



§ .1.DEFINITIONS:

"Vendor" shall mean the TURSSA member company who has contracted for the supply of Goods and shall include its subcontractors and subsuppliers. "Purchaser" shall mean the person placing an order in respect of the Goods. If the person placing the Order is acting as a manager and/or agent, then that manager and/or agent and the principal shall be jointly and severally liable and references herein to Purchaser shall be a reference to both. (Vendor and the Purchaser will be together referred to as "Parties" or singularly as "Party"). "Goods" shall mean any and all items ordered by the Purchaser and/or supplied by the Vendor. "Vessel" shall mean the vessel or vessels to which Goods are or will be supplied by the Vendor. The Purchaser will declare the name of the Vessel to the Vendor. "Order" shall mean the request sent to the Vendor by the Purchaser, setting out the Goods to be supplied. "Final Confirmation" shall mean a written confirmation which is sent to the Purchaser by fax or e-mail and states that the Order has been confirmed by the Vendor. "Place of Delivery" or "Port of Delivery" shall mean the place or port which notified by the Purchaser within the Order where the Goods will be delivered or supplied to the Vessel. Unless there is an express written agreement to the contrary, the following conditions and terms shall apply to all contracts, orders and deliveries by the Vendor. Any conflicting purchasing conditions (or similar) of the Purchaser shall be deemed to have been rejected by the Vendor unless expressly accepted in writing.

§ .2. GENERAL:

1. FORMATION OF CONTRACT

1.1 The Purchaser shall submit a request for quotation (RFQ) identifying the items in respect of which a quotation is required. The Vendor shall not be obliged to provide a quotation.

1.2 The Vendor shall supply its quotation, identifying the items which it is able to supply and the terms upon which they may be supplied.

1.3 The Purchaser shall place a written Order identifying the items which are to be supplied.

1.4 The vendor shall issue its Final Confirmation, which shall identify those items that its commits itself to supply. There shall be no binding obligation on the Vendor to supply any items until it has issued its Final Confirmation, clearly identifying the Goods.

1.5 At any time prior to the Vendor issuing its Final Confirmation the vendor is entitled to alter the terms of any quotation, including the price, quantity and quality of the items to be supplied.

2. NOMINATION AND NOTICES

2.1 No later than 2 working days before the intended date of supply the Purchaser, shall inform the Vendor the name of the Vessel, the date of supply, the place of delivery and any further details the Vendor reasonably requires to fulfill delivery and shall give to the Vendor the requisition which is necessary for Port Authorities, Custom Authorities, inquiry sheet, SPI report and any relevant documents together with the Order. The Purchaser shall be responsible for all consequences of its



failure to provide the required information and shall pay to the Vendor on demand any costs incurred by reason of such failure.

2.2. The Purchaser, whether directly or by the agent or the master of the Vessel, shall issue and give a notice of Readiness to the Vendor not less than 48 hours prior to the estimated time of arrival, notifying the time when the Vessel is ready for delivery or supply and shall make all related notices and informations to Administrative Authorities.

3. DELIVERIES, QUANTITY AND SAMPLES- QUALITY AND PACKING

3.1 The Goods shall be of standard as rated at the time and place of delivery. The Goods shall be supplied in line with custom at the time and place of delivery. At the time of placing his order, the Purchaser shall inform the vendor of any special packing requirements in view of the destination of the Vessel and/or Goods otherwise Purchaser will be liable for all consequences owing to the lack of information. Any additional expenditure incurred in complying with special packing requirements shall be chargeable to and payable by the Purchaser.

4. DELIVERY AND SUPPLY

4.1 The Vendor shall use reasonable endeavors to accomplish delivery within the requested time, subject to any prior advice that this shall not be possible. The Vendor shall not guarantee delivery within a requested or stated period, and shall never be liable for demurrage or any other losses or expenses whether arising from congestion at the Place of Delivery or any delays due to completion of the customs formalities or for any other reason.

4.2 The Vendor's responsibility for transport of the Goods shall end with the delivery at the nearest point to the Vessel that its delivery vehicle may access. The Goods shall be deemed as delivered from that point, whereupon risk in the Goods transfers to the Purchaser. In case that the Purchaser requires delivery of the Goods during a holiday, a weekend or out of working hours, the Purchaser shall pay additional delivery charges as fixed by the Vendor and representing the additional cost to the Vendor. Any such additional delivery costs shall be paid in addition to the Good's price no later than the date for payment of the Goods.

4.3 The Purchaser bears the responsibility and risk of transferring the Goods from the delivery vehicle to the Vessel. The Purchaser shall be responsible for all damages and losses after delivery of the Goods.

4.4 The master of the Vessel shall sign a delivery receipt and an invoice when the Goods are delivered. Such signed delivery receipt shall be constitute a presumption that the Goods are delivered completely and in good condition.

4.5 In the event that the defect and/or the deficiency of the Goods were clearly distinguishable during the delivery, the Buyer shall mark the delivery note accordingly and shall further inform the Purchaser by separate written notice within two (2) days from delivery identifying the specific discrepancies or defects by reference to the affected items and their quantity. In the event that defects or deficiencies were not clearly distinguishable at the time of delivery, the Purchaser shall inform the Vendor in writing and present necessary evidences within 8 days from the date of delivery.



4.6 Where Goods shall be defective or otherwise fail to comply with the Contract the Purchaser shall be entitled to a full refund or credit note for the price of the defective or discrepant Item, subject to the return of the affected Goods in the same condition that it was provided. In the case of perishable Goods their return shall not be required, if the Vessel has departed the Port of Delivery and the defect or discrepancy could not reasonably have been identified before that departure. Defect or discrepancy in part of the Goods delivered or failure to deliver part of the Goods under any Contract shall not entitle the Purchaser to refuse delivery of the balance.

4.7 Subject to the entitlement to a refund in accordance with clause 4.6 under no circumstances shall the Purchaser be liable for any damages, losses or costs arising directly or indirectly from a discrepancy, defect of deficiency in the Goods supplied whether arising from the Vendor's negligence or breach of contract.

4.8 In case of any delay or non-arrival of the Vessel on the nominated date or cancellation of the Order or non-delivery of Goods for any reason, the Purchaser shall compensate the Vendor for all direct and indirect damages and losses (including but not limited to its loss or profit) and any expenses (including but not limited to the expense of returning the Goods). Payment of such damages and losses shall be made by the Purchaser within 7 days of a written demand.

4.9 The Parties shall always be at liberty to agree a new Place and time of Delivery, subject to agreement on payment of related expenses, and the Vendor shall not be responsible for any deterioration in quality while the Goods may be in store awaiting re-scheduled delivery.

5. PAYMENT AND EXTRA CHARGES

5.1 The Purchaser shall pay all invoices within the period stated in the Quotation, or if different the Final Confirmation, in the full amount stated in the invoice and without any deduction, deferment, set-off by reason of any claim or counter-claim whatsoever.

5.2 Payment shall be made in the currency stipulated on the invoice direct to the Vendor's bank account, and the Purchaser shall be responsible for paying all bank charges.

5.3 Any discount stated by the Vendor, shall be strictly conditional upon payment within the agreed payment period. Thereafter, the discount shall no longer apply and payment shall be made in the gross amount.

5.4 In the event that payment is not made within the agreed payment period, the Vendor shall be entitled to interest (calculated from the invoice date until actual date of payment) at a rate of 2% per month.

5.5 Where payment is overdue the Vendor shall be entitled to take all steps considered appropriate, including legal steps, against the Purchaser and its assets including the Vessel supplied and any other Vessel beneficially owned by the Purchaser. Where the Vendor seeks a provisional attachment of the Purchaser's assets in Turkey it shall give the amount of 1.000 Special Drawing Rights as assurance, which the Purchaser accepts as adequate.



5.6 Where there may be any amount overdue to the Purchaser in respect of any Contract, the Vendor shall be entitled to withdraw credit on any other Contract and call for immediate payment of all invoices or other charges due from the Purchaser by giving written notice that shall be effective with immediate effect. In the case of such notice interest shall be payable in accordance with clause 5.4.

5.7 The Purchaser does not have to accept partial payment, if it is accepted it shall not mean the renunciation from the remaining amount.

5.8 The Purchaser shall pay, prior to the Vessel's departure, the invoiced amount or amounts or, by the express agreement of the Vendor, at a later stipulated date.

5.9 The Purchaser shall not be entitled to withhold payment of any sums after they have become due in the ordinary course for payment by reason of any right of set-off or counterclaim which the Purchaser may allege or for any reason whatsoever.

5.10 The Vendor shall be entitled to recover from the Purchaser any and all costs and/or expenses which may be incurred by the Vendor in recovering from the Purchaser any overdue or unpaid sums whether or not formal legal steps (including but not limited to the arrest of a vessel) have been undertaken and for sake of good order to include both internal costs and costs and expenses incurred to external advisers/lawyers instructed for such purpose. Such costs shall be payable by the Purchaser to the Vendor upon demand on a full indemnity basis.

5.11 Good title to the Goods delivered to the Vessel shall not pass to the Purchaser until full payment for same has been made.

6. FORCE MAJEURE

6.1 Force majeure shall include earthquakes, fire, explosion, collision, war or other hostilities, riots or insurrections, embargoes, export or import restrictions, epidemics, civil commotions, strike, lockouts, tornado, flood, hurricane, all sea dangers and accidents, billows and strong winds, and all or any unforeseen and/or extraordinary and/or unpreventable circumstances or conditions for which the Vendor cannot be held responsible as a consequence whereof it is not reasonably possible to make delivery in time or at all.

6.2 If the Vendor is unable to make delivery, or to make delivery in time, owing to force majeure then the Vendor's obligation to deliver shall cease or if it is applicable be suspended for the duration of such force majeure.

7. ASSIGNMENT

7.1 The Purchaser may not assign any of its rights and/or obligations under any Contract to its any third party.

8. MARITIME LIEN

8.1 All Goods are sold and delivered on the credit of the Vessel supplied, as well as the credit of the Purchaser, and the Purchaser agrees and warrants on behalf of the Vessel and its owner that the Vendor shall have and may assert and maritime lien against the Vessel supplied. The Purchaser warrants that it has authority to create a maritime lien on the Vessel.



9. LAW AND JURISDICTION

9.1 Subject always to clause 9.4 any dispute arising out of or in connection with any Contract subject to these Conditions, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration in England and governed by the Arbitration Act 1996. Any such arbitration proceedings shall be before a sole arbitrator who shall be appointed by the claimant, who shall be a shipping lawyer qualified to practice law in England.

9.2 Notwithstanding the commencement of arbitration proceedings the Vendor shall be entitled to commence proceedings in any other jurisdiction or before any court in order to obtain security for its claim, including security for interest due and legal costs to be incurred.

9.3 Notice of arbitration shall be validly served if sent to one or more of the email addresses, fax numbers or physical addresses used or identified by the Party served during the course after prior business dealings.

9.4 The Vendor shall be entitled at any time prior to the commencement of arbitration proceedings pursuant to clause 8.1 to commence substantive proceedings against the Purchaser, its assets including the Vessel or any sister or associated vessel in any jurisdiction where the Purchaser may be located, domiciled or present or where any assets, including its Vessel or sister or associated vessel may be located. In the event that the Vendor exercises that option then neither Party shall be entitled to commence arbitration proceedings and any disputes must be submitted to the court at which the Vendor has commenced proceedings.

9.5 All contracts entered pursuant to these Conditions shall be subject to laws of Southern District of California, United States.