
Haltbakk Bunkers AS
Standard Terms
Supply and Freight

August 2016

PART 1 - GENERAL CONDITIONS

1 Application

- 1.1 These standard terms (the "**Terms**") shall apply to Haltbakk Bunkers AS' ("**HB**") supply or freight of Marine Fuels.
- 1.2 Part 2 shall apply when HB acts as HB. Part 3 shall apply when HB only acts as carrier.
- 1.3 In case of inconsistency of conflict between any provision in these Terms and the Recap, the Recap shall prevail. In case of inconsistency or conflict between the provisions of this Part 1 and the provisions of Part 2 or 3, the latter shall prevail.

2 Definitions

- 2.1 "**Agreement**" shall mean the Recap between HB and the Buyer/Charterer together with these Terms.
- 2.2 "**BDN**" shall mean Bunker Delivery Note.
- 2.3 "**Bunker Tanker**" shall mean the vessel nominated by HB or utilized in HB's discretion to fulfil its obligations under the Agreement.
- 2.4 "**Buyer**" shall mean HB's counterpart in an Agreement for supply of bunkers and other chemicals.
- 2.5 "**Charterer**" shall mean HB's counterpart in an Agreement for freight of cargo.
- 2.6 "**Marine Fuels**" the products to be supplied or carried as specified in the Recap.
- 2.7 "**Owner**" shall mean HB.
- 2.8 "**Party**" or "**Parties**" shall mean HB and/or the Buyer/Charterer as applicable.
- 2.9 "**Recap**" shall mean the confirmation by HB of its willingness to supply or carry certain products stating the specific terms for such assignment and incorporating these Terms.
- 2.10 "**Vessel**" shall mean the vessel nominated by the Buyer/Charterer to receive Marine Fuels.

3 Payment Terms

- 3.1 Payment falls due 10 days after Charterer/Buyer's receipt of an invoice.
- 3.2 Payment shall be made in full, without set-off, counterclaim deduction and/or discount, free of bank charges.

- 3.3 Default interest in accordance with the Norwegian Act relating to Interest on Overdue Payments (No: Forsinkelsesrenteloven) shall apply to late payments.

4 Exclusions and indemnities

- 4.1 Except as specified in clause 13, neither the Buyer nor HB shall be liable to the other Party for:
- (a) Loss of or damage to the other Party's property or personnel (including loss of life),
 - (b) any loss of profit, loss of use or loss of production whatsoever and whether arising directly or indirectly from the performance or non-performance of this Contract, and whether or not the same is due to negligence or any other fault on the part of either Party, their servants or agents, or
 - (c) any consequential loss or damage for any reason whatsoever, whether or not the same is due to any breach of contract, negligence or any other fault on the part of either Party, their servants or agents.

- 4.2 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; unless such loss or liability arises due to a negligent act or omission by the Party incurring the loss or liability.

5 Force Majeure

- 5.1 A Party is not liable for failure to perform its obligations if such failure is as a result of Acts of God (including fire, flood, earthquake, storm, hurricane or other natural disaster), war, invasion, act of foreign enemies, hostilities (regardless of whether war is declared), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation, terrorist activities, nationalisation, government sanction, blockage, embargo, labour dispute, strike, lockout or interruption or failure of electricity or telephone service. No party is entitled to terminate this Agreement in such circumstances.
- 5.2 If a Party asserts Force Majeure as an excuse for failure to perform the Party's obligation, then the nonperforming party must prove that the party took reasonable steps to minimize

delay or damages caused by foreseeable events, that the party substantially fulfilled all non-excused obligations, and that the other party was timely notified of the likelihood or actual occurrence of an event described in Clause 5.1 (Force Majeure).

- 5.3 If an event of Force Majeure prevents or hinders the performance of the Agreement for a period exceeding ten (10) consecutive days, either Party shall be entitled to terminate this Agreement.

6 Sampling

- 6.1 HB shall invite the Buyer/Charterer or their representatives to witness the sampling of Marine Fuels. During bunkering a primary sample shall be drawn at a point, to be mutually agreed between the Supplier and the Buyer or their respective representatives, closest to the Vessel's bunker manifold and otherwise in accordance with the procedures set out in IMO Resolution MEPC.182(59) Guidelines for the Sampling of Fuel Oil for Determination of Compliance with MARPOL 73/78 Annex VI or any subsequent amendments thereto. Each sample shall be thoroughly mixed and carefully divided into a minimum of three identical samples and one sample of each grade of Marine Fuels shall be retained on board for MARPOL purposes. The absence of the Buyer or their representatives shall not prejudice the validity of the samples taken. In the event that local bunkering rules and regulations apply mandatorily, these shall take precedence over the provisions of this Sub-clause 6.1.

- 6.2 The samples referred to in sub-clause 6.1 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 HB's representative and the Master of the Vessel or the Master's authorized representative.

- 6.3 One (1) sample shall be retained by HB for minimum forty-five (45) 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 on board the Vessel (one of which shall be for MARPOL 21 purposes).

7 Documentation

- 7.1 Once the delivery is completed and quantities measured, a BDN shall be signed and stamped by the Master of the Vessel or the Master's

authorised representative, and returned to HB 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: delivered quantity in volume units; density in kg/m³ at 15° C as per ISO 3675; delivery temperature; flash point; sulphur content in % m/m as per ISO 8754; and viscosity.

- 7.2 In the event the Master of the Vessel is not satisfied with the sampling, quantity or any other matter concerning the Marine Fuels or their delivery, the Master shall on completion of delivery:

- (a) make appropriate remarks in the BDN detailing the complaints and/or referring to a separate letter of protest; or
- (b) if remarks in the BDN are not permitted, issue a separate letter of protest, receipt of either of which shall be acknowledged in writing by HB's representative.

8 Law and Dispute Resolution

- 8.1 This Agreement shall be governed by Norwegian law.
- 8.2 Any disputes arising out of this Agreement shall be resolved by court proceedings. The Parties have agreed that Bergen District Court shall be the proper legal venue.

PART 2 – SUPPLY

9 Application

- 9.1 The provisions of this Part 2 shall apply to Agreements between HB and the Buyer for sale and purchase of bunkers and other chemicals.

10 Specification/Grades/Quality

- 10.1 The Buyer shall have the sole responsibility for the nomination of the specifications and grades of Marine Fuels fit for use by the Vessel.
- 10.2 HB warrants that the Marine Fuels shall be of a homogenous and stable nature and shall comply with the specifications and grades nominated by the Buyer.

11 Quantities/Measurements

11.1 The quantities of Marine Fuels delivered shall be determined from the official gauge or manual sounding or meter of the Bunker Tanker.

12 Delivery

12.1 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.

12.2 The Buyer shall give HB seventy-two (72) and forty-eight (48) hours approximate and twenty-four (24) hours definite notice of the Vessel's arrival and the location and time at which deliveries are required.

12.3 The Buyer shall be responsible for making all the 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.

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

- (c) advise HB in writing, prior to delivery, of the maximum allowable pumping rate and pressure and agree on communication and emergency shut-down procedures.
- (d) Notify HB in writing, prior to delivery, of any special conditions in respect of an particular to the Vessel which might adversely affect the delivery of the Marine Fuels.
- (e) 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.

13 Claims

13.1 Any dispute as to the quantity delivered must be noted at the time of delivery in accordance with clause 7.2. If no such documented claim is presented at the time of delivery, any such claim shall be deemed to be waived and barred.

13.2 HB shall have the right to charge the Buyer for all additional expenses incurred by HB in connection with the Buyer's failure to take

delivery of the full quantity of Marine Fuels ordered by the Buyer.

13.3 Any claim with regards to the quality or specification of the Marine Fuels must be notified in writing promptly after the circumstances giving rise to such claim has been discovered. If no such claim has been received by HB within fourteen (14) days of the date of delivery, such claim shall be deemed to be waived and barred.

13.4 In the event a claim is raised pursuant to clause 13.3 above, the Parties hereto shall have the quality of the Marine Fuels analysed by a mutually agreed, qualified and independent laboratory. The Buyer have the option to request a full ISO 8217 analysis. HB shall provide the laboratory with one of the samples retained by them as per clause 6.1. The analysis shall be established by tests in accordance with ISO 8217 and ISO 4529 or any subsequent amendments thereof. Unless otherwise agreed, the expenses of the analysis shall be for the account of the Party whose claim is found wrong by the analysis.

13.5 In the event of any delay resulting from:

- (a) The Buyer's failure to give proper notices and/or to comply with the notices given pursuant to clause 12.2 and/or the Buyer failing to receive Marine Fuels in accordance with the minimum pumping rate and pressure referred to in clause 12.4, or;
- (b) HB's failure to commence delivery of the Marine Fuels promptly in accordance with the Buyer's required delivery time as notified pursuant to clause 12.2 and confirmed by HB in writing and/or HB's failure to deliver the Marine Fuels in accordance with the minimum hourly pumping rate and pressure referred to in the Recap.

then the Party suffering such delay shall be entitled to compensation from the other Party for any documented direct loss suffered as a result of that delay.

14 Risk/Title

14.1 Risk in the Marine Fuels shall pass to the Buyer once the Marine Fuels have passed the Bunker Tanker's flange connected to the Vessel's bunker manifold.

14.2 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 3 (Payment Terms) hereof. Until

such time as payment is made, on behalf of themselves and the Vessel, the Buyer agree that they are in possession of the Marine Fuels solely as bailee for HB. If, prior to payment, HB's Marine Fuels are commingled with other marine fuels on board the Vessel, title to the Marine Fuels shall remain with HB corresponding to the quantity of the Marine Fuels delivered. The above is without prejudice to such other rights as HB may have under the laws of the governing jurisdiction against the Buyer or the Vessel in the event of non-payment.

PART 3 – FREIGHT

15 Warranty/Voyage/Cargo

- 15.1 The Bunker Tanker shall, with all convenient dispatch, proceed as ordered to agreed Loading Port(s), or so near thereunto as she may safely get (always afloat), and being seaworthy, and having all pipes, pumps and heater coils in good working order, and being in every respect fitted for the voyage, so far as the foregoing conditions can be attained by the exercise of due diligence, perils of the sea and any other cause of whatsoever kind beyond the Owner's and/or Master's control excepted, shall load (always afloat) from the factors of the Charterer's full and complete cargo of Marine Fuels, not exceeding what she can reasonably stow and carry over and above her bunker fuel, consumable stores, boiler feed, culinary and drinking water, and complement and their effects (sufficient space to be left in the tanks to provide for the expansion of the cargo), and being so loaded shall forthwith proceed, as ordered in the Recap, direct to the port or place of discharge, or so near thereunto as she may safely get (always afloat), and deliver said cargo. If heating of the cargo is requested by the Charterer, the Owner shall exercise due diligence maintain the temperatures requested.

16 Freight/Deadfreight

- 16.1 Freight shall be at the rate stipulated in the Recap, and shall be computed on intake quantity as shown on the BDN. No deduction of freight shall be made for water and/or sediment contained in the cargo. The services of the Petroleum Inspector, if any, shall be arranged and paid for by the Charterer who shall furnish the Owner with a copy of the Inspector's Certificate, upon request.
- 16.2 Should the Charterer fail to supply a full cargo, the Vessel may, at the Master's option, and shall, upon request of the Charterer, proceed on her voyage, provided that the tanks in which cargo is loaded are sufficiently filled to

put her in seaworthy condition. In that event, however, deadfreight shall be paid at the rate specified in the Recap, hereof on the difference between the intake quantity and the quantity the Bunker Tanker would have carried if loaded to her minimum agreed volume.

17 In Transit Loss

- 17.1 Owners shall not be held responsible for any loss and/or shortage of cargoes incurred outside of vessel's manifolds including 0.5% tolerance. However, Owners will still be responsible for the full amount of any in-transit loss exceeding 0.5% and charterers shall have the right to claim an amount equal to the FOB port of loading value of such lost cargo. In-transit loss is defined as the difference between net vessel volumes after loading at the loading port and before unloading at the port or place of discharge, after temperature adjusted.

18 Cancellation Fee

- 18.1 In the event that the Charterer cancels a fixed bunker nomination later than 24 hours prior the agreed Bunker Delivery date(s), and the Barge has not loaded the Bunker Oil, a cancellation fee of 50% of the agreed fixture rate will apply.
- 18.2 In the event that the Charterer cancels a fixed bunker nomination after the Barge has loaded, a cancellation fee of 100% of the agreed fixture rate will apply, with further cost and time for transporting and pumping the undelivered Bunker Oil back to storage to apply as set out in clause 18.3.
- 18.3 If the Charterer for whatever reason is unable or refuses to receive the full quantity ordered, the Owners shall have the right to invoice the Charterer for the loss, included but not limited to all time, incurred by having to transport and pump the undelivered Marine Fuels back to the storage. The Owner may use this right without prejudice to the Owners other rights for damages or otherwise pursuant to these Terms.

19 Demurrage

- 19.1 Charterer shall pay demurrage per running hour and pro rata for a part thereof at the rate stipulated in the Recap for all time that loading and discharging and used laytime as elsewhere herein provided exceeds the allowed laytime elsewhere herein specified. If, however, demurrage shall be incurred at ports of loading and/or discharge because by reason of fire, explosion, storm or by a strike, lockout, stoppage or restraint of labor or by breakdown of machinery or equipment in or about the plant of the Charterer, supplier, shipper or

consignee of the cargo, the rate of demurrage shall be reduced to one-half the amount stated in the Recap per running hour or pro rata for part of an hour for demurrage incurred. The Charterer shall not be liable for any demurrage for delay caused by strike, lockout stoppage or restraint of labor for Master, officers and crew of the vessel or tugboat or pilots.

20 Notice of Readiness

20.1 Upon arrival at customary anchorage at each port of loading or discharge, the Master or his agent shall give the Charterer or his agent notice by letter, e-mail, wireless or telephone that the Bunker Tanker is ready to load or discharge cargo, berth or no berth, and laytime, as hereinafter provided, shall commence upon the expiration of three (3) hours after receipt of such notice, or upon the Bunker Tanker's arrival in berth (i.e. finished mooring when at a seaload or discharging terminal and all fast when loading or discharging alongside a wharf), whichever first occurs.

21 Loading and Discharging

21.1 The number of running hours specified as Laytime in the Recap shall be permitted the Charterer as laytime for loading and discharging cargo; but any delay due to the Bunker Tanker's condition or breakdown or inability of the Bunker Tanker's facilities to load or discharge cargo within the time allowed shall not count as used laytime. If the Charterer, shipper or consignee prohibits loading or discharging at night, time so lost shall count as used laytime. Time consumed **when the Bunker Tanker** is moving from loading or discharge port anchorage to her loading or discharge berth, discharging ballast water or slops, will not count as used laytime.

22 Pumping

22.1 The cargo shall be pumped into the Bunker Tanker at the expense, risk and peril of the Charterer, and shall be pumped out of the Bunker Tanker at the expense of the Bunker Tanker, but at the risk and peril of the Bunker Tanker only so far as the Bunker Tanker's permanent hose connections, where delivery of the cargo shall be taken by the Charterer or its consignee. If required by Charterer, the Bunker Tanker after discharging is to clear shore pipe lines of cargo by pumping water through them and time consumed for this purpose shall apply against allowed laytime. The Bunker Tanker shall supply her pumps and the necessary power for discharging in all ports, as well as necessary hands. However, should the Bunker Tanker be prevented from supplying such power by reason of regulations prohibiting fires on board, the Charterer or consignee shall supply, at its expense, all

power necessary for discharging as well as loading, but the Owner shall pay for power supplied to the Vessel for other purposes.

23 Marine Fuels Grade and Quality

23.1 The Charterer alone shall be responsible for and bear the risk of the grade of Marine Fuels ordered, and the Owners shall not be under any obligation to check whether the grade of Marine Fuels is suitable for the Charterer.

23.2 In no event shall the Owner be responsible for the quality and compatibility of the Marine Fuels delivered if the Charterers product is mixed or comingled with any other product(s) onboard the receiving Vessel. The Charterer shall be solely responsible for any losses caused by mixing or comingling the Marine Fuels with any other oil, including any damage the Marine Fuels may cause on other products on board the receiving Vessel or shore facility.

23.3 Hoses

23.4 Hoses for loading and discharging shall be furnished by the Charterer and shall be connected and disconnected by the Charterer, or, at the option of the Owner, by the Owner at the Charterer's risk and expense. Laytime shall continue until the hoses have been disconnected. When Bunker Tanker loads or discharges at a sea terminal, the Bunker Tanker shall be properly equipped at Owners expense for loading or discharging at such place including suitable ground tackle, mooring lines and equipment for handling submarine hoses.

24 Dues-Taxes-Wharfage

24.1 The Charterer shall pay all taxes, dues and other charges on the cargo including but not limited to Customs overtime on the cargo. The Charterer shall also pay all taxes on freight at loading or discharging ports and any unusual taxes, assessments and governmental charges which are not presently in effect but which may be imposed in the future on the Bunker Tanker or freight. The Owner shall pay all dues and other charges on the Bunker Tanker (whether or not such dues or charges are assessed on the Basis of quantity of cargo). The Bunker Tanker shall be free of charges for the use of any wharf, dock, place or mooring facility arranged by the Charterer for the purpose of loading or discharging cargo; however, the Owner shall be responsible for charges for such berth when used solely for Vessel's purposes, such awaiting Owner's orders, tank cleaning, repairs, etc. before, during or after loading or discharging.

25 Ice

25.1 In case port of loading or discharge should be inaccessible owing to ice, the Bunker Tanker shall direct her course according to Master's judgment, notifying by e-mail, telephone or radio, if available the Charterer, shipper or consignee, who is bound to e-mail, telephone or radio orders for another port, which is free from ice and where there are facilities for the loading or reception of the cargo in bulk. The whole of the time occupied from the time the Bunker Tanker is diverted by reason of the ice until her arrival at an ice-free port of loading or discharge, as the case may be, shall be paid for by the Charterer at the demurrage rate stipulated in the Recap.

Charterer, shall, unless so otherwise in this Charter expressly provided, be responsible for any loss of damage or delay or failure in performing hereunder, arising or resulting from; Act of God; act of war; perils of the sea; act of public enemies, pirates or assailing thieves; arrest of restraint of princes, rulers or people; or seizure under legal process provided bond is promptly furnished to release the vessel or cargo; strike or lockout or stoppage or restraint of labour from whatever cause, either partial or general; or riot or civil commotion.

26 Cleaning

26.1 The Owner shall clean the tanks, pipes and pumps of the Bunker Tanker to the satisfaction of the Charterer's Inspector. The Bunker Tanker shall not be responsible for any admixture if more than one quality of oil is shipped, nor for leakage, contamination or deterioration in quality of the cargo unless the admixture, leakage, contamination or deterioration results from (a) unseaworthiness existing at the time of loading or at the inception of the voyage which was discoverable by the exercise of due diligence, or (b) error or fault of the servants of the Owner in the loading, care or discharge of the cargo.

27 General Exceptions Clause

27.1 The Bunker Tanker, her Master and Owner shall not, unless otherwise in this Agreement expressly provided, be responsible for any loss or damage, or delay or failure in performing hereunder, arising or resulting from: any act, neglect, default or barratry of the Master, pilots, mariners or their servants of the Owner in the navigation or management of the Vessel; fire, unless caused by personal design or neglect of the Owner; collision, stranding or peril, danger or accident of the sea or other navigable waters; saving or attempting to save life or property; wastage in weight or bulk, or any other loss or damage arising from inherent defect, quality or vice of the cargo; any act or omission of the Charterer or Owner, shipper or consignee of the cargo, their agents or representatives; insufficiency of packing; insufficiency or inadequacy of marks; explosion, bursting of boilers, breakage of shafts, or any latent defect in hull, equipment or machinery; unseaworthiness of the Vessel unless caused by want of due diligence on the part of the Owner to make the Vessel seaworthy or to have her properly manned, equipped and supplied; or from any other cause of whatsoever kind arising without the actual fault of privity of the Owner. And neither the vessel nor Master or Owner, nor the