

GENERAL SALE CONDITIONS - BUNKER FUELS
LOTOS ASFALT Sp. z o.o.
(hereinafter - GSC)

accepted by a Resolution of the Board of LOTOS Asphalt Sp. z o.o. with its registered main office in Gdańsk,
no UZ 2-02/03/2018

of 6 March 2018.

§1. General stipulations

1. These General Sale Conditions (hereinafter - GSC) apply to bunker fuel sale contracts entered into by LOTOS Asphalt Sp. z o.o. as the Seller (hereinafter - Seller), except for situations in which the parties of a sale contract excluded application of GSC in full or in part upon contract signing with a written agreement, or with a written agreement otherwise regulating their rights and obligations.

These GSC, the sale Offer and the Confirmation of the Buyer accepting the Offer comprise an integral part of a bunker fuel sale contract.

§2. Definitions

Terms used in this documents shall be defined as follows, unless the contents of the document dictate otherwise:

1. Seller – LOTOS Asphalt Sp. z o.o with its registered main office in Gdańsk,
2. Buyer – party to the Contract purchasing bunker fuel.
3. Contract – a Bunker Fuel sale contract entered into by the Buyer and by the Seller according to conditions specified in these GSC,
4. Bunker Fuel – products obtained from crude oil according to ISO 8217 and LNG standards,
5. Bunker Writ – a document confirming delivery and collection of bunker fuel for sailing purposes, meeting formal requirements of regulations included in Annex VI of the MARPOL 73/78 Convention (in particular, of regulations specified in Rules 14 and 18). The Bunker Writ should include at least the following information:
 - name and IMO number of the bunkered vessel,
 - date and port (location) of the delivery,
 - name, address and telephone number of the Seller of Bunker Fuel,
 - product name,
 - amount of delivered fuel,
 - density at 15°C (kg/m³),
 - sulphur content (% m/m),
 - declaration of the Seller confirming that the delivery takes place according to Regulation of rules 14(1) or 4(a) and Regulation of rule 18(1) of Annex VI to MARPOL 73/78 Convention,
6. Delivery Document - a document specified in tax regulations, accompanying sales of bunker fuel exempted from excise tax (with the exception of LNG sales), in which the user or the intermediate to which the bunker fuel was issued is obliged to confirm the fuel delivery. The Delivery Document may be replaced with a Bunker Writ or be supplemented with a Bunker Writ.
7. User: as specified in the Act on excise tax.
8. Intermediate: as specified in the Act on excise tax.

§3. Quality, class and quantity of the fuel

1. The Seller hereby guarantees that the fuel sold meets the requirements of Annex VI to the MARPOL 73/78 Convention on prevention of air pollution by ships, as specified in rules 14(1) or 14(4)(a), and that delivery-related documents meet formal requirements specified in rule 18(1) of the aforementioned Annex.

2. The Seller hereby guarantees that Bunker Fuel it sells meets the class requirements listed in the attached Quality Certificate and meets fuel quality standards of ISO 8217.

Liability of the Seller for quality of Bunker Fuel specified in the Quality Certificate and for its usefulness for sailing purposes ends at the time the fuel is loaded into vessel tanks or at the location indicated in the Order.

3. The Seller shall be obliged to deliver the quantity of fuel specified in the order. If the bunkered vessel does not accept the full quantity specified in the order, the Seller reserves the right to transfer costs of return transport, additional loading and unloading, any excise tax due onto the Buyer or to sell the uncollected fuel at a price lower than indicated in the order - without prejudice to any other rights of the Seller resulting from the Contract.

§4. Price and additional fees

1. The price of Bunker Fuel is expressed according to the quotation of the customer, in the following currency: PLN (Polish zloty) or in a foreign currency, per the following unit: M3/15 (cubic metre at 15°C) or MT (metric tons of mass). In the case of the LNG fuel, the price is expressed in weight units: KG or TO, according to the balance indication at the loading location. The price offered by the Seller is calculated according to FOB loading port conditions (Incoterms 2010), unless the Parties agree otherwise.
2. All prices and/or fees are expressed as net amounts. The confirmed net prices shall be increased with due taxes, including VAT tax according to effective legal regulations. In the case of vessels without IMO and in the case of warships, fishing vessels and boats, regardless of their sailing water areas, costs of obligatory reserves shall be added, according to effective legal regulations.
3. The price confirmed according to § 7 p. 1 GSC shall be binding for the Parties for 7 days. The Seller reserves the right to re-calculate the price and to submit a new offer if the actual bunkering date follows the binding period of the offer. Before execution of the Order begins, the Buyer shall confirm the price with the Seller in each and every case. The Buyer shall confirm the Order in writing, by e-mail or by fax. If any delivery parameters potentially influencing the sales price occurs on the side of the Buyer, the Buyer shall be obliged to inform the Seller about the fact and to agree upon new delivery conditions. All changes of Contract condition must be confirmed in writing in order to be valid and accepted in writing by the Buyer (e-mail, fax) before the delivery takes place. If the Seller is not informed about changes to parameters, all related consequences shall be borne by the Buyer, with the Buyer being also obliged to fully cover increased costs of Contract execution.
4. The Seller reserves the right to transfer the lump sum of costs equal to 10% of the value of the order onto the Buyer, if the Buyer withdraws from the Contract or does not receive even a part of the ordered fuel, whilst retaining the right to claim additional compensation if the reserved amount of lump sum withdrawal costs does not fully cover the damage.
5. All additional costs not included in the price of Bunker Fuel, such as fright, insurance, piloting, Fire Brigade/port service assistance, port fees, bridge opening and other costs related to vessel bunkering and not included in the sale price shall be fully borne by the Buyer.

§5. Measurements

1. Quantitative measurements of Bunker Fuel delivered according to these GSC shall be performed and calculated according to ASTM/API Petroleum Measurement Tables.
2. It is assumed for the needs of determination of the quantity of sold fuel that only the indication of a legally calibrated measurement installation of the bunkering barge or of the road tanker performing the delivery shall be final and binding. All measurements performed on the bunkering vessel, i.e. on the vessel collecting the fuel, shall not be considered as valid measurements.
3. The Buyer and the Seller or their authorised representative shall have the right and obligation to participate in and be present during the measurements and to demand presentation of all information required to verify the delivered quantity, in particular documents of measurement installation (meter) calibration.
4. If the Buyer does not assist or refuses to assist the quantity measurements, the measurement performed unilaterally by the Seller on the basis of indication of the measuring installation shall be binding for both parties of the Contract and the Buyer shall lose the right of claims related to lack of delivery of the fuel quantity specified in the Contract.
5. The Seller hereby declares that measuring devices at the issuing installation of road tankers and bunkering barges are legally calibrated (the devices should be provided with legal documents) and guarantee correct determination of the quantity of issued fuel.
6. The Seller shall ensure four (4) identical, representative samples for each type of delivered Bunker Fuel – including two MARPOL samples and two settlement samples. Two (2) samples shall remain on the Vessel receiving the fuel i.e. one (1) MARPOL sample and one (1) settlement samples, and two (2) analogous samples shall remain with the Seller.
7. The aforementioned samples shall be collected throughout the entire bunkering operation (using the method indicated by regulations of Annex VI to the MARPOL 73/78 Convention, and representatives of the Buyer should be informed about the sampling time and location, as well as have the right to participate in this operation.
8. The collected samples shall be sealed and provided with a label containing:
 - a) name of the vessel,
 - b) IMO no of the vessel,

- c) name of the means of delivery,
- d) full name of the product,
- e) date and location of the delivery,
- f) sampling location,
- g) seal number,
- h) signature of the Seller and of the Buyer or of their authorised representatives.

9. If the Buyer damages seals on secured samples, any quality claims regarding the Fuel shall be rejected.

10. The Seller and the Buyer shall be obliged to store the aforementioned samples for 12 months after their sampling date (sale date) under conditions preventing any changes to their properties.

11. Quality claims and verification and verification of properties of Bunker Fuel shall be submitted only on the basis of testing performed on collected samples, according to the procedure stipulated for in the ISO 8217 standard. These tests shall be performed by a certified and independent laboratory (expert) of international reputation, on request and at the expense of the Buyer, unless such tests indicate that Fuel quality does not conform with the specified quality standards guaranteed by the Seller.

§6. Documentation

1. Before the start of Bunker Fuel bunkering, the Seller shall provide the captain of the bunkered vessel or their representative with a delivery documentation for the fuel and with a quality certificate containing parameters according to the requirements of the ISO 8217 standard for the given type of bunker fuel.

2. The sale shall be confirmed with a Bunker Writ and with a Delivery Document (for the purpose of excise tax), which should be returned to the Seller after it is signed by the Captain or their representative and stamped. One copy of the Bunker Writ and of the Delivery Document shall remain with the Captain or their representative, aboard the bunkered vessel. The Captain or the representative of the Vessel also signs additional bunker writs/delivery documents for components related to Residual Fuels, if it is necessary for customs and taxation purposes. The signed delivery document is also returned to the Seller.

3. The Captain confirms the quantity of issued Fuel with a legible signature (full name and surname) with a seal in the Bunker Writ and/or in the Delivery Document. If the Captain of the vessel questions the quantity, sampling or otherwise objects against the delivery of the collected Bunker Fuel, they have to note their remarks in the bunker writ or to fill the so called "Letter of Protest" and immediately send it to the Seller at the end of the delivery, as well as to sign the Bunker Writ and the Delivery Document, otherwise the Buyer may not make claims related to fuel non-conformities or mistakes during sampling. Settlement of disputes shall be submitted to representatives of the Buyer and of the Seller.

§7. Sale

1. The Buyer shall be obliged to clearly specify the following data in the request for quotation: quantity, location, date and time of bunker fuel delivery, as well as other specific delivery conditions, such as the level of free vessel boards from the level of the wharf (or water) to the manifold of the bunker vessel. Once the offer of the Seller is received, the Buyer shall confirm the transaction with an order sent via e-mail or fax. Changes of any delivery parameters once the order is submitted may take place only on a written (e-mail or fax) request of the Buyer and requires an written approval of the Seller, sent by e-mail or fax. Detailed conditions agreed upon each time before delivery execution in writing shall take precedence of the GSC and shall be binding for Parties of the Contract.

2. The delivery time specified by the Seller is for information purposes only, except for situations in which it has been precisely specified and indicated in writing between the Parties. If sale takes place using bunkering barges, the Seller shall not be responsible for delays caused by adverse weather conditions (e.g. wind force and direction, wave height, fog, ice, etc.) or by detailed instructions of the Port Captain, where the sale takes place.

3. Bunker Fuel shall be delivered onto a Vessel moored inside a port or to another location agreed upon between the Parties. Unless special regulations, including internal port regulations and customs/tax regulations stipulate otherwise, deliveries shall take place at any time of the day, on any day of the week, including Sundays and statutory holidays.

4. Bunker Fuel shall be delivered using bunkering barges and road tankers.

5. The location and estimate arrival time of the vessel (ETA) shall be specified in the request for quotation and in the order by the Buyer.

6. In any case, the Buyer shall be obliged to provide the Seller with an approximate notification; at 72 and 48 hours before and with a final notification 24 hours before the bunkering. The final notification should precisely specify the bunkering location for the Collecting Vessel. Changes to sale conditions made by the Buyer less than 24 hours before the sale date entitle the Seller to withdraw from the Contract because of reasons the

Buyer shall be held accountable for, and if the contract is not executed, the Seller shall bear not responsibility related thereto. In such situations, the Seller shall have the right to claim compensation for damage suffered because of signing and execution of the Agreement.

7. During the delivery of Bunker Fuel, the Seller shall be responsible for connection and disconnection of delivery hoses and vessel couplings. The Seller shall also be responsible for making sure before the transfer, that the hose is correctly and securely connected to the manifold of the bunkered vessel.

8. Before the bunkering begins, crew of the bunkered vessel should also verify that the installation has been correctly connected to the transfer rail of the collecting vessel.

9. The Buyer shall be obliged to agree with the Seller upon all technical aspects of fuel issue: readiness to begin bunkering, communication methods and emergency procedures for stopping the transfer, the transfer rate, protection of the free vessel board, assistance with mooring and unmooring the bunkering kit, connection and disconnection of hoses, including connection of the flange with the bunkering station. The Seller shall cooperate with the Buyer in order to execute the delivery securely and promptly.

Delays the Buyer is responsible for and occurring after the bunkering readiness notification by the Seller shall be subjected to a contractual penalty of 1% of net value of the ordered fuel for each started hour of the delay.

10. Time at which fuel reaches the connection flange of the bunkering station of the bunkered Vessel shall be considered the time at which Bunker Fuel is issued to the Buyer. Once fuel passes this point, the responsibility of the Seller ceases and the entire risk, including risk of accidental losses, damage, theft, evaporation, fuel losses, quality, of the purchased fuel, etc. shall be transferred onto the Buyer. The Seller, however, reserves the right to transfer the property rights to the issues fuel on the date on which full payment of price for the delivery is received.

11. In terms of requirements specified in excise tax regulations, the Seller shall perform loading only to vessel tanks, which are permanently installed on the vessel.

12. Obligations of the Buyer include supplying the vessel with all documents required by law and necessary to execute the delivery at a port or at another location indicated by the Buyer. Obligations of the Buyer also include possession and presentation of a written confirmation of excise tax registration application acceptance before the fuel is sold, if the Buyer is subjected to such registration.

13. The Buyer shall instruct the buyer of the bunkered vessel in regards to the following requirements:

- the obligation to provide the Seller with a written notification of all special conditions, damage or other facts with potential, adverse effects on order execution before fuel loading operations begin;
- confirmation of the permitted transfer rate, agreeing upon communication methods and emergency procedures stopping the transfer, before the delivery;
- securing the free board in order to accept the delivery and provision of assistance required to moor and unmoor the bunkering system, as well as hose connection and disconnection.

14. If the bunkered vessel cannot immediately and promptly collect the ordered fuel because of reasons beyond reasonable control of the Seller, the Seller shall have the right to transfer the costs of additional operations related to downtime of the bunkered barge or the road tanker onto the Seller.

15. The Buyer shall be obliged to ensure confirmation of the acceptance of ordered fuel in the bunker writ and in the delivery document, wherein the ordered bunker fuel may be used only for purposes entitling to an excise tax exemption according to art. 32 par. 1 p. 2 of the Act on excise tax of 6th December 2008. (Journal of Laws 2009, no 3, item 11). If the excise tax documents (delivery document/bunker writ) entitling to an excise tax exemption are not confirmed, the Buyer shall have to pay the excise tax according to currently effective tax rates. If the fuel is intended to be used for purposes other than listed above, the Buyer shall be obliged to inform the Seller about this fact in writing, before the delivery, in the submitted order (e-mail, fax) and the Seller shall add the due excise tax. The Buyer also hereby declares that the quantity of bunker fuel purchased and delivered according to the bunker writ and the delivery document is equal to the ordered quantity.

§8. Payment

1. The Buyer shall be obliged to make the payment within the deadline specified in the VAT invoice (or in a fax/e-mail copy thereof) issued according to the Bunker Writ (delivery document).

2. The date on which the bank account of the Seller is credited with the full amount due for the sale price shall be considered as the payment date.

3. If the payment date is a statutory holiday, the Buyer shall be obliged to make the payment on a day directly preceding the holiday.

4. Payments shall be made in amounts indicated in appropriate invoices, without any deductions, to the bank account indicated in the invoice. Bank fees and commissions related to the payment transfer shall be paid by the Buyer.

5. Any warranty claim procedures do not exempt the Buyer from the obligation to make the price payment as a full amount, without deductions and within the deadline specified in the VAT invoice. Settlement of any claims resulting from warranty claim procedures shall take place separately.
6. The Seller shall be entitled to impose statutory interests onto the Buyer for delayed payments, according to effective legal regulations.

§9. Complaints

1. Complaints related to the sold Bunker Fuel shall be processed only if procedures provided for in these GSC are observed and if written remarks are made in the Bunker Writ or in the Letter of Protest at the end of the delivery or immediately after discovering circumstances comprising the basis for a complaint.
2. A formal complaint related to the quantity of sold fuel should be presented in writing by the Buyer on the basis of written remarks included in the Bunker Writ or in the Letter of Protest at the end of the delivery, submitted within 7 calendar days after the delivery date, otherwise quantity-related claims shall not be processed and used as a basis for contract termination.
3. Quality complaints shall be processed by the Seller only under the condition that the Buyer presents its remarks within a strict deadline of 14 calendar days after the Fuel delivery date, by presenting a written complaint.
4. Stipulations of Paragraph 5, point 11 shall apply to quality complaints.

§10. Liability

1. The Seller shall have the right to withdraw from the contract if the Buyer does not meet its obligations within the deadline specified in the confirmed order. The Seller shall have the same right also in situations in which actual circumstances indicate that the Buyer shall not meet the agreed deadline even before said deadline.
2. The Seller shall be obliged for not executing or for unduly execution of contractual obligations, up to the value of the Bunker Fuel on the sale date.
3. The Seller may refuse the sale, suspend its execution or terminate the contract in its entirety if a request to start a bankruptcy or a reparation proceeding was submitted against the Buyer, as well as if a liquidation proceeding was started against the Buyer.
4. The Seller may request the Buyer to provide a guarantee or another payment security before fuel is issued. If no such security is presented by the Buyer, the Seller shall have the right to terminate the Contract immediately.

§11. Force Majeure

1. Neither of the Parties shall be deemed responsible for not executing or for incomplete execution of its obligations, if such violations are caused by Force Majeure, i.e. accidental or natural events which could not be avoided, i.e. could not be prevented, such as natural disasters and extraordinary social events in the form of various disruptions of public life. If any of the Parties faces difficulties in meeting their obligations as a result of Force Majeure, it shall immediately inform the other Party about it specifying the type, expected duration and foreseeable effects of Force Majeure, otherwise it shall lose the right to invoke Force Majeure circumstances.

§12. Safety and environmental protection

1. If a spillage occurs and causes or poses the hazard of causing environmental pollution throughout the entire bunkering operation, the Buyer and the Seller shall be obliged to cooperate and undertake immediate actions preventing or minimising and removing the effects of such a spillage. The Parties should undertake such actions together, regardless of which of them is responsible for the spillage.
2. During Vessel bunkering operations, the Seller and the Buyer shall be obliged to observe national and international regulations related to environmental protection and sailing safety, as well as local port regulations.
3. If local port regulations require an anti-spillage barrier to be provided as a security measure during bunkering, the Buyer shall cover all related costs.

§13. Jurisdiction

- 1 The Contract shall be governed by Polish law. The United Nations Convention on contracts for international sale of goods shall not apply to this Contract. A common court appropriate for the location of the

registered main office of the Seller shall be the court competent to settle any and all disputes related to the Contract.

§14. Conditions for exemption from excise tax imposed on bunker fuels other than LNG

1. Excise tax exemptions shall not apply to private sailing operations performed for leisure purposes, considered to include the use of a vessel by its owner or by other individuals, legal entities or organisational units without a legal identity using the vessel on the basis of a rental contract or a similar contract for purposes other than economic purposes, in particular, for purposes other than transport of goods or passengers or provision of paid services or services for public authorities.
2. The excise tax exemption applies in the following cases:
 - a) delivery from a tax storage within the territory of the country to the user, or
 - b) delivery from a tax storage within the territory of the country to the intermediate, or
 - c) delivery from the intermediate to the user
3. The following conditions apply to the excise tax exemption:
 - a) attaching a delivery document and a fuel collection confirmation – in such a document, to the transported excise goods,
 - b) maintaining stock documentation for excise products covered by the exemption by the entity running a tax storage, by the intermediate and by the user – according to requirements specified in Polish excise tax regulations. This requirements does not apply to entities, the business location of which is located abroad.
 - c) confirmation of collection of exempted products by the Buyer, in the delivery document.
4. If bunker fuel is delivered from a tax storage located within the country to the user or from an intermediate to the user, the excise tax exemption requires the user residing, located or having its business seat within the country to provide the entity delivering such excise tax goods with a written confirmation of acceptance of a registration application indicated in art. 16 p. 3 of the Act on excise tax.
5. If bunker fuel is delivered from a tax storage located within the country to an intermediate, the excise tax exemption requires the intermediate to present a copy of a licence to operate as an intermediate.

§15. Conditions for exemption from excise tax imposed on LNG bunker fuel

1. Excise tax exemptions shall not apply to private sailing operations performed for leisure purposes, considered to include the use of a vessel by its owner or by other individuals, legal entities or organisational units without a legal identity using the vessel on the basis of a rental contract or a similar contract for purposes other than economic purposes, in particular, for purposes other than transport of goods or passengers or provision of paid services or services for public authorities.
2. This exemption requires the Seller to issue an invoice and the Buyer to submit a declaration of its intention to use LNG for sailing purposes, in the Bunker Writ.

§16. Final stipulations

1. The Seller operates according to effective legal regulations, internal rules, professional ethics and good conduct standards. Care of such regulations is expressed in the Ethics Certificate available on the www.lotos.pl website.
2. The Buyer shall not be entitled to transfer or encumber any of its rights it is entitled to towards the Seller because of submission and execution of order without a prior written approval of the Seller, otherwise such legal operations shall be invalid.
3. The Seller shall have the right to change conditions of these GSC unilaterally. However, GSC effective at the order submission date shall apply to execution of each respective order.
4. These General Sale Conditions apply to all offers, agreements, price lists and deliveries executed by LOTOS Asphalt Sp. z o.o. starting from 1st October 2017, until an updated version of these Conditions is issued.
5. This document made available by the Seller comprises general conditions as understood according to art. 384 § 1 CLC and is available i.e. Electronically on the website www.lotos.pl.