



**Sinopec Zhejiang Zhoushan Petroleum Co., Ltd**  
**Sinopec Fuel Oil (Singapore) Pte Ltd**

**Sinopec General Terms and Conditions for Sale of Marine Fuels**  
**(2016.06)**

**Preamble**

These General Terms and Conditions shall apply to all deliveries contracted for unless the Sellers expressly confirm otherwise in the Sales Contract. Each delivery shall constitute a separate contract. The email/facsimile of the Sales Contract has same legal effect, and FOB term shall be applied.

**1. Definitions**

Throughout this Sales Contract, except where the context otherwise requires, the following definitions shall be applied: "*Marine Fuels*" means products, derived from crude oil, delivered or to be delivered to the Vessel.

"*Sellers*" means the party contracting to sell and deliver Marine Fuels, and

"*Buyers*" means the party contracting to purchase, take delivery and pay for the Marine Fuels.

"*Bunker Tanker*" means bunker barge or tanker or tank truck supplying Marine Fuels to the Vessel.

"*Arrival*" means the vessel arrives in the nominated port or place of delivery and shall comply with local authorities' formality of bunkering activities as deemed of readiness to receive.

**2. Grades/Quality**

(a) The Buyers shall have the sole responsibility for the nomination of the grades of Marine Fuels fit for use by the Vessel.

(b) The Sellers warrant that the Marine Fuels shall be of a homogeneous and stable nature, shall comply with the grades nominated by the Buyers and be of satisfactory quality. Unless otherwise agreed in the Sales Contract, the Marine Fuels shall in all respects comply with ISO Standard 8217:2005.

**3. Quantities/Measurements**

(a) Subject to the provisions of sub-clause 6(c) and Clause 9 hereunder the quantities of Marine Fuels delivered shall be determined from the official gauge or meter of the Bunker Tanker effecting delivery, or in case meter of the Bunker Tanker effecting delivery, or in case of delivery ex wharf, of the shore-meter or shore-gauge.

(b) The Buyers and the Sellers shall both have the right to be present or represented when such measurements are taken and shall be given sufficient information and access to the official gauge or meter of the Bunker Tanker or shore-meter or shore-gauge and relevant documentation to verify the volume delivered.

(c) The Marine Fuels to be delivered under this Sales Contract shall be measured and calculated in accordance with the ISO-ASTM-API-IP Petroleum Measurement Tables.

#### **4. Sampling**

**(a)** The Sellers shall arrange for a representative sample of each grade of Marine Fuels to be drawn throughout the entire bunkering operation and that sample shall be thoroughly mixed and carefully divided into four (4) identical samples. The sampling shall be performed in the presence of both the Sellers 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)** The sample shall be drawn at a point, to be mutually agreed between the Sellers and the Buyers or their respective representatives, closest to the receiving Vessel's bunker manifold.

**(c)** The sample shall be drawn using a mutually accepted sampling device which shall be constructed, secured and sealed in such a way so as to prevent the sampling device and the sample being tampered with throughout the transfer period.

**(d)** The four (4) identical samples referred to in sub-clause 4(a) 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 stamp and signed by the Sellers' representative and the Master of the Vessel or his authorized representative.

**(e)** Two (2) samples shall be retained by the Sellers for minimum sixty (60) days after delivery of the Marine Fuels to the Vessel or, on being requested in writing by the Buyers, for as long as the Buyers may reasonably require, and the other two (2) samples shall be retained by the Vessel.

**(f)** If the quantity is delivered by more than one Bunker Tanker, the sampling procedure shall be repeated as outlined in this Clause 4.

#### **5. Delivery**

**(a)** Delivery of the Marine Fuels shall be made day and night, Sundays and holidays included, at the port or place of delivery, subject always to the custom of that port or place.

**(b)** The Buyers, or their agents at the port or place of delivery, shall give the Sellers 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 and the location and time at which deliveries are required.

**(c)** The Sellers shall:

**(i)** 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, and;

**(ii)** subject to local laws, render all necessary assistance which may be reasonably required to make connections and disconnections between the delivery hose(s) and the Vessel's bunker manifold.

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

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

**(i)** advise the Sellers in writing, prior to delivery, of the maximum allowable pumping rate and pressure and agree on communication and emergency shut-down procedures;

- (ii) notify the Sellers 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 the delivery of the Marine Fuels, and;
- (iii) provide a free side to receive the Marine Fuels and render all necessary assistance which may reasonably be required to moor or unmoor the Bunker Tanker, as applicable.
- (f) The Sellers reserve the right to determine whether the Sales Contract comes into force in the event the Buyers requires the actual delivery date earlier than ETA or the receiving vessel's actual arrival date is late for more than 3 days against ETA, thus Seller's non-performance of the Sales Contract shall be deemed as Buyer's cancellation in negligence.
- (g) Operational tolerance: unless otherwise agreed in writing, the bunker delivery shall be deemed completed without prejudice if
- (i) the delivered quantity is within +/-5% against that required in the Sales Contract or the bunker requisition form if the specified quantity is 700MT or less.
- (ii) the delivered quantity is within +/-35MT against that required in the Sales Contract or the bunker requisition form if the specified quantity is more than 700MT.

## **6. Documentation**

(a) Before commencement of delivery the Sellers shall present for written acknowledgement by the Master of the Vessel or his authorized representative, a bunker requisition form or similar document, duly signed by the Sellers or their representative, which shall contain the quantities to be delivered and all information required in accordance with *Code of Practice for Bunkering Singapore Standard SS 600:2008* or any subsequent amendments thereof, including, in particular, the values for:

- viscosity
- density
- sulphur content
- flash point
- delivery temperature

In addition, and if available, similar information shall be provided for vanadium, ash content, water content and pour point.

(b) Once the delivery is completed and quantities measured, a receipt shall be signed and stamped by the Master of the Vessel or his authorized representative and returned to the Sellers, 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 receipt shall contain the following minimum information which is warranted by the Sellers:

- 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

(c) In the event the Master of the Vessel is not satisfied with the sampling, quality, quantity or any other matter concerning the Marine Fuels or their delivery, he shall make appropriate

remarks in the receipt either detailing the complaints or referring to a separate letter of protest to be issued and delivered immediately. Verification of the information provided under sub-clause 6(b) may be obtained by analysis of the Vessel's retained sample.

## **7. Price**

**(a)** The price of the Marine Fuels shall be in the amount expressed per unit and in the currency stated in the Sales Contract for each grade of Marine Fuels delivered into the Vessel's tanks free delivered/ex wharf as applicable and stated in the Sales Contract. In the event the price is quoted in volume units, conversion to standard volume shall be at 60 degrees Fahrenheit or at fifteen (15) degrees Celsius.

**(b)** Any and all additional charges, if applicable, shall be specified in the Sellers' quotation and in the Sales Contract and shall include but not be limited to:

**(i)** Wharf age charges, barging charges or other similar charges;

**(ii)** Mooring charges or port dues incurred by the Sellers which are for Buyers' account, and;

**(iii)** Duties, taxes, charges or other costs in the country where delivery takes place, for which the Sellers are accountable but which are for the Buyers' account.

## **8. Payment**

**(a)** Payment for the Marine Fuels shall be made by the Buyers within thirty (30) days or, if otherwise agreed, within the number of days stated in the Sales Contract after the completion of delivery.

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 and/or refund shall be made within thirty (30) days (delivery day inclusive) or, if otherwise agreed, within the number of days stated in the Sales Contract 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 Sellers. 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 and/or refund shall entitle either party to interest at the rate of two (2) per cent per month or any part thereof.

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

**(f)** In case the Buyers have overdue payments on the delivery date or the Sellers have reasonable concern on the Buyers' payment capability, the Sellers reserve the right of non-performance of the Sales Contract.

**(g)** In case the final unit price is not available before the payment due date, the Buyers shall make timely payment based on the estimated unit price agreed by both parties prior to the payment due date. The Sellers shall provide the provisional invoice prior to the payment due date and the final commercial invoice no later than seven (7) working days after the final unit price is available. The discrepancy shall be paid/ refunded by the Buyers/Sellers immediately upon receipt of the final commercial invoice.

**(h)** Unless otherwise stipulated in the Sales Contract, the Buyers' account name with paying

bank shall be consistent with the name of Buyers as signed on the Sales Contract. In case the Buyers' account name with paying bank is not consistent with the name of Buyers as signed on the Sales Contract, Buyers shall provide, as per Sellers' request, the following documentation: 1) Payment Consignment Agreement; 2) assets relationship between Buyers and Payer. Only after Buyers have got Sellers' recognition in writing of the above documentation provided by Buyers is the payment from Payer considered as the subject payment arising from the Sales Contract between Buyers and Sellers.

**(i)** Buyers shall arrange bunker payment against the SEALED Invoice issued by Sellers. The Beneficiary's bank account details specified on the SEALED Invoice shall be the solely legally effective bank account of Sellers, unless otherwise notified by Seller with Sellers' SEAL of any change in Sellers' bank account. Sellers reserve the right of not recognizing the bunker payment if Buyers arrange payment to any other bank account other than the above-mentioned bank account specified on the SEALED Invoice or SEALED notification issued by Sellers.

## **9. Claims**

**(a)(i)** Any dispute as to the quantity delivered must be noted at the time of delivery in the receipt or in the letter of protest referred to in sub-clause 6(c). Any claim as to short delivery shall be presented by the Buyers in writing within fifteen (15) days from the date of delivery, failing which any such claim shall be deemed to be waived and barred.

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

**(b)(i)** Any claim as to the quality or description of the Marine Fuels must be notified in writing, as per sub-clause 6(c) or promptly after the circumstances giving rise to such claim have been discovered. If the Buyers do not notify the Sellers of any such claim within thirty (30) days of the date of delivery, such claim shall be deemed to be waived and barred.

**(ii)** In the event a claim is raised pursuant to sub-clause 9 (b) (i), the parties hereto shall have the quality of the Marine Fuels analyzed by a mutually agreed, qualified and independent laboratory. The Sellers shall provide the laboratory with one of the samples retained by them as per sub-clause 4(e). If ISO grades have been specified the analysis shall be established by tests in accordance with ISO Standard 8217:2005 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 of the analysis shall be for the account of the party whose claim is found wrong by the analysis.

**(c)** In the event of any delay resulting from:

**(i)** the Buyers' failure to give proper notices and/or to comply with the notices given pursuant to sub-clause 5(b) and/or the Buyers' Vessel failing to receive Marine Fuels at the pumping rate referred to in sub-clause 5(e)(i), or;

**(ii)** the Sellers' failure to commence delivery of the Marine Fuels promptly in accordance with the Buyers' required delivery time as notified pursuant to sub-clause 5(b) and/or the Sellers' failure to deliver the Marine Fuels in accordance with the minimum hourly pumping rate referred to in the Sales Contract, then the party suffering such delay shall be entitled to compensation from the other party for that delay, at the agreed rates per day, or pro rata,

stated in the Sales Contract.

**(d)** Neither party hereto shall be liable for indirect or consequential loss and/or damage arising from this Sales Contract.

#### **10. Risk/Title**

Risk in the Marine Fuels shall pass to the Buyers once the Marine Fuels have passed the Sellers' flange connecting the Vessel's bunker manifold with the delivery facilities provided by the Sellers. Title to the Marine Fuels shall pass to the Buyers upon payment for the value of the Marine Fuels delivered, pursuant to the terms of Clause 8 hereof. Until such time as payment is made, on behalf of themselves and the Vessel, the Buyers agree that they are in possession of the Marine Fuels solely as Bailee for the Sellers. If, prior to payment, the Sellers' Marine Fuels are commingled with other marine fuels on board the Vessel, title to the Marine Fuels shall remain with the Sellers corresponding to the quantity of the Marine Fuels delivered. The above is without prejudice to such other rights as the Sellers may have under the laws of the governing jurisdiction against the Buyers or the Vessel in the event of non-payment.

#### **11. Termination**

Without prejudice to accrued rights hereunder, either party hereto shall be entitled to terminate this Sales Contract in the event of:

**(a)** any application being made or any proceedings being commenced, or any order or judgment being given by any court, for

**(i)** the liquidation, winding up, bankruptcy, insolvency, dissolution, administration or re-organization or similar, or

**(ii)** the appointment of a receiver, liquidator, trustee, administrator, administrative receiver or similar functionary of the other party of all or a substantial part of its assets (otherwise than for the purpose of a reconstruction or amalgamation);

**(b)** the other party suspending payment, ceasing to carry on business or compounding or making any special arrangement with its creditors, or;

**(c)** any act being done or event occurring which, under the applicable law thereof, has a substantially similar effect to any of the said acts or events described above.

#### **12. Indemnity**

**(a)** Without prejudice to any other claims arising hereunder or in connection herewith and notwithstanding the provisions of sub-clause 9(d), 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, 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 sub-clause 9(c) and sub-clause 12(a), compensation payable in accordance with sub-clause 9(c) shall be taken into account in assessing sums payable under sub-clause 12(a).

#### **13. Force Majeure**

Neither party hereto shall be responsible for any loss, damage, delay or failure in performance under this Sales Contract 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 princes, rulers and people, or any other event whatsoever which cannot be avoided or guarded against by the exercise of due diligence.

#### **14. 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 the Marine Fuels) causing or likely to cause pollution occurring at any stage of the bunkering operation, the Buyers and the Sellers shall jointly, and regardless as to whether the Buyers or the Sellers 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 the Marine Fuels that the Sellers shall have in place their own oil spill contingency plans, the Sellers shall ensure that valid oil spill contingency plans approved by the relevant authorities are in effect to the extent that is so required.

**(c)** In any case where delivery is ex-lighter, the Buyers shall provide free of cost to the Sellers a clear and safe berth for the Bunker Tanker(s) alongside the vessel's receiving lines and the assistance of qualified staff to secure the Bunker Tanker(s) moorings. The receiving vessel should provide a safe access to the Bunker Tanker. This safe access means the use of the accommodation ladder. If the position of the Bunker Tanker does not fit with the position of the accommodation ladder a pilot ladder should be rigged up. Vessels will be bunkered in turn as promptly as circumstances permit but the Sellers shall not be liable for demurrage or for any loss, expense, damage or delay when in the Sellers' opinion clear and safe berth or the assistance of qualified staff to secure moorings is unavailable.

**(d)** The Buyers shall provide ready and safe means of access to the Equipment for delivery of the Marine Fuels at the nominated port or place of delivery and shall not obstruct access to the Equipment for delivery. Delivery will not commence until such time as the Pre-delivery Safety Checklist has been jointly and satisfactorily completed and signed by or on behalf of both the Sellers and the Buyers.

**(e)** The Buyers hereby advise the Sellers that they enforce a company drug and alcohol policy on board their vessels, whereby the Sellers' personnel must not be intoxicated at any time on board. It is understood and agreed that the selling, possession, distribution, use or being under the influence of any controlled substance or dangerous drugs other than those medically prescribed is prohibited.

**(f)** The Sellers hereby advise the Buyers that they enforce a company drug and alcohol policy in their facilities and on board their vessels, which the Buyers' personnel must comply with while in such facilities or on board such vessels. It is understood and agreed that the selling, possession, distribution, use or being under the influence of alcohol or any controlled substance or dangerous drugs other than those medically prescribed is prohibited.

**(g)** Sellers reserve the right to immediately suspend or terminate the on-going bunker delivery operations (either bunker barge trying alongside or supplying the vessel) in case the on-going bunker delivery operations are exposed to what is judged by Sellers as threat to the personal as well as property safety of both Sellers and Buyers, such as emergency of adverse weather or marine conditions. Any losses arising from the suspension or termination of the delivery operations shall be borne by both sides respectively.

#### **15. Governing Law and Jurisdiction**

The Sales Contract shall be governed by and construed in accordance with the laws of

country of registration of the Sellers. Disputes arising here from shall be subject to jurisdiction of the courts of places of registration of the Sellers.