

# General Terms and Conditions concerning services supply of UAB "Garant Supply"

accepted on the meeting of the Board on 8<sup>th</sup> of February 2017, No GSP17/02/08-1

**Definitions.** All definitions mentioned below concern to the present General Terms and Conditions:

**"General Terms and Conditions"** shall be binding regarding the goods supply services between UAB "Garant Supply" and/or any of its branches overseas (hereinafter as Vendor) and any Principal of the goods or services (hereinafter as Purchaser). These General Terms and Conditions set forth herein constitute the entire agreement between Vendor and Purchaser, and no change in or modification of this agreement shall be binding upon Vendor unless the change or modification is in writing and signed by Vendor. Vendor hereby rejects any term or condition of any order, confirmation or other document sent by Purchaser (whether before or after date hereof) and by accepting these goods, services or works Purchaser agrees that any such terms and conditions shall not be part of this agreement, unless in writing and signed by the Vendor after the date hereof.

**"Vendor"** shall mean UAB "Garant Supply", Company No. 302108593, VAT code LT100004381515, domicile Dubysos str. 27a, Klaipeda, Lithuania, office address: Pramonės str. 8a, Klaipeda, Lithuania, or any other company associated with UAB "Garant Supply", which is under obligation to supply the goods, services or works to Purchaser in accordance with these Conditions.

**"Purchaser"** shall mean the person or company placing an order on behalf of the vessel/her registered owner to supply the vessel, her owners/managers/agents by the Goods; the person or companies, legally associated with the vessel.

**"Goods"** shall mean any goods, items, equipment and materials, services or executed repair works, inspections of the vessel, her equipment, fuels, oils, lubricants of whatever type and description as specified in the Vendor's Confirmation, delivered or to be delivered to the Vessel by the Vendor in accordance with request of Purchaser.

**"Partners"** shall mean Purchaser's partners (person or company) placing to Vendor an order on behalf of the vessel/her registered owner, to supply the vessel by the Goods; the person or companies, legally associated with the vessel, Purchaser.

**"Vessel"** the vessel, ship or craft duly nominated to receive goods from Vendor

**"Quotation"** The Vendor's confirmation letter about readiness to supply the vessel with the goods and description as specified in Vendor's confirmation of quotation with the date, place, price and other important data for Vendor's option indicating.

**"Delivery"** factual reception of the goods specified in the Quotation to the Vessel.

**"Receipt of delivery (receipt)"** document, duly signed by the vessel's crew officer to confirm the goods are received by the vessel.

**"Invoice"** document issued by Vendor before or after goods delivery, showing final cost of the goods delivered and dates and terms for payment.

1. The acceptance of the goods by the vessel is deemed as knowledge and acceptance of the present General Terms and Conditions by Purchaser and by all parties associated with the vessel.
2. In addition to Purchaser being responsible for payment of Vendor services and goods delivered to the vessel, purchase price and any relevant costs, Vendor reserves the right to look to the registered owner of the vessel. Registered owner, managers, charterers, agents and all other parties associated with the vessel and order of the goods, are jointly and severally liable for payments in time. Purchaser if not the registered owner of the vessel hereby expressly warrants that he has the authority of the owner to pledge the Vessel's credit as aforesaid and that he has given notice of the provisions of all Clauses of these General Terms and Conditions to the registered owner.
3. All orders and receipt notes may be signed by the Master or his authorized representative which signatures express acceptance and authority of the registered owner of the vessel.
4. Vendor services, works and goods delivered are supplied upon the faith and on credit of the vessel.
5. Title to the materials, equipment, goods delivered by Vendor to the Vessel is acquired by the Vessel/Purchaser only after full payment for them. Until full payment these materials, equipment, goods are considered as property of the Vendor, and until full payment the person in possession of the materials, equipment, goods delivered by Vendor, shall hold such materials, equipment, goods as a mere bailee. Such materials, equipment, goods, services are supplied on the credit of the vessel.
6. Purchaser or the vessel's local agent is obliged to give to Vendor at least forty eight (48) hours advance and twenty four (24) definite written notice of arrival, exact location of the vessel, time at which goods supply is required with confirmation of quantity, quality. This notice may however only be given on normal working days between 8.00 a.m. and 5 p.m., and must be given by telex, telefax or e-mail abilities.
7. The Master or the vessel's agent shall give immediate notice to Vendor of any delays of time of arrival. In case of failure to arrive at scheduled date Vendor will use its best efforts to reschedule Purchaser's vessel but shall not be responsible for any attendant delays or for any damages resulting there from.
8. Additionally, if for any reason Vendor is unable to ship the order quantities when due, Purchaser shall accept partial deliveries and Vendor shall have reasonable time from and after the due date to deliver in full. Any delivery not made due to cause beyond Vendor's reasonable control, including but not limited to such reasons as embargoes, civil commotions, labor troubles, strike, fire, flood, accident, failure in production or production equipment, inability to obtain power, raw materials, or shipping capacity, or interruptions occasioned by governmental activities, may be cancelled at Seller's option, but the obligations of each party with respect to other shipments shall remain unaffected.
9. Purchaser shall not be entitled to demurrage or other compensation for delay of delivery unless expressly agreed and confirmed by Vendor in writing.
10. Vendor is not responsible for Purchaser's waiting time, loss of time or lost income or contracts or other indirect losses caused by delivery of the goods beyond the agreed time frame unless proven to be due to gross negligence on the part of Vendor or his personnel.
11. Purchaser shall alone bear responsibility and risk for the choice of the goods of whatever type for the vessel, and Vendor shall not be obliged to check whether said choice is suitable for the vessel in question.
12. Vendor is not responsible for damages to the vessel or any property or for injuries to persons involved into delivery operations either on shore or on board the vessel.
13. Vendor shall not be bound by any attempt by any person to restrict, limit or prohibit its lien or liens attaching to a Vessel unless notice in writing of the same is given to Vendor before Vendor sends its confirmation to the Purchaser.
14. All claims for damages, errors, or shortages must be made by Purchaser within five (5) business days after the goods are delivered. Failure to make such claim within the stated period shall constitute an irrevocable acceptance of the goods/services and an admission they fully complied with all the terms, conditions and specifications of this agreement.
15. Vendor's prices firm for a period of quotation. This pricing shall lapse unless Vendor receives an order in response hereto within such period.
16. The purchase price shall be payable upon delivery of the goods and invoice, duly sent by Vendor to Purchaser. Purchaser has obligation to cover invoice within time indicated in the

invoice, including invoice sent by e-mail, telex or telefax. The exact number of the days of credit is negotiated by the parties before the delivery.

17. Interest for late payment will be due on any overdue amount at the rate of 2% per month.

18. Payment to be done irrespective of any disputes, may be arisen, which dispute is to be subject of a separate negotiations.

Meantime Vendor reserves the right to require payment in advance or to require C.O.D. (cash on delivery) payment.

19. Payment shall be made by means of cabled bank transfer according to the payment instructions in the invoice. If the purchase price has been agreed in another currency than Euro, Purchaser shall run the risk that this other currency may have a lower selling rate in relation to Euro on the date of payment than on the last correct date of payment (invoice date plus number of the days of credit), and he shall consequently indemnify Vendor in Euro for any difference. Any profit as the result of an improvement of the rate shall go to Vendor.

20. The Vendor should not compensate connected with change of a rate of exchange the losses which have arisen at reception of a payment for the goods or at performance on behalf of the Purchaser of calculations with the third parties.

21. Purchaser agrees that Vendor may ship a reasonable quantity of goods in excess of the quantity ordered or may consider a contract complete with a reasonable under-shipment. Such excess or shortage will not exceed, usually, 10% of the quantity specified.

22. Vendor warrants that the goods conform to the description and specifications and are free from defects in material and workmanship. This warranty is expressly made in lieu of any and all other warranties expressed or implied, including the warranties of merchantability and fitness for a particular purpose. Purchaser acknowledges that he is not relying on the Vendor's skill or judgment to select or furnish goods suitable for any particular purpose and that there are no warranties which extend beyond the description in the face of this agreement. Purchaser assumes all risk and the liability for the results obtained in its manufacturing process by the use of any materials delivered hereunder.

23. Purchaser acknowledges and agrees that Vendor, in any event shall not be liable for any consequential or incidental damages (including revenues and/or profits) that may be claimed to result from an alleged breach by Vendor, and special, exemplary Purchaser hereby expressly releases Vendor from any liability for such damages. Purchaser agrees that, in the event of a breach by Vendor hereunder, Purchaser's exclusive remedy and Vendor's sole obligation shall be, at Vendor's option, a return of the purchase price of the goods in question or replacement of the goods in question. Vendor shall not have any other obligations with respect to the goods, whether based on contract, negligence, strict liability or otherwise. No action may be brought by Purchaser against Vendor after 6 (six) months from the goods delivery date or date of services rendered or repair works fulfillment, and Purchaser acknowledges and agrees that this provision shall be ground for dismissal of any suit or claim asserted by Purchaser after such time.

24. Purchaser shall not be entitled, without Vendor's consent in writing, to set off any claims against Vendor, whether or not these claims are connected, and whether or not they arise out of the consignment/services concerned. Should Purchaser nevertheless make set off without preliminary agreement with the Vendor, amount of Vendor's claim shall be increased by 25 per cent as a penalty.

25. If Purchaser made order for the goods/services, but fails to take delivery of or rejects some of the goods agreed for delivery, Purchaser shall be liable for all expenses and losses incurred by Vendor and arising out of such failure or rejection by Purchaser.

26. Purchaser shall not assign its interest in the delivery without the prior written approval of Vendor. Vendor may assign all rights and obligations in reference to the delivery to Purchaser to a third party and can thereafter give notice thereof to Purchaser.

27. Purchaser shall have no legal right to terminate the Agreement.

28. If nothing is mentioned when the purchase is contracted, Purchaser shall in addition to the purchase price pay the costs of the delivery, whether it takes place from a fixed installation, a barge or a tank lorry, and Purchaser shall furthermore pay any extra costs connected with supplies made on Sundays and holidays, and outside of normal working hours at the place of work. Any such taxes, duties, wharfage dues, delivery charges and other charges shall be paid by Purchaser at the rate applicable for the actual date of delivery.

29. Vendor's liability for breach of any condition or conditions whatsoever shall be limited to the payment of direct damages.

30. Notwithstanding anything to the contrary express or implied elsewhere herein, Vendor (without prejudice to its other rights) may at its sole discretion terminate the Agreement forthwith on notifying Purchaser either orally (confirming such notification in writing) or by notice in writing in the event that a liquidator, trustee in bankruptcy, receiver or receiver and manager or equivalent officer is appointed in respect of any assets or undertaking of Purchaser or any of its associated companies, or Purchaser or any associated company enters into an arrangement or composition with its creditors, or any similar appointment, arrangement, or composition is made under any applicable law, or if the Vendor has a reason to anticipate any such appointment, arrangement or composition.

31. If any provision of the Agreement is invalid, void or unenforceable, this will not affect the validity, legality or enforceability of any other provision of the Agreement.

32. Where Vendor is ordered to deliver goods/services other than to a ship responsibility rests with Purchaser to ensure that the person responsible for accepting delivery gives a full and proper receipt for the goods delivered. Signed receipt by that party shall constitute acceptance of delivery by and to the Purchaser.

33. The goods shall be of standard or prime quality as rated at the time and place of delivery. The goods shall be supplied in the packing customary at the time and place of delivery. At the time of placing his order, Purchaser shall inform Vendor of any special packing requirements in view of the destination of the ship and/or goods. Any additional expenditure incurred in complying with such requirements shall be chargeable to and payable by Purchaser.

34. Returnable packing material and containers supplied by Vendor shall be clearly marked as such on the receipt-note and shall be returned by Purchaser to Vendor as soon as reasonably practicable.

35. In the event of Purchaser's breach of any obligation hereunder, Vendor shall recover all cost and expenses incurred in attempting to remedy said breach, including its reasonable attorneys fee, which Purchaser hereby agrees to pay.

36. Any dispute, disagreement or request arising from these General Terms and Conditions and concerning delivery of goods to the vessel, its infringement, termination or invalidity, connected with any agreements resulted from these General Terms and Conditions are subject to Latvian law and shall be settled in the Riga District Arbitration Court (RDAC) duly registered in the Register of Arbitration Courts of the Register of Enterprises of the Republic of Latvia with registration No. 40003760582 (certificate of incorporation No. T 000046) in accordance with Arbitration Rules of RDAC, by one arbitrator, in written process, in English language.

37. In the event of Vendor electing to institute action in any competent Court/arbitration Vendor shall in addition to any other amounts it may recover from Purchaser, be entitled to recover its legal costs incurred on an attorney and own client basis, from Purchaser.