "force majeure" mentioned in the Contract includes but not limits to: earthquake, mountain torrents, tsunamis, typhoon, war, government prohibition and other situations belonging to force majeure. When the lubricants are to be delivered by waterway, if the supply ship has

arrived at the designated location and is berthing or conducting operations, and adverse sea conditions suddenly occur, which, according to the sole judgment of the seller, may endanger any party's personnel or property, the seller shall have the right to unilaterally suspend or terminate the operation. Such situation shall be regarded as force majeure, and the seller shall be exempted from the burden of proving the proof of existence of force majeure, hence the seller and the buyer, shall not be held responsible for each other.

**14. Title and risks.** The risk of the goods passes to the buyer when the goods pass over the board of the vessel designated by the buyer, or when the goods are delivered to the place designated by the buyer. If payment is made before delivery, the title and risk of the goods shall be transferred to the buyer at the same time; in case of transaction on credit, the seller keeps the title of the goods until the buyer fully makes the payment.

**15 Confidentiality.** The buyer and the seller shall keep the contract confidential. The buyer and the seller shall not disclose the contents of the contract to a third party without the written consent of the other party, unless it's necessary to perform the Contract.

## **16 Liability for breach of contract.**

16.1 If the buyer delays the payment, the seller shall be entitled to claim 0.02% of the unpaid amount for each overdue day, and the seller shall have the right to terminate the contract if the buyer fails to pay for 30 days. The liquidated damages paid by the buyer to the seller under this contract shall be complemented if they are insufficient to cover the actual losses suffered by the seller.

16.2 If the seller is negligent in fulfilling the obligations under the contract and causes losses to the buyer, the buyer shall have the right to claim compensation according to the actual loss.

16.3 The losses agreed in the Contract include but are not limited to the loss of economic interests, investigation fees and notarization fees paid by one party to verify the other party's breach of the Contract, litigation costs, attachment costs, attorney's agency fees, consulting fees, travel expenses, etc.

## **17 Laws and disputes**

17.1 This Contract shall come into force after being confirmed in writing by the representatives of both sides. The email/facsimile of the contract has same legal effects.

17.2 Business negotiation shall take the priority in disputes solution, and either party may initial a legal processing to the court where the Contract is performed if the negotiation fails.

## **18. Operation terms during COVID-19 Pandemic Period**

18.1 Epidemic area: refers to the country or region that has appeared, received, treated, and transferred covid-19 cases in the past 30 days. When the oil supply port is in the epidemic area, or the receiving vessel has been to the port in the epidemic area in the past 30 days, this clause shall be applied. In case of conflict between the foregoing clauses and this clause, this clause shall take priority.

18.2 Preparation for epidemic prevention before operation

18.2.1 The buyer and the seller should report the health status of the involved personnel according to the government's requirements, cooperate with relevant inspection of the government, provide sufficient anti

epidemic supplies for their personnel, and urge them to use in an appropriate way;

18.2.2 The buyer and the seller shall truthfully report the health of their personnel involved to the other party.

18.3 Case free operation. If no confirmed case is found during the pre-operation inspection of the receiving vessel, this clause shall apply.

18.3.1 Both sides shall give priority to the "contactless supply" mode, that is, the personnel of the seller shall not board the vessel, and the crew of the vessel shall not board the seller's transports. Both parties independently complete their respective work.

18.3.2 In case the "contactless supply" mode is not applicable for some reasons, the operation must follow the following principles:

(i) The number of crew boarding each other's ships (boarding personnel for short) shall be strictly controlled;

(ii) The boarding personnel shall comply with the epidemic prevention regulations of the other ship, wear and use the epidemic prevention equipment;

(iii) The boarding personnel shall avoid entering the living area of the other ship and complete relevant work at open area. The other party shall cooperate and provide necessary assistance.

18.4 Operation after confirmed cases. If a confirmed case is found during the pre-operation inspection of the receiving vessel, all operations shall be suspended until the completion of following steps:

(i) all confirmed cases have been transferred to shore for centralized isolation;

(ii) total disinfection of the receiving vessel;

(iii) all crew members have been replaced or isolated and observed for at least 14 days, and nucleic acid tests show negative for at least 2 times;

(iv) the sellers confirm the delivery can be resumed and the operation is approved by the government.

In case the operation is restored, the "contactless supply" mode must be adopted.

18.5 Any confirmed cases of involved personnel of both sides shall be deemed as force majeure.