



GENERAL CONDITIONS for the SUPPLY OF MARINE PRODUCTS

DETERMINING CONDITIONS

1. The legal relationship between Supplier and Purchaser (together referred to as "Parties" or each as "Party") shall be determined by the following General Conditions and any additional terms agreed between the Parties, if any. Changes and amendments to these General Conditions have to be made in writing. Any other general terms and conditions shall not be applicable, even if they were not rejected explicitly in any individual case.

Wherever these General Conditions use the term "in writing", this shall mean by document signed by the Parties, or by letter, fax, electronic mail and by such other means as are agreed by the Parties.

All quotations of the Supplier shall be subject to written confirmation by the Supplier to become binding upon the Supplier.

PRODUCT INFORMATION

2. All information and data contained in general product documentation and price lists, whether in electronic or any other form, are binding only to the extent that they are by reference expressly included in the contract. The object(s) to be supplied by the Supplier to the Purchaser under these General Conditions is (are) hereinafter referred to as the Product.

DRAWINGS AND DESCRIPTIONS

3. All drawings and technical documents relating to the Product or its manufacture submitted by one Party to the other, prior or subsequent to the formation of the contract, shall remain the property of the submitting Party.

Drawings, technical documents or other technical information received by one Party shall not, without the consent of the other Party, be used for any other purpose than that for which they were provided. They may not, without the consent of the submitting party, otherwise be used or copied, reproduced, transmitted or communicated to a third party.

4. The Supplier shall, not later than at the date of delivery, provide free of charge information and drawings which are necessary to permit the Purchaser to erect, commission, operate and maintain the Product. Such information and drawings shall be supplied in the number of copies agreed upon or at least one copy of each. The Supplier shall not be obliged to provide manufacturing drawings for the Product or for spare parts.

ACCEPTANCE TESTS

5. Acceptance tests provided for in the contract shall, unless otherwise agreed, be carried out at the place of manufacture during normal working hours.

If the contract does not specify the technical requirements, the tests shall be carried out in accordance with the applicable rules of the Classification Society.

6. The Supplier shall notify the Purchaser in writing of the acceptance tests in sufficient time to permit the Purchaser to be represented at the tests. If the Purchaser is not represented, the test report shall be sent to the Purchaser and shall be accepted as accurate.

7. If the acceptance tests show the Product not to be in accordance with the contract, the Supplier shall without delay remedy any deficiencies in order to ensure that the Product complies with the contract. New tests shall then be carried out at the Purchaser's request, unless the deficiency was insignificant.

8. The Supplier shall bear all costs for acceptance tests carried out at the place of manufacture. The Purchaser shall however bear all travelling and living expenses for his representatives in connection with such tests.

DELIVERY AND PASSING OF RISK

9. Any agreed trade term shall be construed in accordance with the INCOTERMS 2010. If no trade term is specifically agreed, the delivery shall be Ex Works (EXW).

If, in the case of delivery Ex Works, the Supplier, at the request of the Purchaser, undertakes to send the Product to its destination, the risk will pass not later than when the Product is handed over to the first carrier.

Partial shipments shall be permitted unless otherwise agreed.

TIME FOR DELIVERY; DELAY

10. If the contractual delivery time for the Product or part of the Product is delayed and this delay was caused by negligence or intention of the Supplier and if the Purchaser has suffered a loss caused by such delay, the Purchaser shall be

entitled to liquidated damages for delay. Such liquidated damages for delay shall amount to 0.5% of the contract price of the delayed part of the Product concerned per each full week of delay considering a grace period of 2 (two) weeks. The liquidated damages for delay will be limited to a maximum of 5% (five per cent) of the contract price of the delayed part of the Product.

Liquidated damages shall be Purchaser's sole and exclusive measure of damages and remedy against the Supplier with respect to the failure to achieve the contractual delivery time for the Product.

11. If the Supplier anticipates that he will not be able to deliver the Product at the time for delivery, he shall forthwith notify the Purchaser thereof in writing, stating the reason, and, if possible, the time when delivery can be expected.

12. If delay in delivery is caused by any of the circumstances mentioned in Clause 41 or by an act or omission on the part of the Purchaser, including suspension under Clauses 17 or 44, the time for delivery shall be extended by a period which is reasonable having regard to all the circumstances in the case. This provision applies regardless of whether the reason for the delay occurs before or after the agreed time for delivery.

13. If the Purchaser anticipates that he will be unable to accept delivery of the Product at the delivery time, he shall forthwith notify the Supplier in writing thereof, stating the reason and, if possible, the time when he will be able to accept delivery.

If the Purchaser fails to accept delivery at the delivery time, he shall nevertheless pay any part of the contract price which becomes due on delivery, as if delivery had taken place. The Supplier shall arrange for storage of the Product at the risk and expense of the Purchaser. The Supplier shall also, if the Purchaser so requires, insure the Product at the Purchaser's expense.

14. Unless the Purchaser's failure to accept delivery is due to any such circumstance as mentioned in Clause 41, the Supplier may by notice in writing require the Purchaser to accept delivery within a final reasonable period.

If, for any reason for which the Supplier is not responsible, the Purchaser fails to accept delivery within such period, the Supplier may by notice in writing terminate the contract in whole or in part. The Supplier shall then be entitled to compensation for the loss he has suffered by reason of the Purchaser's default. The compensation shall not exceed that part of the contract price which is attributable to that part of the Product in respect of which the contract is terminated.

PRICE AND PAYMENT

15. Unless otherwise agreed, the contract price shall be paid with 20 % of the contract price at the formation of the contract, with 20 % of the contract price 5 months before the agreed delivery date and with 60 % of the contract price upon the Supplier's notification to the Purchaser of readiness for dispatch. Payment shall be made by telegraphic bank transfer to Supplier's account. Payments shall be made within 10 calendar days of the date of the invoice without any deductions.

16. Whatever the means of payment used, payment shall not be deemed to have been effected before the Supplier's account has been fully and irrevocably credited.

17. If the Purchaser fails to pay by the stipulated date, the Supplier shall be entitled to interest from the day on which payment was due. The rate of interest shall be 4.5 percentage points above the rate of the main refinancing facility of the European Central Bank in force on the due date of payment.

In case of late payment the Supplier may, after having notified the Purchaser in writing, suspend his performance of the contract until it receives payment. If the Purchaser has not paid the amount due within three months the Supplier shall be entitled to terminate the contract by notice in writing to the Purchaser and to claim compensation for the loss it has incurred. The compensation shall not exceed the agreed contract price.

18. Unless otherwise agreed upon, the contract price

- is a total fixed price, and includes adequate packing for delivery, if packing is part of the agreed trade term;

- is a net price and does not include any duties such as but not limited to taxes, fees or customs duties.



Such duties shall be borne by Supplier if imposed in Supplier's country and by Purchaser if imposed outside Supplier's country.

RETENTION OF TITLE

19. The Product shall remain the property of the Supplier until paid for in full to the extent that such retention of title is valid under the applicable law. The Purchaser shall at the request of the Supplier assist in taking any measures necessary to protect the Supplier's title to the Product in the country concerned.

20. The retention of title shall not affect the passing of risk under Clause 9 above.

LIABILITY FOR DEFECTS

21. Supplier warrants that the design, manufacture and material of the Product is at the time of delivery of good workmanship, free of defects and in conformance with the technical specification provided by the Supplier according to the provisions of Clauses 22-36 below under the exclusion of any further liability.

22. Defective Products shall, at the option of the Supplier, be repaired by the Supplier or Supplier shall supply new parts, each at its cost and risk. Supplier shall warrant any subsequent adjustment and replacement parts installed to the same extent as the original Products.

In the event that the Product delivered by Supplier during any agreed acceptance test fails to reach the warranted performance and/or fuel consumption ratings agreed upon for the Product, the Supplier shall, to the exclusion of any further liability of the Supplier, alter or replace at its sole option such Product or part thereof at its expense within a reasonable period of time. If such warranted performance and/or fuel consumption ratings are still not reached after such alteration or replacement including consideration of the usual tolerances applied by the Supplier, the Supplier shall pay for each per cent of reduction in performance and/or of increase in fuel consumption, as against such warranted ratings, liquidated damages amounting to 0.5 per cent of the purchase price of the respective Product affected, however, in no event shall the aggregate amount payable in such liquidated damages exceed a total amount of 5 per cent of the purchase price of the respective Product affected.

23. The warranty expires at the end of 12 months after the date of taking over of the vessel in which the Product was installed, at the latest, however, 18 months after the Supplier's notification of readiness for dispatch of the Product to the Purchaser.

24. When a defect in a part of the Product has been remedied, the Supplier shall be liable for defects in the repaired or replaced part under the same terms and conditions as those applicable to the original Product for a period of 12 month beginning with completion of repair or replacement but in any case ending at latest 18 months after the Supplier's notification of readiness for dispatch of the original Product to the Purchaser. For the remaining parts of the Product the period mentioned in Clause 23 shall be extended only by a period equal to the period during which the Product has been out of operation as a result of the defect.

25. The Purchaser shall without undue delay notify the Supplier in writing of any defect which appears. Such notice shall under no circumstance be given later than two weeks after the expiry of the period given in Clause 23. The notice shall contain a description of the defect. If the Purchaser fails to notify the Supplier in writing of a defect within the time limits set forth in the first paragraph of this Clause, the Purchaser loses its right to have the defect remedied.

Where the defect is such that it may cause damage, the Purchaser shall immediately inform the Supplier in writing. The Purchaser shall bear the risk of damage resulting from its failure so to notify.

26. On receipt of the notice under Clause 25 the Supplier shall remedy the defect without undue delay and at his own cost as stipulated in Clauses 22-36.

Repair shall be carried out at the place where the Product is located unless the Supplier deems it appropriate that the defective part of the Product is returned to him for repair or replacement.

The Supplier is obliged to carry out dismantling and re-installation of the part of the Product if this requires special knowledge. If such special knowledge is not required, the Supplier has fulfilled its obligations in respect of the defect when the Supplier delivers to the Purchaser a duly repaired or replaced part of the Product.

27. If the Purchaser has given such notice as mentioned in Clause 25 and no defect is found for which the Supplier is liable, the Supplier shall be entitled to compensation for the costs incurred as a result of the notice.

28. The Purchaser shall at its own expense arrange for any dismantling and reassembly of equipment other than the Product, to the extent that this is

necessary to remedy the defect. When the Supplier is to carry out repair works at the place where the Product is located, the Purchaser shall make available and bear the costs of an adequate number of fitters, local transport, lifting gear, towing, dockage, supply of electricity and similar supplies.

29. Unless otherwise agreed, necessary transport of the Product and/or parts thereof to and from the Supplier in connection with the remedying of defects for which the Supplier is liable shall be at the risk and expense of the Supplier. The Purchaser shall follow the Supplier's instructions regarding such transport. The Supplier is in no case obliged to pay for airway transportation of the Product or defective or replacement parts.

30. Unless otherwise agreed, the Purchaser shall bear any additional costs which the Supplier incurs for repair, dismantling, installation and transport as a result of the Product being located in a place other than the destination stated in the contract or - if no destination is stated - the place of delivery.

31. Defective parts which have been replaced shall be made available to the Supplier and shall be its property.

32. If, within a reasonable time, the Supplier does not fulfill its obligations under Clause 26, the Purchaser may by notice in writing fix a final time for completion of the Supplier's obligations.

If the Supplier fails to fulfill its obligations within such final time, the Purchaser may himself undertake or employ a third party to undertake necessary remedial works at the risk and expense of the Supplier.

Where successful remedial works have been undertaken by the Purchaser or a third party, reimbursement by the Supplier of reasonable costs incurred by the Purchaser shall be in full settlement of the Supplier's liabilities for the said defect.

33. Where the defect has not been successfully remedied, as stipulated under Clause 32,

a) the Purchaser is entitled to a reduction of the contract price in proportion to the reduced value of the Product, provided that under no circumstance shall such reduction exceed 15 per cent of the contract price, or

b) where the defect is so substantial as to significantly deprive the Purchaser of the benefit of the contract, the Purchaser may terminate the contract by notice in writing to the Supplier.

34. The Supplier is not liable for defects arising out of materials provided, or a design stipulated or specified by the Purchaser.

35. The Supplier is liable only for defects which appear under the conditions of operation provided for in the contract between the Parties and under proper storage, installation and use of the Product. The Supplier's liability does not cover defects which are caused by faulty maintenance, incorrect erection or faulty repair by the Purchaser, or by alterations carried out without the Supplier's consent in writing. Finally the Supplier's liability does not cover normal wear and tear or deterioration.

36. Clause 45 below regarding limitation of liability shall apply accordingly and the limitation period stipulated in Clause 23 shall also apply to any other claim of the Purchaser under or in connection with this Contract, unless the limitation period under the applicable law for such a claim, which is not a warranty defect claim under Clause 21, is shorter and expires earlier. In such event the limitation period which expires first applies.

ALLOCATION OF LIABILITY FOR DAMAGE CAUSED BY THE PRODUCT AND INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS

37. The Supplier shall not be liable for any damage to property caused by the Product after it has been delivered and whilst it is in the possession of the Purchaser. Nor shall the Supplier be liable for any damage to products manufactured by the Purchaser, or to products of which the Purchaser's products form a part.

38. If the Supplier incurs liability towards any third party for such damage to property as described in Clause 37 above, the Purchaser shall indemnify, defend and hold the Supplier harmless.

39. In the event that the Supplier bases the production of the Products on its own specifications, the Supplier shall under the exclusion of any further liability warrant that such Products do not interfere with Intellectual Property Rights ("IPRs") published in USA and/or by the European Patent Office. In case an infringement of such third parties' IPRs appears to emerge, the Parties will enter into negotiations with due consideration of such situation and jointly agree on the consequences. This shall not apply, if the Supplier has manufactured the Products in accordance with drawings, models or other equivalent descriptions or



information provided by the Purchaser. As far as the Supplier is not liable pursuant to this Clause 39, the Purchaser shall release the Supplier from all third-party claims.

40. If a claim for damages as described in Clauses 37 - 39 is lodged by a third party against one of the Parties, the latter Party shall forthwith inform the other party thereof in writing.

The Supplier and the Purchaser shall be mutually obliged to let themselves be summoned to the court or arbitral tribunal examining claims for damages lodged against one of them on the basis of damage allegedly caused by the Product.

The limitation of the Supplier's liability in Clause 37 and 39 shall not apply where the Supplier has been guilty of gross negligence or intention.

FORCE MAJEURE

41. In case of Act of God, labour disputes, civil commotion, governmental or official actions or any other event which was unforeseeable or outside the reasonable control of the Party affected, the Parties shall be temporarily relieved from their obligations during the period of time such events continue and to the extent their liabilities are affected. The afore-stated shall also be applicable to the Supplier if a sub-supplier of the Supplier is affected by such event and/or in case the Party concerned is already in default. The Parties are committed to give each other the necessary information which may reasonably be expected without delay, and to adjust their obligations in good faith to the changed circumstances.

42. The Party claiming to be affected by Force Majeure shall notify the other Party in writing without delay on the intervention and on the cessation of such circumstance.

If Force Majeure prevents the Purchaser from fulfilling its obligations, the Purchaser shall compensate the Supplier for expenses incurred in securing and protecting the Product.

43. Regardless of what might otherwise follow from these General Conditions, either Party shall be entitled to terminate the contract by notice in writing to the other Party, if performance of the contract is suspended under Clause 41 for more than six months

ANTICIPATED NON-PERFORMANCE

44. Notwithstanding other provisions in these General Conditions regarding suspension, each Party shall be entitled to suspend the performance of its obligations under the contract, where it is clear from the circumstances that the other Party will not be able to perform its obligations. A Party suspending its performance of the contract shall forthwith notify the other Party thereof in writing.

LIMITATION OF LIABILITY

45. The Supplier shall in no event be liable to the Purchaser, by way of indemnity or by reason of any breach of contract or statutory duty or in tort or otherwise, for any and all claims, losses, damages such as but not limited to loss of use of any part (or all) of the works or the Products or for loss of production, loss of profit or loss of or default under any business contracts or for any indirect or consequential loss or damage which may be suffered by customer in connection with the contract.

The total overall liability, including liquidated damages pursuant to Clause 10, of Supplier to the Purchaser under the contract shall not exceed 30% of the contract price.

This Clause 45 shall, however, not limit the liability of the Supplier where its liability cannot be limited in accordance with applicable laws.

DISPUTES AND APPLICABLE LAW

46. These General Conditions shall be construed in accordance with and governed in all aspects by the laws of Switzerland, however, excluding the rules of conflicts of law and excluding the Convention of the United Nations of 11.4.1980 on Contracts for the International Sale of Goods.

47. If a difference of opinion cannot be settled by the Parties themselves, the dispute shall be finally decided by arbitration in accordance with the Rules of Conciliation and Arbitration of the International Chamber of Commerce in Paris (ICC), by three arbitrators, appointed under such Rules. The arbitration proceedings shall take place in Geneva, Switzerland in the English language. The Parties will keep the existence of the arbitration or any information or document relating thereto or disclosed therein and there for confidential."

MISCELLANEOUS PROVISIONS

48. Should one of the provisions of these General Conditions or of any additional stipulations agreed upon be or become invalid, then the validity of the remaining

part of these General Conditions shall not be affected thereby. The Parties are committed to replace the invalid provision by another - with respect to the commercial effect - equivalent provision, in so far as this is possible.

49. The English language shall be the language to be used in all correspondences, instructions, catalogues, brochures, pamphlets, documents or any other data to be given and for the execution of the contract.

50. In the event one of the Parties ceases payment, or insolvency or non-judicial settlement proceedings are applied for, then the other Party shall be entitled to rescind the contract with respect to the part not yet fulfilled.

51. Any assignment or other transfer of rights and/or obligations arising out of these General Conditions or the contract is subject to the written consent of the respective other Party.

USE OF INTELLECTUAL PROPERTY RIGHTS AND CONFIDENTIALITY

52. The Purchaser shall not, under any circumstances acquire any right in or to any of the IPRs (including, without limitation, copyright) subsisting in, resulting from or relating to the Products, or any plans, descriptions, blue-prints, designs, technical information, software, documents, drawings and/or specifications relating thereto either (a) supplied by or on behalf of the Supplier to the Purchaser in connection with the Products, or (b) resulting from the Products, unless otherwise expressly agreed by the Supplier in writing. If the Purchaser intends in any way to acquire any such rights then the Purchaser shall immediately inform the Supplier and shall forthwith take such steps as may be required by the Supplier to assign such rights or vest such title in the Supplier.

53. The Supplier shall have the right to apply any trademarks, trade names and/or service marks to the Products. The Purchaser acknowledges that no rights are granted to the Purchaser by the use by the Purchaser of such trademarks, trade names and/or service marks. The Purchaser shall not deface, remove or obliterate any trademarks, trade names or logos applied by the Supplier on or in relation to the Products.

54. The Purchaser shall keep confidential and not use, without the prior written consent of the Supplier, all or any information including without limit, those supplied by the Supplier to the Purchaser or disclosed to or obtained by the Purchaser pursuant to or as a result of the Contract, and shall not divulge the same to any third party except to the extent that any such information is or becomes public through no fault of the Purchaser, or disclosure of the same is required by law or by any other governmental or other regulatory body.

EXPORT CONTROL

55. Notwithstanding any regulation regarding force majeure, as stated in these General Conditions the Supplier reserves the right to suspend at its sole discretion its performance at any time, in whole or in part, without incurring any liability, whenever such performance would be prevented by any applicable export or re-export control regulation (including but not limited to EU and U.S.-law, as the case may be) or where an export license required by such regulations cannot be obtained. In the event the performance of the contract is prevented due to the above reasons for a period of more than 180 days, Supplier or Purchaser shall be entitled to terminate the [contract] to the extent the performance is prevented. In the event an export license has been denied by the responsible authorities, Supplier or Purchaser shall be entitled to terminate the denied part of the performance immediately. As consequence of such termination Purchaser shall pay to Supplier the price of the supplies and services performed by the Supplier under the [contract] and any cost for unavoidable commitments incurred by Supplier with respect thereto. Any claims, rights and/or remedies of the Purchaser with respect to such termination shall be excluded.

56. Supplier shall provide Purchaser with a customs invoice and a packing list as standard shipping documents. Such documents are made out to the name of the Purchaser. The content and layout of such documents are defined by the Supplier and cannot be adjusted or amended. The provision of any further information or documents which might be required by Purchaser for import purposes, such as but not limited to countries of origin, HS codes (numeric codes according to the "International Convention on the Harmonized System", issued by the World Customs Organization (WCO)), certificates of origin, declarations of preferential origin or other certificates shall be subject to an individual agreement. All costs for such additional information or documents shall be borne by the Purchaser.