GKC REPAIRS & MAINTENANCE LTD

TERMS AND CONDITIONS

General

These Terms and Conditions shall apply to every transaction for the supply of goods and services, including consultancy services, by GKC REPAIRS AND MAINTENANCE LIMITED ("the Contractor") to a purchaser ("the Customer"), and shall prevail over any other documentation or communication from the Customer unless otherwise agreed in writing (the "Contract"). Only orders accepted in writing shall be binding upon GKC REPAIRS AND MAINTENANCE LIMITED. An accepted order can only be cancelled or varied with GKC REPAIRS AND MAINTENANCE LIMITED consent.

The Contract

- 1. Manpower supply means that the contractor will introduce to the Customer a candidate who will carry out a specific job under the instructions of Chief engineer or Customer's representative.
- 2. The price of the Services or Goods shall be the Contractor's quoted price ("the Price") and shall be exclusive of VAT and disbursements. Quotations will be valid for 30 days from issue.
- 3. Unless otherwise agreed, the Customer shall pay the Price, VAT and disbursements without deduction or set off (whether or not formally demanded) within 30 days from the date of the invoice. The time of payment shall be of the essence to the Contract.
- 4. If the Customer fails to make any payment when due then, without prejudice to any other right or remedy available to the Contractor, the Contractor shall be entitled to:
 - 4.1 Cancel the Contract or suspend any other further deliveries to the Customer;
 - 4.2 Charge the Customer interest (both before and after any judgment) on the amount unpaid at the rate of 12% per annum until payment in full is made, such interest to be compounded in quarterly intervals:
 - 4.3 Withdraw all credit facilities offered to the Customer and require immediate payment of any and all outstanding invoices issued by the Contractor to the Customer whether or not they are due for payment;
 - 4.4 Cancel and withdraw any trade or other discount allowed to the Customer on the Price.
- 5. In any contract for the delivery of Goods or Services by installments, each and every installment shall constitute a separate Contract. Any breach of the Contract in respect of any installment by the Customer shall entitle the Contractor to treat the whole Contract as repudiated by the Customer.
- 6. The Contractor shall be entitled to charge at their prevailing hourly rate for personnel and equipment in respect of any delay in the commencement of maintenance or repair services to vessels where this delay arises from the non-availability of the vessel at the specified location, a change of berth before the completion of the work or lack of safe access to the work area.
- 7. Any increase in the cost of the Contractor's supplying Goods or Services caused by any breach, default, delay or variation by the Customer of its obligations under the Contract, any factor beyond the control of the Contractor, any change in supply dates or to the scope of Services or Goods to be supplied which are required by the Customer, any delays caused by instructions of the Customer or failure of the Customer to give the Contractor adequate information or instructions on acceptance of the quotation or at any point thereafter, or any inability on the part of the Contractor properly to perform the Services using normal proprietary equipment, shall be paid by the Customer and shall include the actual cost (including establishment charges) of additional work done and additional materials and Services necessary to complete the Contract.
- 8. The Customer shall be entitled to terminate the Contract at any time by giving no less than one months' written notice to the Contractor.
- 9. No third party shall acquire rights or benefits under the Contract.

- 10. Any notice given under the Contract shall be in writing addressed to the registered office or principal place of business of the addressee or such other address as may have been notified as the correct address.
- 11. No waiver by the Contractor of any breach of any provision of the Contract by the Customer shall be considered as waiver of any subsequent breach of the same or any other provision.
- 12. These conditions and each Contract shall be governed by and construed in accordance with the laws of Greece and the Customer and the Contractor submit to the exclusive jurisdiction of the Greek Courts.
- 13. The Contractor has the right to seek assistance from an external workshop appointed by it for the carrying out of maintenance work. If the Contractor receives assistance from such workshop, it does not imply any curtailment of the customer's obligations pursuant to this agreement.

Information

- 14. The Customer must supply to the Contractor such technical documentation as is necessary to carry out the agreed upon maintenance work, e.g. drawings, descriptions, diagrams and instructions. The same shall apply to the customer's operating and daily maintenance records or equivalent documents. Such documentation remains the property of the customer and shall not be used for any other purpose other than to carry out the agreed maintenance work. The Customer shall retain duplicate copies of all documents, drawings, designs, specifications or other materials, data or information provided by the Customer ("Input Material"). The Customer warrants that Input Material will not infringe the copyright or other rights of a third party and the Customer shall indemnify the Contractor against any loss, damage, costs, expenses or other claims arising from any such infringement. The Contractor shall have no liability for any such loss or damage, however caused. Where the Contractor is providing consultancy Services, the Customer shall inform the Contractor of any Input Material or Output Material (as defined below) it wishes to be considered confidential and the Contractor shall, if so requested, enter into a mutually acceptable confidentiality agreement to protect the Customer's interests.
- 15. All reports, descriptions, technical data, drawings, dimensions, illustrations, particulars of performance, specifications, videotapes, photographs, films, digitized information, statements and all information submitted to the Customer by the Contractor in connection with the supply of Goods and Services, ("Output Material") and the copyright in them, shall remain the property of the Contractor except Output Material that becomes the property of the Customer as part of consultancy Services.
- 16. For the purpose of carrying out maintenance work, the Contractor shall maintain a record, or similar document on observations and measures carried out. Copies of the record etc shall be sent to the Customer after maintenance has been carried out.

Regulations and Safety

- 17. All quotations for work to be carried out at anchorages or berths are subject to permission being granted by the relevant authorities for such work to be carried out. The Customer warrants that performance of the Contract will not infringe any relevant laws, regulations or guidelines and will comply with relevant permissions or consents.
- 18. The Customer's site representative or, when the Contractor is supplying maintenance or repair Services on a vessel, the Master of the vessel or his Deputy, shall at all times cooperate fully with the Contractor's representative to safeguard the safety of all of the Contractor's personnel and subcontractors and shall ensure:
 - 18.1 unimpeded safe access to all work areas and to relevant records kept by the Customer to enable the Contractor to perform its duties;
 - 18.2 That the work areas are in good order and work can continue uninterrupted and that all necessary facilities are provided on site;
 - 18.3 That any machinery likely to present a hazard to the Contractor's personnel is secured and made safe;

- 18.4 The customer shall ensure that all necessary safety equipment are present and in good working order at the work place;
- 18.5 The customer shall ensure that the Contractor's personnel receive information on the dangers which may be present at the work place and the risks involved in making use of the tools and equipment provided by the Customer;
- 19. All services shall be provided and all goods delivered in accordance with the instructions of the Customer, who has the obligation to monitor the work's progress at his own expense and under his own responsibility.
- 20. The Customer shall be responsible for any and all chattels, property, tools and equipment etc property of the Contractor, left for whatever reason or purpose on the ship or on the work premises and the Customer shall never acquire title of property to such goods or objects.
- 21. When working abroad, unless otherwise agreed, the Customer shall:
 - 21.1 free of charge, make available to the Contractor at the proper time on the site all necessary cranes, lifting equipment and equipment for transport on the site, auxiliary tools, machinery, materials and supplies (including fuel, oils, grease and other materials, gas, water, electricity, steam, compressed air, heating, lighting, etc), as well as the measuring and testing instruments of the Customer available on the site.
 - 21.2 provide, in the immediate vicinity of the site, the following facilities free of charge:
 - 21.2.1 Adequate storage sheds, provided with locks, equipment with shelves and bins for tools and equipment and supplies for erection and installation;
 - 21.2.2 Adequate changing rooms provided with locks and washing facilities, for the use of the Personnel;
 - 21.2.3 Adequate furnished offices, provided with locks and with telephone and telefax facilities, for the Personnel in charge;
 - 21.2.4 Toilet facilities and drinking water on the site.
- 22. The Customer shall at his own cost
 - 22.1 provide the equipment and tools required for the work as specified in the contract;
 - 22.2 carry out preparatory work in a workmanlike manner;
 - 22.3 provide competent interpreters to the personnel of the Contractor at the site during the performance of the contract;
 - 22.4 shall give all necessary assistance with the custom's formalities required for the import and re-export of the Contractor's equipment and tools free of all duties and taxes;
- 23. In the event of accident or illness of the personnel of the Contractor necessitating medical attention or hospital treatment, the Customer shall assist the Contractor to obtain the best available medical attention, hospital treatment and medicines, whether the accident or illness occurs in or outside working hours.
- 24. If the Contractor considers it necessary to send any member of the personnel home on medical grounds or in the vent of death, the customer shall give the Contractor all reasonable assistance in arranging the persons return home or the transport of the deceased. The cost of any such return or transport shall be borne by the Contractor.
- 25. Every Contractor's employee on embarking shall be insured by the Customer through P&I CLUB for sickness, accident or death.

Insolvency

26. If the Customer makes any voluntary arrangement with its creditors, becomes subject to an administration order, or (being an individual or firm) becomes bankrupt, or (being a company) goes into liquidation (other than for the purposes of amalgamation or reconstruction), or any the beneficiary of any encumbrance takes possession, or a receiver is appointed over any of the property or assets of the Customer, or the Customer ceases or threatens to cease to carry on business or the Contractor reasonably apprehends that any events mentioned in this clause is about to occur (and notifies the Customer accordingly) then, without prejudice to any other right or remedy available to the Contractor, the Contractor shall be entitled to cancel the Contract without any liability on the part of the Contractor and the Price shall become immediately due and payable notwithstanding any previous agreement or arrangement to the contrary.

Warranties and Liabilities

- 27. Subject as provided below the Contractor warrants that the Services will be performed with all reasonable skill and care and that Goods, at the time of delivery, will correspond to their specification and shall be free from defects in materials and workmanship. All other warranties, conditions or other terms implied by statute or common law are excluded to the fullest extend permitted by law.
- 28. The Contractor shall be under no liability whatsoever to the Customer for any loss, damage or expense of whatsoever nature and howsoever arising unless the same is proved to have resulted solely from the negligence, gross negligence or willful default of the Contractor or its employees, agents or sub-contractors in which case (save where loss, damage or expense has resulted from the Contractor's personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage or expense would probably result) the Contractor's liability for each incident or series of incidents giving rise to a claim or claims shall never exceed the amount invoiced to the Customer.
- 29. Except in respect of death or personal injury caused by the Contractor's negligence, the Contractor shall not be liable to the Customer in respect of indirect, special or consequential loss or damage including (but not limited to costs, expenses, loss of profit, business, revenue, contract, goodwill, opportunity or demurrage or other claims which rise out of or in connection with the provision of the Services or the supply of the Goods.
- 30. All liability of every kind of the Contractor shall cease on the expiration of six months after the Services have been performed or the Goods delivered.
- 31. Any claim by the Customer which is based on any defect in the performance of the Services or Goods or their failure to correspond with any specification must be notified to the Contractor within 7 days from the date of completion of the Services or delivery of the Goods or (where the defect was not apparent on reasonable inspection) within a reasonable time after discovery of the defect or failure. If there is reason to believe that the defective maintenance work or defect may entail risk of injury, the notification of defects shall occur immediately.
- 32. The Customer has the obligation to hold the Contractor free and harmless from and against any and all claims for damages from third parties and all complaints filed and actions brought against the Contractor in connection with damage or losses resulting from the subject matter of the contractual services.
- 33. If a third party advances a claim against the Contractor or the Customer for compensation for damage, which has been stated in this article, the other party shall be informed thereof immediately.
- 34. Where any valid claim is notified to the Contractor, the Contractor shall be entitled to remedy the defect free of charge to the Customer or, at the Contractor's sole discretion, grant credit to or refund the Customer the Price, or a proportionate part of the Price, but the Contractor shall have no further liability.
- 35. The Contractor shall not be liable to the Customer or be deemed to be in breach of contract where performance of its obligations is prevented, frustrated or impeded as a result of any act of God, war or civil disturbance, strikes or other industrial action, government or other authority, laws, regulations or orders, national emergencies, lockout, fire, flood, drought, tempest, import or export restrictions, power failure, blockade, difficulty in obtaining materials or any other cause beyond the control of the Contractor.
- 36. Trials or movements of a vessel shall be at the Customer's sole risk in every respect and neither the Contractor nor any sub-contractor shall be under liability whatsoever to the Customer for any act or default in or arising out of such trials and movements.
- 37. The Contractor shall be under no liability arising from any Input Material supplied by the Customer.
- 38. The Contractor shall be under no liability, unless the Price for the Service or Goods has been paid in full.

Sale of Goods

- 39. The Contractor shall use its reasonable endeavors to meet any date quoted for delivery of Goods but time of delivery shall not be of the essence and the Contractor shall not be liable for any delay. Delivery shall be made to the address agreed with the Contractor. Risk of damage to, or loss of, the Goods shall pass to the Customer upon delivery.
- 40. If the Customer fails to take delivery of the Goods or fails to give adequate delivery instructions to the Contractor then, without prejudice to any other right or remedy available to the Contractor, the Contractor may store the Goods until actual delivery and charge the Customer for the reasonable costs (including insurance) of storage and, after a period of 30 days sell the Goods at the best price readily obtainable and (after deducting reasonable storage and selling expenses) account to the Customer for the excess over the price or charge the Customer the amount of any shortfall.
- 41. The Customer shall be responsible for obtaining import licenses and for complying with all regulations governing the admission of the Goods into the country of destination and for payment of all custom duties, port dues and other charges.
- 42. Property in the Goods shall not pass to the Customer until the Contractor has received payment in full of all sums due to the Contractor from the Customer. Until property in the Goods passes to the Customer, the Customer shall keep the Goods separate, properly stored, protected and insured and identified as the Contractor's property and the Customer shall not pledge or charge the Goods by way of security or otherwise. The Customer shall be entitled to resell or use the Goods in the ordinary course of its business but shall immediately account to the Contractor for the proceeds of sale of the Goods and shall keep all such proceeds separate from any monies of the Customer and third parties and, in the case of tangible proceeds, properly stored, protected and insured. The Contractor shall be entitled at any time to require the Customer to deliver up the Goods to the Contractor and if the Customer fails to do so, to enter upon any premises of the Customer or of any third party where the Goods are stored and repossess the Goods.
 - Any breach of this clause by the Customer shall cause all monies owing to the Contractor to become immediately due and payable.
- 43. The Contractor reserves the right at all times to substitute other materials for materials specified where the specified materials are not readily available, provided that in the Contractor's view the substituted materials are fit for purpose.

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