



GENERAL TERMS & CONDITIONS of PROMAR UAB

DATE: 03rd of November, 2020

The following general terms and conditions ("Conditions") shall apply to all services performed by PROMAR UAB ("PROMAR") and supersede without restriction all other terms and conditions of any kind. Any printed conditions that appear or are referred to elsewhere, including upon any documents issued by the Customer, shall have no legal effect.

1. Definitions

In these Conditions:

"Company" means PROMAR UAB;

"Contract" shall mean the written agreement or email exchange (offer+accept) between the Company and the Customer concerning Services to be performed by the Company, and all appendices, including amendments agreed in writing from time to time;

"Customer" means any person contracting with the Company for the provision of Services;

"Equipment" shall mean the Customer's equipment which is subject to repair under the Contract;

"Gross Negligence" shall mean an act or omission implying either a failure to pay due regard to serious consequences, or a deliberate disregard of the consequences of such act or omission;

"in writing" shall mean by document signed by the Parties or sent by letter, fax, or email;

"Parties" shall mean together the Company and the Customer; and "Services" means the services described in Clause 2.

2. Services

2.1. Unless otherwise agreed in writing between the Parties, the Company's scope of work shall consist of the provision of specialist manpower experienced in the repair of marine and mechanical equipment at sea and ashore, including: fault tracing; remedying of defects; provision and replacement of spare parts; functional checking; assistance at testing; and such other activities as may be provided by the Company from time to time.

2.2. The Company may provide the Services or may procure that the Services are provided by a member of its group, or a successor or assignee or subcontractor of the Company. Such subcontracting shall not in any way affect the Company's obligations under the Contract.

3. Price

3.1. Unless otherwise agreed the Company shall provide the Customer with an estimate in writing after receiving an initial enquiry from the Customer, but before undertaking any work. The estimate shall not be binding.

3.2. If the Customer at any stage chooses not to proceed, or if the repair work is not carried out or completed due to any other reason than Gross Negligence of the Company, Customer shall pay the Company for the work performed at the Company's current "Service Engineer Rates" published from time to time, including preparatory work, fault tracing, making the estimate and any documented costs incurred in performing the Services up to and including the date of the notice not to proceed.

3.3. If a lump sum has been agreed and if the Customer chooses not to proceed, then the Company shall receive the lump sum, after deduction of costs in relation to the Services which have not been incurred by the Company.

4. Spare parts & Retention of Title

4.1. Unless otherwise agreed, the Company shall only use parts of the original brand or parts of equivalent quality when performing the Services.

4.2. Return policy: The Company will not accept any returns that have not been agreed in writing in advance with the Customer. Applicable items allowed to be return are subject to a 40% re-stocking charge, with all delivery costs to the Customer's account. All items requested to be returned must be forwarded to the Company for confirmation of acceptance for return. Under no circumstances may Company invoices be withheld for payment by the Customer pending any refund upon return of spares. All returned items must be in their original packaging and unused. No incomplete sets will be accepted.

All returns must be made within 30 working days from order. No seals or O-rings are returnable and all machined items or tooling specific to a unit type are not returnable. Note: Credits can take up to 3 months from the date of return.

4.3. Title to spare parts supplied by the Company shall not pass to the Customer until the Company receives payment in full for the cost of the spares and all Services provided for their installation.

4.4. Until title to the spare parts has passed to the Customer, the Customer shall: (a) store the parts separately from all other goods held by the Customer so that they remain readily identifiable as Company property; (b) not remove, deface or obscure any identifying mark or packaging on or relating to the parts; (c) maintain the parts in satisfactory condition and insured against all risks for their full price from the date of delivery.

5. Working conditions

Where the Services are to be carried out at the premises of the Customer, including on board any vessel, the Customer shall ensure that the following conditions are satisfied before the agreed date for the commencement of work:

(a) The Company's personnel shall be granted full access as required and able to start work in accordance with the agreed time schedule and to work during normal working hours. Provided that the Customer has been given notice in reasonable time, work may be performed outside normal working hours to the extent deemed necessary by the Company.

(b) Before repair work is started the Customer shall inform the Company of all relevant safety regulations in force at its premises. The repair work shall not be carried out in unhealthy or dangerous surroundings. All necessary safety and precautionary measures shall have been taken before work is started and shall be maintained at all times.

(c) The Customer shall make available to the Company free of charge and at the proper time on the Customer's premises all necessary cranes, lifting equipment and equipment for transport on its premises, auxiliary tools, machinery, materials and supplies (including fuel, oils, grease and other materials, gas, water, electricity, steam, compressed air, heating and lighting) as well as the measuring and testing instruments of the Customer available on the premises.

(d) The Customer shall make available to the Company free of charge necessary storage facilities, providing protection against theft and deterioration of the tools and repair equipment, and the personal effects of the Company's personnel.

6. Transport of Equipment

6.1. The Company shall give appropriate notice in writing to the Customer about the time and means of transport of Equipment from and to the Customer's premises.

6.2. Where the Customer delays taking re-delivery of repaired Equipment, the Company may arrange storage thereof at the Customer's risk and cost.

7. Technical documentation

The Customer shall provide the 'as-fitted' description and technical documentation (up to date drawings, descriptions, charts, instructions and the operation and maintenance logs for the vessel and Equipment in question) in its possession as necessary for carrying out the Services. The Company is not liable for any discrepancy between the Equipment as described and the actual state of the same, or for un-notified modifications.

8. Time for completion

8.1. A time estimated for completion shall be binding only to the extent that this has been expressed as such in writing by the Company.

8.2. The Customer shall immediately notify the Company if for any reason the Company cannot obtain access to carry out the Services at the agreed time. Any agreed time for commencement or completion of the Services shall be extended accordingly.

9. Testing

The Customer shall permit and assist the Company to carry out such tests as reasonably required in the opinion of the Company in order to ascertain that the Services have been successfully completed. If permission or access for such tests is refused, the Company in its discretion may restrict the warranty given in respect of those Services.

10. Payment

10.1. Unless the Parties have agreed on a lump sum price for the Services, payment shall be due on a time-spent basis as shown on the Company's "Service Engineer Rates" published from time to time. The Company's invoice shall specify the following items separately:

- labour costs
- time and costs for travel, board and subsistence
- transport costs
- costs of spare parts
- costs of other materials and consumables
- waiting time, overtime and additional costs caused by the Customer
- other costs, as applicable.

10.2. When Services are to be carried out on a lump sum basis, the quoted price shall be deemed to include all the work types mentioned in Clause 2. If the Services are delayed due for any cause not being the Company's negligence, the Customer shall compensate the Company for:

- waiting time and time spent on abortive or extra journeys
- costs and extra work resulting from the delay, including removing, securing and setting up the Equipment and repair equipment
- additional costs as a result of the Company having to keep his repair equipment at the Customer's premises longer than expected
- additional costs for journeys and board and subsistence for the Company's personnel
- additional financing costs and costs of insurance
- other documented costs incurred by the Company as a result of changes in the repair program

10.3. When the Services are to be carried out on a lump sum basis, 30% of the lump sums shall be paid at the formation of the Contract. The remaining part shall be payable upon completion. Payment shall be made against invoice not later than 30



calendar days after the date of the invoice.

10.4. When the Services are to be carried out on a time -spent basis, payment shall be made against weekly invoices for the duration of the Services and not later than 30 calendar days after the date of the invoice.

10.5. The price for the Services, whether lump sum or time -spent basis, shall be exclusive of any Value Added Tax and any other taxes, duties and dues levied on the invoice in the Customer's country.

10.6. If the Customer fails to pay by the due date described above, the Company shall claim interest from the due date in amount of 0.5% from total amount per each delayed day.

11. Lien

The Company has a right of lien over the Equipment and other property of the Customer in the possession of the Company for all sums due and owing and any damage caused by the Customer to the Company or its property. If such sums and/or damage are not settled within 45 days of the due date for payment, the Company may sell such property as it thinks fit and shall apply the proceeds of sale towards satisfaction of the cost of the sale and outstanding sums and /or damage.

12. Insurance

12.1. The risk of loss or damage to Equipment while outside of the Customer's premises for the purpose of repair shall be borne by the Customer, unless such loss or damage is due to the Gross Negligence of the Company.

12.2. The Customer shall, at its own expense, insure all the Equipment and its property of every description against insurable risks of physical loss or damage for the duration of the Services to their full replacement value.

13. Warranties & Indemnities

13.1. The Customer warrants that it has full power to enter into an agreement to obtain the Services and to be bound by these Conditions, either to itself or as agent for a principal.

13.2. The Customer hereby indemnifies, and shall keep indemnified, the Company from and against all loss, injury, damage or liability sustained, and all fees, costs and expenses incurred by the Company resulting from information provided by the Customer to the Company which proves to be incorrect and in respect of the Customer's breach of any agreement with the Company or the Conditions, including any act, neglect, omission of fault by the Customer, its employees or its agents, and any fault or defect in the Customer's or its principal's or its customer's Equipment or property of any description.

13.3. Conditions for Remote Guidance (only)

No warranty provision will be provided with the guidance issued due to PROMAR not carrying out the physical repair and are reliant on the accuracy of the information shared and the competency of the repairer.

14. Liability of the Company

14.1. Unless otherwise agreed the Company shall only be liable for the Services for a period of six months after a repair was performed. The Company's liability for parts provided under the Contract shall only apply to defects which become apparent within 6 (six) months from order.

14.2. The Customer shall without undue delay (and in any event within 5 calendar days of the occurrence) notify the Company in writing of any defect which appears in the Services performed or the parts provided by the Company. If the Customer fails to give such notice it shall be deemed to have waived its rights in respect of the defect.

14.3. If the Company has failed to perform the Services, or if there is a defect in a part which has been provided, the Company shall after receipt of a notice issued under Clause 14.2 as soon as reasonably practicable rectify the Services and/or remedy the defect. Notwithstanding to the foregoing, the cost of travel and attendance by the Company for such rectification or remedy, and any dry-docking costs, shall always be for the Customer's account.

14.4. The Company shall be liable only for damage to the Customer's Equipment, which includes vessels and all other property caused by the Gross Negligence of the Company in connection with the Services. The Company's liability in respect of such damage shall in every respect, unless otherwise agreed in writing by the Company, be limited to the value of the Supplies/Services performed and for which payment has been received by the Company. This amount shall be sole and exclusive remedy.

14.5. The cost of all investigative, diagnostic and fault tracing works (including travel, board and subsistence) shall in the first instance to be for the Customer's account unless otherwise agreed in writing.

15. Limitation of Liability

15.1. The Company's liability under Clause 14 represents the Customer's sale and exclusive remedy. The Company shall have no responsibility for defects or damage due to circumstances for which the Company is not responsible, such as operator error or incorrect use of the Equipment, incorrect daily care or faulty maintenance by the Customer, or for normal wear and tear.

15.2. The Company shall have no liability for defective work or defective parts provided under the Contract or otherwise in gross negligence, except as stated in Clause 14. This also applies to any loss, foreseeable or unforeseeable which may be caused in connection therewith, such as loss of production, loss of use, re-

docking, craneage, contract labour, tugs, demurrage, loss of profit or any other indirect and/or consequential economic loss.

15.3. The Company shall have no liability in respect of any verbal instruction intending to vary the Contract unless made in writing and signed by a duly authorized representatives of both Parties.

15.4. The Company shall have no liability should the provision of the Services not be carried out as a result of any Company engineer or representative being denied access to the Customer's premises or Equipment for any reason, or being requested to perform additional tasks, before the Services are completed, without a written request from the Customer and acceptance thereof by the Company.

15.5. If the Company incurs liability towards any third party for loss or damage arising in connection with performance of the Contract, the Customer shall indemnify, defend and hold the Company harmless to the extent that the value of any claim exceeds the financial limit of the Company's liability as stated in Clause 14.

15.6. If a claim for loss or damage as described in this Clause is made against one of the Parties, it shall forthwith inform the other in writing.

16. Company tools and equipment

If, during performance of Services outside the Company's premises, the Company's tools equipment is damaged at the place of repair due to any circumstances for which the Customer is responsible, the Customer shall compensate the Company for the damage concerned, normal wear and tear excepted.

17. Force Majeure

The Company shall not be liable to the Customer, or be deemed to be in breach of any Contract by reason of any delay in performing, or any failure to perform any of the Company's obligations in relation to the Services, if the delay or failure was due to any force majeure event but is not limited to: act of God, inclement weather, epidemics, pandemics, explosion, flood, fire or accident; war (declared or undeclared) or threat of war, sabotage, terrorism, piracy, insurrection, civil disturbance or requisition; acts, restrictions, regulations, prohibitions or measures of any kind on the part of any governmental, parliamentary or local authority; import or export regulations or embargoes; strikes, lock-outs, or other industrial actions or trade disputes (whether involving employees of the Company or of a third party); difficulties in obtaining raw materials labour, fuel, parts or machinery; power failure or breakdown in machinery; pests, insects or vermin; and any other cause beyond the Company's reasonable control, which makes performance of its obligation impossible.

18. Assignment

The Customer may assign the Contract to a third party subject to the consent in writing of the Company.

19. Cancellation

In the event that the Customer cancels its requirements for the Services at any time, the Company may recover from the Customer the full payment due to it by the Customer or such lesser amount as the Company in its sole discretion may decide. In the event of:

- any default by the Customer in respect of the Contract
- the Customer having a petition presented for its liquidation or administration (otherwise than a voluntary liquidation for the purpose of amalgamation or reconstruction) or having a receiver appointed over any of its assets or undertakings, or becoming subject to any other insolvency proceedings or process;
- the Customer making any composition with its creditors or ceasing or threatening to cease carrying on business; or
- the Company reasonably apprehending that any of the above-mentioned events is likely to occur in relation to the Customer and notifying the Customer accordingly;

then without prejudice to any other right or remedy available to the Company, the Company may cancel the Services or suspend any further Services without any liability to the Customer. If the Services have been provided but not paid for, the charges in respect of those Services shall become immediately due and payable, notwithstanding any previous agreement or arrangement to the contrary and if the Customer fails to pay the charges the Company shall be entitled to exercise all or any of the remedies competent to it pursuant to these Conditions. This Clause 19 shall apply equally against the Customer and any agent, trustee receiver, liquidator or administrator of the Customer.

20. Legal

20.1. These Conditions and the Contract shall be governed by the law of Netherlands and the Parties hereby prorogate the exclusive jurisdiction of the Dutch Courts.

20.2. If any provision of these Conditions is held to be invalid or unenforceable by any judicial or other competent authority, all other remaining provisions of the Conditions shall remain in full force and effect.

PROMAR UAB

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