

GENERAL TERMS AND CONDITIONS FOR SALE OF PRODUCTS AND SERVICES

1. FIELD OF APPLICATION

The General Terms shall apply to the Agreement between the Customer and the Supplier. This includes future business transaction conducted between the Supplier and the Customer, even if the General Terms are not referred to or enclosed in the individual future case(s).

2. DEFINITIONS

"Affiliates" means any legal entity which controls is controlled by, or is under common control with, another legal entity. An entity is deemed to "control" another if it owns directly or indirectly at least fifty per cent of the shares or interests entitled to vote.

"Agreement" means (i) a Purchase Order, (ii) the Fleet Service Agreement, (iii) the General Terms and (iv) any other document or appendix specifically referred to in the Purchase Order. In case of a conflict between the terms of the documents forming the Agreement, they shall be given priority in the order set out above.

"Customer" means the legal entity purchasing Products and Services from the Supplier pursuant to a Purchase Order.

"Customer Group" means the Customer, their Affiliated Companies, contractors and their contractors and subcontractors, to the extent they are involved in the Work, and the employees of the aforementioned corporate entities and others whose services are used by the Customer.

"Contract Price" means the total price of a Purchase Order, as originally set out or later amended.

"Force Majeure" means an occurrence beyond the control of the party affected, provided that such party could not reasonably have foreseen such occurrence at the time of issuance of the relevant Purchase Order, and could not reasonably have avoided or overcome it or its consequences.

"General Terms" means these general terms and conditions for sale forming an integral part of the Agreement to which they relate, as amended from time to time.

"Products" means spare parts, materials, equipment, documentation and other goods to be delivered by Supplier to the Customer pursuant to a Purchase Order.

"LSA" means any lifesaving appliance including but not limited to lifeboats, davits, winches and rescue boats as referred to in applicable SOLAS regulations, LSA Code and IMO guidelines.

"Purchase Order" means a purchase order, call off and/or similar issued by the Customer for Products or Services to be delivered by the Supplier to the Customer, in the form set out in Appendix 1 to these General Terms.

"Services" means services and/or inspections to be provided by the Supplier to the Customer pursuant to a Purchase Order.

"Supplier" means PALFINGER MARINE AS or the affiliated Harding entity specified in a Purchase Order.

"Supplier Group" means the Supplier, its Affiliated Companies, contractors and their contractors and subcontractors, to the extent they are involved in the Work, and the employees of the aforementioned corporate entities and others whose services are used by the Supplier.

"Work" means all the Services to be provided and/or Products to be delivered by the Supplier to the Customer pursuant to a Purchase order.

3. GENERAL OBLIGATIONS

Supplier shall ensure that the Work is performed in accordance with standards of good workmanship, the Agreement specifications and in compliance with applicable laws and regulations.

The Customer shall maintain safe working conditions for Supplier's personnel and/or subcontractors' personnel

The Customer shall within reasonable time upon request provide the Supplier with all drawings, technical documents, data and specifications.

The Customer shall comply with any warnings, instructions or safety rules given by the Supplier to the Customer and acquaint itself with and apply best industry practice to the storage, handling and use of any LSA.

The Customer shall comply with all applicable regulations, rules and guidelines, including health and safety requirements, class requirements, SOLAS Regulations and applicable IMO Guidelines.

The Supplier shall only supply original spare parts in accordance with the original manufacturer's build specifications. The Customer therefore agrees that in order to maintain warranty conditions and correct and safe operation of equipment as required by SOLAS Regulations and applicable IMO Guidelines, these parts shall only be fitted by the Supplier's personnel or other personnel authorized by the Supplier. The Supplier will provide the contact details of the nearest authorized service provider upon the Customer's request.

4. OFFER, ORDER AND ORDER CONFIRMATION

All offers and cost estimates of the Supplier shall be free of charge and without obligation for the Customer.

Purchase Orders shall be issued by the Customer.

The Supplier shall confirm the Purchase Order within 8 business days as of receipt.

Divergent terms and conditions of the business of the Customer shall only be valid if specifically accepted by the Supplier in writing. This shall also apply in the events where the Buyer refers to its own general terms and conditions in a Purchase Order.

If an order confirmation should diverge from the contents of the preceding Purchase Order from the Customer, or if the Supplier fails to confirm the Purchase Order in accordance with the preceding paragraph, then the Customer shall be bound and committed only if the Customer agrees to the deviation or the delayed confirmation in writing.

5. VARIATIONS

The Customer has the right to order variations in quality, quantity or time of delivery of the Goods and/or Services, provided that such variations do not exceed what the parties could reasonably expect when the Purchase Order was executed by the Customer.

Variations shall be requested by the Customer in writing. The Supplier shall within 5 business days by written notice confirm any effects on the Contract Price, time of delivery and technical specifications. All adjustments in the Contract Price shall correspond with the pricing method and principles applied for the rest of the Purchase Order.

The variation work and the effects thereof shall be approved by the Customer in writing, and the Supplier shall not be under any obligation to carry out any variation work before the parties have agreed on the effects of the variation in question.

6. PAYMENT

The Customer shall pay the agreed price for the Work as set out in the Purchase Order and as invoiced by Supplier within 30 days of receipt without any deduction.

The Supplier shall be entitled to claim interest at a rate of 1 (one) % per month on any overdue payment from the due date until payment in full is received, The Customer shall indemnify the Supplier from and against any administrative expenses, legal costs or other costs in connection with the recovery of overdue payments.

The Customer shall cover the cost of hotel, subsistence, travelling and any other ancillary expenses reasonably incurred by Supplier's personnel and/or its sub-contractors in connection with the Work.

All prices are exclusive of value added tax (VAT) unless otherwise specified in the Purchase Order.

7. SUB-CONTRACTORS

Supplier may sub-contract any part of the Work subject to the prior written consent of the Customer, such consent not to be unreasonably withheld. The Supplier shall supervise and control such sub-contracted work as far as reasonably practical.

8. DELIVERY AND DELAY BY THE SUPPLIER

Delivery of the Work shall take place in accordance with the schedule set out in the Purchase Order. If no specific schedule has been agreed upon, the Supplier will perform the Work within a reasonable period of time. Delivery of Products shall be made Ex Works (in accordance with INCOTERMS (or any other standard substituting them)) at the time and place indicated by the Customer in the Purchase Order.

If the Supplier anticipates that it may not be able to perform the Work within the time specified in the Purchase Order, it will notify the Customer and provide a revised estimate for the performance of the Work.

The Supplier shall be entitled to an extension of time for completion of the Work if a delay occurs due to (i) any circumstances referred to in Clause 12, (ii) any variations in the Work ordered by the Customer, (iii) any act or omission on the part of the Customer or any other circumstance for which the Customer is responsible.

If delivery of the Work is delayed due to reasons for which Supplier is wholly responsible, the Customer is entitled to liquidated damages amounting to 0.3 (zero point three) % of the value of the delayed part of the Work per commenced calendar day of delay, provided that the Customer can demonstrate that he is delayed, or suffers a loss, due to Suppliers delay. The Supplier's cumulative liquidated damages shall be limited to 10 (ten) % of the agreed price for the Work as set out in the Purchase Order, and represents the sole remedy available to the Customer in the event of delay.

9. TITLE, RISK AND INSURANCE

Title and risk to the Products and Services shall pass to the Customer on delivery, as set forth in Clause 8. However, the Products shall remain the property of Supplier until paid for in full to the extent that such retention of title is valid under the applicable law.

Supplier will at all times maintain general third party liability insurance with a reputable insurer limited to USD 1 (one) million per event.

Notwithstanding the Supplier's limitation of liability specified in Clause 11, the Customer shall maintain adequate insurance against any and all risks or liabilities in relation to any LSA and all relevant ships, rigs, hull and machinery, stores, crew, passengers, equipment and other property or interests owned or held by the Customer.

Both parties shall ensure that their respective insurers waive all rights of subrogation against the other party and/or its personnel, sub-contractors, agents, employees, directors, and officers.

10. DEFECTS AND GUARANTEES

The Supplier guarantees, for a period of 12 months following the date of delivery, that the Products and Services conform to the specifications in the Purchase Order and that the Products are free of fault in material, workmanship, design and function.

If the Products and/or Services or parts thereof are found to be defective during the guarantee period, the Supplier shall within reasonable time remedy the defects. The Supplier shall however under no circumstances be liable for costs relating to

- i) dismantling of other objects than the Work to provide access to the Work;
- ii) board and lodging offshore;
- iii) transport to, from and at the offshore location;
- iv) heavy lift operations offshore, or
- v) extra costs associated with guarantee work performed below the water line.

The guarantee period for rectification work is 12 months after completion thereof. However, the total guarantee period, including rectification work, shall not exceed 18 months from the date of delivery.

The Customer shall examine the Products and Work upon delivery. If any defects are found, the Customer shall notify Supplier thereof in writing immediately thereafter. Such notice to the Supplier shall contain a specific description of the defect.

The remedies specified in this Clause represents the Customer's sole remedies in respect of defective Products and/or Services.

11. LIMITATIONS OF LIABILITY AND INDEMNIFICATION

The Supplier shall indemnify the Customer Group from and against all claims, losses or damages concerning: a) the injury to or death of any employee of the Supplier Group, and b) loss of or damage to any property of the Supplier Group arising out of or in connection with the Work. This applies regardless of any form of liability, whether strict or by negligence, in whatever form, on the part of the Customer Group.

The Customer shall indemnify Supplier Group from and against all claims, losses or damages concerning: a) the injury to or death of any employee of the Customer Group, and b) loss of or damage to any property of the Customer Group arising out of or in connection with the Work. This applies regardless of any form of liability, whether strict or by negligence, in whatever form, on the part of the Supplier Group.

The Supplier shall indemnify the Customer Group from the indirect losses of the Supplier Group and the Customer Group shall indemnify Supplier Group from the indirect losses of the Customer Group. This applies regardless of any liability, whether strict or by negligence, in whatever form, on the part of either the Customer Group or the Supplier Group. Indirect losses according to this provision shall include, but not be limited to: loss of earnings, loss of profit, loss of production, loss of business opportunity, loss of time or demurrage, loss of goodwill or reputation, loss resulting from liability to any other person or entity, or any other indirect, special or consequential loss whatsoever.

The Supplier shall indemnify the Customer Group from and against any claims arising out of loss or damage suffered by any third party caused by the Work, to the extent that such loss or damage

is caused by the defective performance of the Work or any other breach of the Supplier Group's obligations hereunder.

The Customer shall indemnify the Supplier Group from and against any claims arising out of loss or damage suffered by any third party caused by the Work, to the extent that such loss or damage is caused by any breach of the Customer Group's obligations hereunder.

Notwithstanding any other provision in the General Terms or the Agreement, the Supplier's total cumulative liability with respect to the Agreement, whether based on contract, warranty, negligence, strict liability or otherwise, shall not exceed MUS\$ 1 (one million) or 100 % of the value of the applicable Purchase Order (whichever is less), and the Customer shall indemnify the Supplier Group from and against any liability in excess thereof.

12. FORCE MAJEURE

Neither of the parties shall be considered to be in default in performance of its obligations under the Purchase Order to the extent such performance has been prevented by Force Majeure.

The party invoking Force Majeure shall notify the other party in writing without delay on the intervention and on the cessation of such circumstance.

In the event that a party's performance of its obligations hereunder has been prevented or delayed due to Force Majeure, the date or dates for such performance shall be postponed for such time as the performance has been prevented or delayed on account thereof.

If the period of prevention or delay in performance of the obligations under the applicable Purchase Order due to Force Majeure exceeds 6 (six) months, the Purchase Order shall automatically be terminated unless otherwise expressly agreed between the parties in writing.

13. INTELLECTUAL PROPERTY RIGHTS

Drawings, specifications, data-discs and other information or documentation, intellectual property rights in any way or form (including without limitation designs, knowhow, trademarks, patents, all whether registered or not) provided by the Supplier to the Customer shall remain the property of the Supplier and shall not be disclosed to any third party without the Supplier's prior written approval.

14. CONFIDENTIALITY

All of the Supplier's professional secrets and all other descriptions, procedures, models, etc., which the Customer has received from the Supplier in connection with the delivery of Goods and/or Services shall be regarded as confidential information. Such information must not be duplicated or used for other purposes than the performance of the delivery. Irrespective of what is provided in Clause 11, the Customer is liable for any losses suffered by the Supplier as a consequence of breach of this Clause.

Neither party may disclose information about the signing, termination or content of contracts between the parties without the prior written consent from the other party.

15. GOVERNING LAW & JURISDICTION

The Agreement is governed by and shall be construed in accordance with the laws of the Netherlands with the exclusion of UN-sales-convention and private international law.

Any dispute, controversy or claim arising out of or relating to the Agreement, or the breach, termination or invalidity thereof, shall be referred to exclusive jurisdiction of the court competent in the respective matter for Schiedam (the Netherlands).

These General Terms will always be available at the Supplier's internet home page, as amended from time to time – palfingermarine.com