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## GENERAL TERMS AND CONDITIONS OF PURCHASE AS OF 04/2017

### 1. GENERAL - SCOPE; CONCLUSION OF CONTRACT

- 1.1. The following Purchase Conditions of the company which issued the purchase order (hereinafter the "Purchaser") shall form an integral part of any and all contracts concluded with the suppliers and other contractors (hereinafter the "Supplier") of the Purchaser. Any terms and conditions of the Supplier deviating from, contrary to or in addition to the Purchaser's terms and conditions as put forward by the Supplier will only form part of this contract if the Purchaser has expressly consented to it in writing.
- 1.2. Supplier's offers submitted to the Purchaser shall be binding and free of charge. The quantities, quality, design and/or any other detail stated in the Supplier's offer shall comply with the Purchaser's inquiry.
- 1.3. The Purchaser's order shall only be binding on the Purchaser once the Purchaser has made them in writing.

### 2. SCOPE OF SUPPLY

- 2.1. The Supplier shall perform any deliveries and/or services as contractually agreed (hereinafter the "Works").
- 2.2. If the Works or parts thereof are classification society relevant they must comply with the respective requirements of the involved classification society.
- 2.3. The Supplier shall scrutinize all technical requirements as well as all calculations, drawings and other documents provided by the Purchaser and examine all deliveries made by or on behalf of the Purchaser and shall give notice to the Purchaser without undue delay after provision or delivery, as the case may be, in case of any omission, ambiguity, error, fault or other defect in the Purchaser's requirements, documents or deliveries. Upon receipt of a respective notice, the Purchaser shall determine whether Clause 15 shall apply, whereby it is understood that the delivery times/deadlines or times/deadlines of performance will not be postponed or extended and an entitlement for adjustment of the contract price shall in any case be excluded, if and to the extent an experienced contractor exercising due diligence would have discovered the omission, ambiguity, error, fault or other defect prior signing of the contract.

### 3. LAW, RULES AND REGULATIONS

- 3.1. The Works shall comply with the current state of science and technology and the requirements of the applicable law, rules and regulations as well as, if the Works are classification society relevant, with the standards of the involved certifying authorities and classification societies which are announced at the date of signing of this contract or are foreseeable to enter into force on/or before the expected delivery of the vessel for which the Works are intended ("Law, Rules and Regulations").
- 3.2. The Supplier undertakes to inform the Purchaser immediately, latest within 3 working days (i.e. any day from Monday to Friday excluding public holidays in State of Mecklenburg-Vorpommern/Germany; hereinafter the "Working Day"), in case of any changes to the Law, Rules and Regulations after effectiveness of this contract.
- 3.3. After receiving a notice as per Clause 3.2, the Purchaser shall determine whether the Works shall be adapted to the changes of Law, Rules and Regulations. In this event, Clause 16 shall apply.

### 4. PROVISION OF DRAWINGS, DOCUMENTS AND CERTIFICATES

- 4.1. The Supplier shall submit to the Purchaser any kind of drawings, documents and certificates or permits in accordance with the stipulations of this contract and in particular with those of the Purchaser's purchase order.
- 4.2. If this contract does not explicitly provide for the submission of drawings, documents and certificates or permits, but if and to the extent the submission of the respective drawings, documents and certificates or permits is necessary or appropriate for the proper and timely completion of the Works and/or for the fulfilment of the intended purpose of the contract, those drawings, documents and certificates or permits shall without further request be submitted to the Purchaser in a timely manner.
- 4.3. The Supplier shall be liable for the correctness and completeness of its drawings, documents and certificates or permits. Any kind of Purchaser's review and/or approval does not exempt the Supplier from its liability and responsibility.
- 4.4. The Supplier shall indemnify the Purchaser from any claims asserted against the Purchaser with regard of incorrect or incomplete drawings, documents and certificates or permits and shall reimburse the Purchaser for all additional costs arising from incorrect and/or incomplete drawings, documents, certificates or permits.
- 4.5. Unless otherwise agreed, any documentation to be submitted by the Supplier shall be in English language.

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### 5. RIGHT TO USE

The Purchaser shall be granted by the Supplier, where necessary, irrevocably and unrestricted all copyrights which are required for the intended use of the objects of the Works. The Supplier grants in particular a non-terminable, transferable and royalty-free right to use the documentation provided by the Supplier and any information contained therein including making and using modifications of them.

### 6. CONTRACT PRICE

- 6.1. The price indicated in the Purchaser's purchase order is binding.
- 6.2. Unless otherwise agreed, all prices are fixed prices and are to be understood as gross amounts (including the statutory V.A.T. and surcharges).
- 6.3. Prices include remuneration for all Works (including any required certificates, drawings, etc.) all ancillary performance (e.g. installation, fitting, commissioning) as well as all costs and expenses related to the Works and are to be understood free delivery address stated by the Purchaser.

### 7. INVOICES AND TERMS OF PAYMENT

- 7.1. Unless otherwise agreed, the Supplier shall submit invoices following delivery and/or performance of the Works in duplicate and in accordance with the applicable tax laws as well as stating the order number and date as well as the Purchaser's purchase number and the invoiced items.
- 7.2. No payment shall be made until receipt by the Purchaser of any agreed guarantees.
- 7.3. Following delivery and/or performance of the Works as well as receipt of a proper and auditable invoice, the Purchaser will pay within 14 days with 3% discount, or within 30 days without discount.
- 7.4. In the absence of a fixed date for payment, the Purchaser will be in default after having received a written request for payment only.

### 8. ASSIGNMENT, SUSPENSION AND SET-OFF

- 8.1. The Supplier shall not assign rights under this contract without Purchaser's prior written consent.
- 8.2. The Purchaser shall be entitled to any rights of retention, set-off or plea of non-performance by virtue of statute or contractual agreement. The Purchaser shall be entitled to withhold payments in a reasonable amount as far as the Purchaser is entitled to demand fulfilment of the contractual obligations under this contract or to remedy and make good defective works or deliverables.
- 8.3. The Supplier shall be entitled to suspend or withhold performance of the Works or to exercise set-off rights with a counterclaim if and to the extent such claim is undisputed, judicially determined or has been accepted by the Purchaser in writing.

### 9. DELIVERY TIMES; DELIVERY DELAYS

- 9.1. The delivery times/deadlines and/or times/deadlines of performance set out in the Purchaser's purchase order are binding.
- 9.2. The Supplier shall promptly give notice to the Purchaser in the event the Supplier becomes aware of any current or future event or circumstance which may affect the Supplier's performance.
- 9.3. In case of delayed delivery or performance of the Works, the Supplier shall pay a contractual penalty in the amount of 0,2% of the net contract price for each commenced calendar day of delay up to a maximum of 5% of the net contract price.
- 9.4. Any additional claims to which the Purchaser is entitled on the basis of the Supplier's default remain unaffected.

### 10. MITIGATIONS

If at any time the actual progress is too slow to timely complete and/or to perform the Works and if such a delay has been caused by or is attributable to the Supplier, the Purchaser shall be entitled to instruct reasonable mitigation measures at the Supplier's risk and costs. The Supplier shall bear all costs reasonably incurred by the Purchaser as a consequence of the implementation of said measures.

**11. USE OF PURCHASER'S DOCUMENTS**

All documents provided by the Purchaser to the Supplier, in particular any drawings, models, manuals and other documents shall be used by the Supplier exclusively for the purposes of this contract. The afore-mentioned documents shall not be copied, reproduced, used or communicated to third parties without Purchaser's prior written consent. The Supplier shall keep all documents confidential whether explicitly marked as confidential or not. The Purchaser shall retain ownership, the copyright and/or any other intellectual property rights. All documents provided by the Purchaser including all copies or reproductions shall be promptly either returned or destroyed/deleted after completion or termination of this contract or upon the Purchaser's demand.

**12. PROGRESS REPORTS**

12.1. Unless otherwise agreed, the Supplier shall provide comprehensive and informative reports on a monthly basis, which reflect the current status of completion of the Works.

**13. DELIVERIES**

13.1. Delivery shall be effected free to the delivery address indicated by the Purchaser in its purchase order. If no ship-to location is indicated in the purchase order, the delivery must be made to the Purchaser's business seat. The ship-to location is also the place of performance (obligation to deliver to Purchaser).

13.2. Unless otherwise agreed, the Purchaser shall not be obliged to accept partial, excess or short deliveries.

13.3. The Supplier shall provide suitable packaging at his own expense. The packaging has to be taken back at the Purchaser's request and at the Supplier's own costs.

13.4. Deliveries shall include all necessary information, such as the purchase number, packing list, shipping documents, weights and all other necessary information. Deliveries which do not or do not contain sufficient delivery notes entitle the Purchaser to refuse the acceptance of the delivery at Supplier's cost and risk.

13.5. Unless otherwise agreed, the Supplier shall be responsible for any kind of customs clearance and shall bear customs duties. The Supplier shall submit all custom related information to the Purchaser on its request. Supplier shall comply with all German and European export control regulation.

13.6. The Supplier is obliged to submit all necessary safety data sheets related to the deliveries foreseen in the German Ordinance on Hazardous Substances – GefStoffV, Regulation (EC) No 1272/2008 on classification, labelling and packaging of substances and mixtures in written and electronic form.

**14. SUBCONTRACTORS**

The subcontracting of any parts of the Works by the Supplier requires the Purchaser's prior written consent.

**15. VARIATIONS**

15.1. Any changes to the Works („Variations“) may be initiated by the Purchaser at any time prior to delivery of the Works or the acceptance of the Works (if agreed or provided for by law) by a respective order (the “Variation Order“). The Supplier shall execute and be bound by each Variation Order subject to the following stipulations of this Clause 15.

15.2. Upon receipt of a Variation Order request by the Purchaser, the Supplier shall provide the Purchaser without delay, latest within 7 working days, with a proposal at its own costs in writing which contains a detailed description of the required changes, the effects on the delivery times/deadlines or times/deadlines of performance, the effects on functionality or quality of the Works and on all other technical aspects and the manner and method how the alteration shall be performed and which resources are required therefore (the “Proposal“).

15.3. In the event that the Supplier promptly gives notice to the Purchaser in writing with supporting particulars proving that the execution of the respective Variation has an unreasonable significant impact on Supplier's business operation, the Supplier shall not be bound by such Variation Order.

15.4. If the Supplier considers himself to be entitled to additional payment due to the Variation, the Supplier shall submit together with the Proposal a detailed quotation supported by a verifiable calculation for the works required for the execution of the Variation based on (i) the prices and pricing principles for the Works and (ii) the specific costs of the requested deliveries and services; any agreed discount shall be considered.

15.5. Unless otherwise agreed, the Purchaser will within 28 working days after receipt of the Proposal accept or reject the Proposal. If the Supplier does not receive any response within the aforementioned time period the Proposal is deemed to be rejected.

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- 15.6. If the Purchaser accepts or partly accepts the Proposal, the Variation shall be executed insofar as the Purchaser instructs the Supplier with the execution of the Variation in writing.
- 15.7. The Supplier shall not commence the execution of a Variation prior Purchaser's written instruction.

### 16. CHANGES IN LAW, RULES AND REGULATIONS

- 16.1. If, after signing of the contract, there are any changes in the Law, Rules and Regulations as set out in Clause 3 or any changes in the interpretation of the Law, Rules and Regulations which are compulsory for the Works, the Supplier shall incorporate such modifications and/or changes and shall amend the Works accordingly. The Parties shall agree on such reasonable adjustments to the contract price, the delivery times/deadlines or times/deadlines of performance and other terms of this contract as are a direct consequence of the change in the Law, Rules and Regulations.
- 16.2. If the changes in the Law, Rules and Regulations or in the interpretation of Law, Rules and Regulation are not compulsory for the Works, Clause 15 shall apply.

### 17. TRANSFER OF RISK AND TITLE

- 17.1. The risk of accidental loss or deterioration of the objects of the Works passes to the Purchaser at the time of delivery at the place of performance or, in the event an acceptance is agreed or provided for by law, upon acceptance of the respective object of the Works.
- 17.2. The transfer of ownership in the goods delivered by the Supplier to the Purchaser takes place unconditionally upon their delivery and without consideration of whether or not the purchase price has been paid. If in an individual case the Purchaser accepts, however, an offer for the transfer of ownership which is conditional upon the payment of the purchase price, the Seller's retention of title only applies insofar as it refers to the Purchaser's payment obligation for the respective products for which title is retained. The Purchaser is entitled to re-sell the goods prior to payment of the total purchase price in the normal course of business. In case of sentence 2 of this clause 17.2, the ordinary retention of title as well as that extended to resale apply. All other forms of retention of title are excluded in any event.

### 18. ACCEPTANCE

In the event acceptance is agreed or provided for by law, the acceptance shall take place by means of a written declaration of acceptance issued by the Purchaser. If no such written declaration has been issued, the acceptance is deemed to have taken place within a reasonable period of the prerequisites for acceptance being present and the Supplier demonstrating readiness for acceptance.

### 19. WARRANTY RIGHTS

- 19.1. The statutory provisions apply in the case of defects as to quality or title of the Works, insofar as nothing to the contrary is stated in the following.
- 19.2. The warranty period shall be 36 months counting from the transfer of the risk pursuant to Clause 17.1, unless longer periods are provided by law (e.g. for buildings or items which have usually been used on items and caused the defectiveness of the same, fraudulent concealment of a defect).
- 19.3. If the Purchaser also has non-contractual claims due to a defect, the ordinary statutory time limit in accordance with sect. 195 and 199 BGB (German Civil Code) applies, if the use of time limits under sales law does not lead to a longer time limit in the individual case.
- 19.4. All defects shall be remedied by the Supplier by replacing or repairing the defective part of the Works or by renewed service provision (supplementary performance) within a reasonable time period as determined by the Purchaser.
- 19.5. The Supplier shall bear all costs required for the supplementary performance, in particular all transport, travel, work and material costs. The aforementioned costs include in particular the necessary costs for dismantling and reassembling, getting access to a defective part, for all necessary tests and approvals as well as all duties and taxes incurred.
- 19.6. In the event the Supplier does not or is not able to duly rectify defects within the reasonable time given by the Purchaser, the Purchaser shall be entitled at Supplier's cost and risk to carry out the rectification on its own or by a third party. Furthermore, if the supplementary performance has failed or cannot be reasonably expected from the Purchaser (e.g. due to particular urgency, endangering of operational safety or the threat of disproportional losses) the Purchaser is entitled to substitute performance without first setting a deadline for supplementary performance.
- 19.7. During the examination in respect of the existence of a defect by the Supplier and during the rectification of the defect the warranty period shall be suspended.

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- 19.8. Should the same defect re-appear after replacement or improvement within the warranty period, the Supplier is obliged at his own cost to detect the reason for the defect, to eliminate the causes of the defect with appropriate measures or methods or the use of different materials/items. The Purchaser is entitled to demand on Supplier's costs and risk to reiterate the whole or parts of the tests and approvals or to engage a third party to perform the respective tests.
- 19.9. Place of performance for the remedy of a defect is at the respective contractually or statutorily foreseen location of the item or service, unless this creates disproportional costs for the Supplier-

### 20. LIABILITY OF THE SUPPLIER

- 20.1. If these conditions do not provide for anything to the contrary, the Supplier is liable in accordance with the statutory provisions.
- 20.2. If the Supplier is responsible for any product defect the Supplier shall be obliged to hold the Purchaser harmless from any claims raised by third parties against the Purchaser to the extent the reason for such product defect lies within Supplier's sphere of organization and control and he is liable towards the third party in accordance with mandatory law.
- 20.3. Supplier's obligation of reimbursement as set out in Clause 20.2 above includes all costs in connection with any claims raised by third parties against the Purchaser.

### 21. LIABILITY OF THE PURCHASER

- 21.1. Claims for damages and compensation against the Purchaser regardless on which legal grounds only exist pursuant to the following terms of this Clause 21 and are otherwise excluded.
- 21.2. The Purchaser is liable under the statutory provisions for intentional acts, gross negligence as well as for simple negligence when this results in death, personal injury or bodily harm. Otherwise the Purchaser's liability for simple negligence is excluded, unless a fundamental contractual obligation has been breached. In this case the Purchaser's liability is limited to those losses which are foreseeable as typical losses under this contract. Fundamental contractual obligations are those whose performance enables the proper performance of the contract in the first place, such performance being regularly relied upon by the contracting Party who is entitled to such reliance.
- 21.3. The aforementioned exclusions and limitations of liability apply equally for the benefit of the Purchaser's organs, statutory representatives, employees and other agents.

### 22. THIRD PARTY RIGHTS

- 22.1. The Supplier is obliged to procure the Works without infringing any intellectual property rights of third parties, in particular of any rights and claims third parties may have in respect of or based on intellectual property rights, patents, utility patents, registered design, copyright, trademark or the like, within Germany, the European Union and the Vessel's flag state (hereinafter "IP Rights").
- 22.2. In the event of a breach of IP rights as per Clause 22.1 above, the Supplier is obliged, at the Purchaser's choice, either to obtain and grant the Purchaser a sufficient right of use at its expense for the agreed or assumed use of the Works or to amend the Works in such a way that the industrial property right is not breached or to exchange the Works provided that the agreed or assumed use of the Works is not affected.
- 22.3. The Supplier is obliged to hold the Purchaser and/or the Customer harmless from all claims that third parties attempt to enforce against the Purchaser due to the breach of industrial property rights and shall reimburse the Purchaser and/or the Customer for all necessary costs incurred in connection with this attempted enforcement.

### 23. INSURANCES

The Supplier undertakes to take out adequate insurance for the performance of the Works providing adequate cover of the risks associated therewith. As a minimum, however, the Supplier is obliged to take out and furnish proof of a liability insurance policy with a cover sum per incident for persons, materials as well as property damages to the amount of EURO 5,000,000.00 per damaging event.

### 24. CONFIDENTIALITY

- 24.1. Any Information, regardless orally submitted or embodied in any documents, received by the Supplier from the Purchaser relating to or in connection with this contract ("Confidential Information"), shall be kept and treated strictly confidential. Confidential Information may only be made available to Supplier's Personnel and its subcontractors

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subject to a "need-to-know" for the due performance of this contract. Confidential Information shall not be used in any other way, unless the Supplier obtained the Purchaser's prior written consent. This restriction in disclosure includes, but is not limited to, giving information to the press, publications, advertisement/marketing and the use of photos etc.

- 24.2. The Supplier shall agree with its Personnel and its subcontractors involved in the performance of this contract, equivalent confidentiality obligations.
- 24.3. The obligation as per Clauses 24.1 and 24.2 shall not apply if the Confidential Information in question:
- (i) is generally available from public sources or in the public domain; or
  - (ii) has been known by the Supplier prior to its disclosure by the Purchaser or is received at any time from any third party without nondisclosure obligation to the disclosing Party; or
  - (iii) enters the public domain due to a binding court order or ruling from a governmental agency/authority.
- 24.4. After completion or termination of this contract the Supplier shall either return or destroy or delete the Confidential Information received in connection with this contract.
- 24.5. The confidentiality obligations stipulated herein shall remain in force for three (3) years after (premature) termination or completion of this contract.

### 25. TERMINATION, WITHDRAWAL

- 25.1. The Purchaser may terminate this contract for good cause at any time with immediate effect in particular in case of:
- (i) a material breach of this contract by the Supplier;
  - (ii) a material breach by the Supplier of any laws, rules, regulations or similar, if such breach has not been remedied within the reasonable grace period set by the Purchaser; or
  - (iii) if insolvency proceedings have been filed in respect of the Supplier, have been opened or were rejected for lack of sufficient assets by the insolvency court or respective composition or legal reorganisation proceedings or any other form of bankruptcy proceedings are filed or opened against the Supplier by a court or another public authority or an order has been passed against the Supplier appointing a receiver or trustee.
- 25.2. In case the contract is terminated by the Purchaser for good cause the Supplier shall be entitled to payment for such parts of the Works, which have been performed in accordance with the terms and conditions of this contract and which can be reasonably used by the Purchaser, on basis of the agreed prices and respective proof. Title to such parts of the Works paid for, if not already acquired, shall pass to the Purchaser upon termination of the contract. The Supplier shall be liable for all damages and losses.
- 25.3. In the cases stipulated above under Clause 25.1 (i) to (ii) the Purchaser shall at its own discretion alternatively be entitled to withdraw from the contract in whole or in part. In case of a withdrawal by the Purchaser, the Supplier is inter alia obliged to return to the Purchaser without delay all payments received under the contract and to reimburse the Purchaser in respect of all losses and damages incurred due to Supplier's breach of contract, including inter alia the costs for removing Supplier's deliveries and/or services after a withdrawal from the contract.
- 25.4. The Purchaser shall be entitled to terminate the contract in whole or part at any time without stating a specific reason by giving a respective written notice of such termination to the Supplier with the consequence that the performance of the Works shall immediately cease. Following such termination for convenience the Supplier shall be reimbursed in accordance with the principles set out in section 649 sentences 2 and 3 German Civil Code (BGB).
- 25.5. Each notice of termination or withdrawal shall be valid only if given in writing.

### 26. MISCELLANEOUS

- 26.1. This contract is subject to the laws of the Federal Republic of Germany excluding the regulations of the UN Sales Convention (CISG).
- 26.2. Unless otherwise agreed in these conditions, place of performance shall be at the Supplier's business seat.
- 26.3. The courts of Hamburg shall have exclusive jurisdiction over any and all disputes arising out of or in connection with this contract. However, the Purchaser shall at its own option also be entitled to sue the Supplier at the competent court at his business seat.