

GENERAL TERMS AND CONDITIONS OF CONTRACT of BORA MARE d.o.o.

1. Definitions

In these General Terms and Conditions of Contract (hereinafter referred to as the "Terms and Conditions"), the following terms shall have the following meaning:

- "Supplier": any supplier of Goods and/or Services under an Agreement;
- "Customer": the party with whom the Supplier entered into an Agreement;
- "Agreement": the specific written sales and/or service contract or acknowledgement of order, with appendices, between the Supplier and the Customer, including these Terms and Conditions, which form an integral part thereof;
- "Services": any services like jobbing, erection, installation, commissioning, technical assistance, inspection, advice, repair, overhaul and/or maintenance that the Supplier has undertaken to provide, whether or not subsidiary to Delivery of Goods and regardless of their appellation;
- "Goods": any goods the Supplier has undertaken to supply, including software and/or hardware, spare parts, certificates and/or documentation required for proper Performance;
- "Acceptance Protocol": the document to be issued and signed by both parties, which shall constitute evidence that the Goods delivered and /or Services provided have been found to be in accordance with an Agreement;
- "Delivery": the delivery of the Goods, as agreed between the parties in accordance with the Agreement;
- "Performance": the provision of Services and/or the supply of Goods by the Supplier;
- "Contract Price": the price to be paid to the Supplier in connection with the Delivery of Goods and/or provision of Services under the Agreement.
- "Personnel": all personnel either directly or indirectly employed or hired by the Supplier, including representatives of the Supplier

2. General

- 2.1 These Terms and the Agreement can be amended and supplemented only if such amendment or supplement has expressly been agreed upon as such in writing.
- 2.2 The Agreement replaces all prior oral and written agreements with respect to the subject matter of the Agreement.
- 2.3 Supplier's offers are without engagement.
- 2.4 The Agreement is conditional on obtaining of all relevant export licenses.
- 2.5 The Supplier shall be entitled to subcontract or assign any part of its rights and obligations out of the Agreement.

3. Obligations of the Customer

The Customer warrants that the Supplier will be enabled to commence and effect Performance outside Supplier's works immediately upon arrival of Supplier's Goods or Personnel and without interruption or hindrance. For this purpose, the Customer shall, before the arrival of Supplier's Goods or Personnel, make all the arrangements necessary - whether or not expressly agreed upon- to ensure that the work can commence at the agreed date and can be carried out without interruption or hindrance.

3.1 Technical, Safety and Storage Assistance

- 3.1.1 In case the Performance takes place at the premises of the Customer, the Customer shall take all measures prescribed by law and/or any other reasonable measures necessary for the prevention of accidents at his premises. The Customer shall inform the Supplier at least 7 days before commencement of any work in writing of the valid safety precautions and shall ensure that his personnel

responsible for safety matters is present during the times that Performance is to take place. The Supplier is entitled to refuse or suspend Performance if the safety of his Personnel is not sufficiently guaranteed.

- 3.1.2 In addition to article 3.1.1, the Customer shall, at no charge, provide the Supplier with all assistance the Supplier reasonably requires, such as -but not limited to- skilled and unskilled personnel, the necessary devices, implements and auxiliary means, in particular the tools for the assistant personnel and hoisting gear of sufficient capacity (including operating staff), scaffolding etc., as well as cleaning, packing and lubricant materials. Furthermore, the Customer shall supply heating, lighting, water and electricity and their connections in sufficient capacity and quantity as well as welding gas and other working requirements in so far as these are not to be provided by the Supplier under the terms of the Agreement. The equipment made available by the Customer shall be safe and in perfect condition.
- 3.1.3 The Customer shall at all times bear responsibility for the storage of all Goods delivered, including Spare Parts and other materials, at least in a dry, closed and lockable room on the site or in its near vicinity, in accordance with normal practice and/or the instructions issued by the Supplier. Prior to the commencement of work or installation of these Goods, they shall be checked by the Customer, in order to make sure that the Goods are complete and undamaged. Goods lost or damaged during storage shall be replaced or repaired at the expense of the Customer.

3.2 Documentation

- 3.2.1 The Customer warrants that all documents and licenses required in connection with the import and export of the Goods and/or the stay of Supplier's Personnel in the country and at the premises of the Customer shall be available at the time of arrival of the Goods and/or Personnel.
- 3.2.2 The Customer shall, at no charge, provide the Supplier timely with any information reasonably required in connection with the Agreement, such as - but not limited to - relevant technical documentation, logs, inspection reports and import licenses.
- 3.2.3 The Customer shall keep any information received from the Supplier strictly confidential, and shall use such information solely for the proper performance of the Agreement. All information provided by the Supplier shall be returned by the Customer to the Supplier on Supplier's first request.

3.3 Intellectual property rights

- 3.3.1 All intellectual property rights, including but not limited to, all drawings, designs, (technical) documentation, building specifications, computer programs, as well as the carriers on which such rights are laid down (hereafter jointly: "I.P.- rights"), which come to the knowledge of the Customer during the contract, will at all times remain vested in and the property of the Supplier and will be returned to the Supplier upon first request or immediately upon fulfilment of the contractual obligations of both the Customer and the Supplier.
- 3.3.2 All IP-rights produced or developed by or on behalf of the Customer for or during the Contract, are hereby transferred and assigned to the Supplier which transfer and assignment the Supplier hereby accepts. The Customer shall at first request of the Supplier perform any act, if any, required by the applicable law to conclude full transfer of the IP-rights to the Supplier, including signing additional documents. The Customer hereby transfers in advance all future IP-rights ("Future IP-rights") to the Supplier, which transfer is hereby accepted by the

Supplier to the extent that the law does not permit transfer in advance of the Future IP-rights, the Customer will, upon the establishment of any Future IP-rights and at first request of the Supplier, perform any act required for the transfer of the Future IP-rights. The Customer hereby grants the Supplier an irrevocable power of attorney to perform – in the name of the Customer – all acts necessary to conclude the transfer pursuant to the aforementioned IP-rights.

- 3.3.3 In the event parties decide to deviate from the term and conditions as laid down in the paragraphs 3.3.1 and 3.3.2, and agree in writing that the (Future) IP-rights or any part thereof will be transferred and assigned to the Customer, the Customer will give the Supplier a perpetual, world- wide, exclusive, royalty-free and non-transferable license for the use, including but not limited to exploitation, publication and copying, of the (Future) IP-rights or any part thereof.

4. Terms for Performance

4.1. Place of Performance

The place of Performance shall be stated in the Agreement. In case the Agreement does not specify a place of Performance, such place shall be determined by the Supplier at its discretion after consulting the Customer.

4.2 Times of Performance

- 4.2.1 Time(s) or periods of Performance shall be stated in the Agreement. Any time or period of Performance that differs from the Agreement shall only be binding if they have been agreed upon by the Supplier in writing. If Performance is to take place during a specific and fixed period of time by the expiry of which Performance is deemed to be completed, any such period will not commence until all contractual obligations of the Customer have been met, all payments due have been made, security desired by the Supplier has been put up and/or any other preconditions have been fulfilled.
- 4.2.2 In case the Agreement does not specify the time of Performance, such time shall be determined by the Supplier at its discretion after consulting the Customer. However, as far as the Agreement sees to the provision of Services, the date of Performance mentioned in the Agreement shall be an estimate only. The Supplier shall make every reasonable effort to effect Performance at the said date.

4.3 Delay in Performance

- 4.3.1 If Performance is delayed due to (i) any act or omission of the Customer or (ii) the Customer failing to perform any of the obligations mentioned in article 3 of these Terms and Conditions, the Supplier is entitled to extend the time of Performance with a reasonable period which is at least equal to the additional period of time caused by such delay. Furthermore, it is expressly agreed that the Supplier shall have the right to extend the time of Performance in the event that (i) the Supplier has not received the advance payment (or another contractual payment) as stipulated in the Agreement, or (ii) the Customer has not provided security that complies with the requirements in the Agreement.
- 4.3.2 Any additional costs arising from delay which is attributable to the Customer, shall be borne by the Customer.
- 4.3.3 In case the Supplier fails to Perform in time due to reasons attributable only to the Supplier, a grace period of two weeks shall apply. Thereafter, the Customer shall be entitled to claim liquidated damages of 0.5% for each completed week of delay, calculated on the value of the delayed Goods. Liquidated damages shall in no case exceed 5% of the value of the delayed Goods. Liquidated damages shall only be due if the Customer proves that the delay caused damage and the amount of the loss suffered can be substantiated accordingly. Liquidated damages

shall be the Customer's only remedy for losses incurred as a result of delay in Performance. Damages other than the said liquidated damages are explicitly excluded.

- 4.3.4 In case of any occurrence, either foreseeable or not, beyond the reasonable control of the Supplier or any of his sub-Suppliers, which prevents the Supplier from effecting Performance ("Force Majeure"), the date of Performance will be extended with at least the period of Force Majeure. Cases of Force Majeure are in particular -but not limited to- fire, war or warlike acts, riots, insurrection, mobilization, floods, earthquakes and other natural disasters, epidemics, quarantine measures, strikes, lockouts, requisitioning, restriction of foreign currency transfer, transport restrictions, and restrictions in the issue of permits for the Personnel, importation and exportation of Goods, tools and/or materials.

4.4 Special provisions for Delivery of Goods

- 4.4.1 The Customer shall have no right to reject or refuse Delivery or acceptance of Goods due to minor defects which do not prevent the normal operation of the Goods, provided that the Supplier agrees to remedy such defects after the Delivery of the Goods, in compliance with the Agreement.
- 4.4.2 All Goods shall be delivered Ex Works, excluding packaging, Suppliers premises, Croatia, unless expressly otherwise agreed upon.
- 4.4.3 In the event that dispatch or collection of the Goods at the designated place of delivery is delayed for reasons beyond Supplier's control, the Supplier shall be entitled to store the Goods at the expense of the Customer in a warehouse at Supplier's choice. Upon storage, Delivery shall be deemed completed and the risk for the goods shall transfer to the Customer accordingly.
- 4.4.4 Unless otherwise agreed upon, the Supplier shall be permitted to deliver the Goods in partial shipments. Each shipment may be invoiced separately, in which case the Customer shall pay the separate invoices as part of the total Contract Price.
- 4.4.5 Any alteration of regulations either by Governments or Classification Societies after the moment on which the Supplier and the Customer entered into the Agreement, can never be a ground for liability of the Supplier.

4.5 Special Provisions for the provision of Services

4.5.1 General terms of service and working hours

- (1) Performance shall be considered completed when either
 - the Supplier has notified the Customer that the provision of Services has been completed and the Protocol of Acceptance was signed; or
 - eight days have elapsed from the time the Supplier notified the Customer as above and Customer has neglected to inspect the Services provided within this time and/or failed to notify Supplier in writing of its approval or rejection,
 - the Customer commences, without the approval of the Supplier and during the term of Performance, the use or the operation of the Goods on which the Services were provided.
- (2) Unless expressly otherwise agreed upon in the Agreement, Services shall be provided during a working week which shall be in accordance with normal industry practice. A working day is deemed to be a man-day.
- (3) Hours worked outside these normal working hours, on Sundays or on official holidays will be charged separately as overtime.
- (4) Supplier's Personnel will be guided, if possible, by the operational conditions at the Customers premises and by the climatic conditions of the country.

4.5.2 Additional Obligations of the Customer for the provision of Services

- (1) During Performance, the Supplier is entitled to replace the Personnel delegated by him by other qualified Personnel.

5.0 Terms & Condition – Maintenance Contract

A maintenance contract with Bora Mare d.o.o. includes different kind of advantages. These advantages are valid from the date of issue of the contract until the last day that it will expire. Bora Mare d.o.o. is requesting (not obliged) that all vessels under contract, will carry the Bora Mare flag during navigation and mooring.

5.1 Contract Advantages:

- 5.1.1 Bora Mare d.o.o. will issue an automatic discount on Labour Hours. This discount will have the amount of 10%.
- 5.1.2 Bora Mare d.o.o. will issue an automatic discount on Spare Parts. This discount will have the amount of 10%.
- 5.1.3 Bora Mare d.o.o. will perform a free (non-solas) APT on the vessel(s) that are under contract. In these tests all equipment will be checked and received.
- 5.1.4 Bora Mare d.o.o. will attend every vessel within the 12 hours in case of service. In order to guarantee the attendance, the vessel has to be located in Croatian waters.
- 5.1.5 Bora Mare d.o.o. is giving a priority on all incoming requests (installation, service, offers and sending of goods) that are coming from the vessel that is under contract.
- 5.1.6 The customer; who signed a contract with Bora Mare d.o.o., is obliged to inform every change that is made in the company concerning the legal name, address, country, OIB, VAT, or other legal financial related cases.

5.2 Termination of the Contract:

- 5.2.1 The customer has the right to terminate the contract within the 12 months, if Bora Mare d.o.o. doesn't live up to the before mentioned conditions. (see contract advantages)
- 5.2.2 Bora Mare d.o.o. had the right to terminate the contract, when the customer doesn't live up to the before mentioned conditions. The termination will be notified by post letter and without refund of the remaining time the contract is valid.
- 5.2.3 When the customer doesn't want to prolong the contract, this has to be indicated by means of an e-mail or post letter. In this notification all needed information has to be mentioned. Contract number, Legal parameters of the customer.
This letter has to be sent at least 14 days before the expiration of the contract. All letters after this period will be considered as not received.

5.3 Extension of the Contract:

After the expiration date, if the customer doesn't notify Bora Mare on the predefined manner, Bora Mare d.o.o. reserves the right to automatically extend the contract with another 12 months. An invoice will be issued for the contract.