

## GENERAL TERMS AND CONDITIONS OF SALE

EDITION JUNE 2018

### 1. APPLICABILITY

1.1 Unless otherwise explicitly agreed in writing these General Terms and Conditions (The "Terms") shall apply to any and all contracts, orders, sales and deliveries of goods by the Supplier (as defined in the "Article" 2)

### 2. DEFINITIONS

Throughout this document the following definitions shall be applied and referred to:

2.1 "The Supplier" means NorthStar Marine Engineering & Service Co., Ltd, Company Registration No., Unit 1808, No. 1122 New Jinqiao Road, Pudong, Shanghai, 201206, P. R. China.

2.2 "The Buyer" means any party requesting quotations, placing orders, purchasing or otherwise receiving Goods from the Supplier, including but not limited to the Vessel and her Owners, charters, agents and brokers.

2.3 "Vessel" means the vessel, ship, barge, offshore facility that receives the Goods, either as end user or as transfer unit to a third party.

2.4 "Goods" means any and all items ordered by the Buyer or supplied by the Supplier, including but not limited to ship stores, accessories, provisions and equipment and any related services provide by the Supplier.

2.5 "Order Confirmation" means a written confirmation by Supplier of an order placed by the Buyer and/or confirmation of an agreement otherwise by the Supplier.

### 3. PRICES

3.1 The Supplier's prices are based on the price level of the Goods and all other costs and charges know at the time of concluding the agreement as well as taxes and duties levied. Any price increase on goods, or additional costs borne by the Supplier whatsoever, caused by any change in the Supplier's contemplated source of supply or otherwise, occurring after the agreement has been concluded, shall be added to the agreed sales price of the Goods or the services provided by the Supplier. The Supplier shall give the Buyer prior notice of such increases in the agreed sales price within a reasonable time after the Supplier becomes aware of the relevant circumstances.

3.2 All prices and/or tariffs are exclusive of VAT, sales taxes, export or import taxes, dues, quay dues, and other duties and taxes of any kind, which shall be for the account of the Buyer.

### 4. ORDER CONFIRMAITON

4.1 Any and all orders are subject to an Order Confirmation by the Supplier before such order is binding on the Supplier.

4.2 In all cases the Order Confirmation shall be the valid documentation for quantities and qualities ordered as well as for other terms agreed. It is the Buyer's sole responsibility to address any discrepancies between the Order Confirmation and the Buyer's order, and the Supplier cannot be held liable for such discrepancies.

4.3 All sales are final. Return of the Goods are subject to acceptance by the Supplier and may be subjected to a deduction in the refused purchase amount in the Supplier's discretion.

### 5. QUANTITY AND QUALITY

5.1 If, for whatever reason, the quantity or quality agreed is not available for delivery by

reasonable means, the Supplier cannot be held liable for not supplying the Goods of services in accordance with the Order Confirmation. The Supplier shall give the Buyer notice of such shortcomings within reasonable time after the Supplier becomes aware thereof. The Supplier shall initiate discussions with the Buyer on how to mitigate shortcomings in quantity by supplying the missing quantities at a convenient port/place suitable for both parties as soon as the outstanding quantity of the Goods is available.

#### 6. INSPECTION, VERIFICATION, CLAIMS AND LIABILITIES

- 6.1 Any Master, officer or crew member at the Vessel or agent/representative of the Buyer shall be deemed authorized by the Buyer to receive the Goods, inspect the Goods, and confirm that the Goods are in accordance with the accompanying delivery note. By taking delivery of the Goods, confirmation that the goods are in accordance with the accompanying delivery note shall be deemed given and the Goods deemed examined and accepted in every respect by the Buyer, notwithstanding reservations or conditions added to the delivery note by the Buyer at the time of delivery.
- 6.2 Any and all claims relating to a delivery shall be notified in writing to the Supplier no later than 3 calendar days after delivery of anticipated delivery time accompanied by a description of the basis for the claim and photos showing the non-conformity if the claim relates to quantity or quality, otherwise such claim shall be deemed time barred and fully waived by the Buyer.
- 6.3 Any and all claims which cannot be detected after through examination at the time of delivery must be notified in writing to the Supplier no later than 14 calendar days after delivery and be accompanied by a detailed description of the basis for the claim and photos showing the non-conformity. Otherwise, such claim shall be deemed time barred and fully waived by the Buyer.
- 6.4 If the claim relates to the delivered Goods the Buyer must return the claimed Good or provide a report from an independent and reputable surveyor company selected by the Supplier to document the claim if the Supplier deems such necessary. If a valid claim exists, one of the following remedies shall apply in the sole discretion of the Supplier: 1) a refund of the purchase price of the non-conforming Goods. 2) Repair of the non-conforming Goods. 3) Redelivery of the non-conforming Goods.
- 6.5 Supplier shall not be liable for any defect due to or arising in connection with: (1) any materials, components, tools, designs or software provided by Buyer; (2) negligence or willful misconduct of Buyer; (3) parts, accessories or attachments other than those supplied as Parts by Supplier.(4) Improper service work, installation or alterations carried out by Buyer;(5) normal wear and tear; (6) use of unsuitable material or consumables by Buyer; (7) fluctuation in the grid; or (8) any use, service or operation of the Parts which is not in conformity with manuals, instructions or specifications provided by Supplier or which is otherwise not in accordance with normal industry practice. Supplier' s warranty obligation does not include any crantage, electricity, scaffolding, docking, diving, sub-sea work, towage costs, demounting or mounting costs, expenses of Supplier' s personnel or representatives, taxes and duties, and all such costs and expenses shall be reimbursed by Buyer to Supplier when applicable. If after Supplier' s warranty investigation it is found that Buyer does not have a warranty claim within the scope of

these Conditions, then Buyer shall be responsible for all applicable costs and expenses for such inspection, repaired or replaced components or other service work.

- 6.6 The Supplier's total liability towards the Buyer under any one Order Confirmation shall always be limited to an amount equal to the stated price of the Goods or services in such Order confirmation. This applies irrespective of whether the Supplier's liability arises out of the delivery of non-conforming Goods, quantities, product liability, delays, or act or omissions committed by the Supplier or the Supplier's representative.
  - 6.7 The Supplier cannot be held liable for any type of consequential damages or indirect losses hereunder but not limited to any loss of profit, loss of use, loss of revenue, loss of contracts, loss of business, loss of goodwill, increased costs and expenses, lay-time, demurrage or wasted expenditure.
  - 6.8 The Supplier cannot be held liable for non-performance due to an event of force majeure which shall mean any cause of events beyond the reasonable control of the Supplier, hereunder but not limited to unavailability of Goods from the sources of supply of the Supplier, lack of reasonable means of transportation, cyber-attacks, hacking of IT systems and the like, and acts of God.
  - 6.9 Limitations of liabilities in these Terms shall apply equally to the delivery of Goods and services hereunder but not limited to storage and/or transportation services, freight forwarding, custodian and/or carrier services.
7. DELIVERY
- 7.1 Any trade term set forth in the Contract shall be construed in accordance with INCOTERMS 2010.
  - 7.2 Any delivery time agreed shall be regarded as a best estimate and as an approximate delivery time.
  - 7.3 In any cases the Buyer must give not less than 72 hours of notice to the Supplier of approximate delivery time, followed by 48 hours and 24 hours of notice, where last notice must be final and exact.
  - 7.4 The Supplier may in its own discretion deliver the Goods of a single Order Confirmation in one or more lot(s).
  - 7.5 The Supplier has delivered the Goods at the earliest of: when the Goods are placed (a) alongside the Vessel at the named port of delivery, or (b) alongside the barge or other vessel carrying the Goods to the Vessel, or (c) placed at the Buyer's disposal. The Buyer has to bear all costs and risks of loss of or damage to the Goods occurring after delivery.
  - 7.6 If storage of Goods is arranged by the Supplier on request of the Buyer, the risk shall pass at the time the Goods are placed in storage. Transportation from the place of storage shall be for the risk and account of the Buyer.
  - 7.7 If delivery is required outside normal working hours of the operation performing the delivery or on a Saturday, Sunday or religious, national or legal holiday, the expenses incidental to the delivery at such time shall be reimbursed by the Buyer.
  - 7.8 If deliveries are made offshore by barge or another vehicle apart from truck, all and any costs related to such delivery shall be for the account and risk of the Buyer. All risks insurance for such barge/vehicle transport shall be made by and for the account of the Buyer, including risk for Goods carried on deck.
8. PAYMENT

- 8.1 Payment shall be made by the Buyer no later than on the due date stated in the invoice.
  - 8.2 Payment shall, unless otherwise agreed in writing, be made in the currency stated on the invoice, and all payments are to be made free of bank charges and other costs.
  - 8.3 Payment shall be made to the Supplier's nominated bank account as stated on the invoice or in cash if no credit has been agreed.
  - 8.4 Payment shall be made in full, without any set-off, deduction and/or discount, unless agreed in writing prior to payment being made.
  - 8.5 In the event that payment is not received by the Supplier by the due date, the Supplier is entitled to interests at the rate of 1.5 percent per month pro rata without prejudice to any other rights or remedies available to the Supplier.
  - 8.6 All costs and expenses incurred by the Supplier in connection with the collection of any overdue payments, including but not limited to interest charges, internal costs, expenses to lawyers and debt collectors, court fees, etc, shall be indemnified by the Buyer upon demand from the Supplier.
  - 8.7 All payments received by the Supplier shall be applied first to settle interest as set out in Clause 8.5, then to costs as set out in Clause 8.6, and then to the principal amount.
  - 8.8 Notwithstanding any agreement to the contrary, any and all amounts owed to the Supplier will be due and payable immediately in case of bankruptcy, insolvency, moratorium, reorganization or other situations of the Buyer which affect the Supplier's rights generally or which in the sole opinion of the Supplier adversely affects the financial position of the Buyer.
  - 8.9 The Supplier shall at all times be entitled to require that the Buyer provides security for the proper performance of all its payment obligations to the Supplier in such manner as shall be deemed sufficient by the Supplier. Failure to immediately provide such security shall entitle the Supplier, inter alia, to suspend further performance of any and all orders.
9. OWNER'S GOODS OR SUPPLIES
- 9.1 In situations where the Supplier has agreed to store and transport items or goods on behalf of the Buyer (such items are referred to as "Owner's Goods"), the sole risk of the Owner's Goods while the goods are in the custody of the Supplier, or third parties acting on the Supplier's behalf, remains with the Buyer.
  - 9.2 Storage and transportation of Owner's Goods are provided to the Buyer by the Supplier only based on prior agreement on each occasion between the parties.
  - 9.3 Owner's Goods are considered as received for transport and/or storage only. The Supplier has accepted to carry such goods to the receiving Vessel on the condition that the Supplier cannot be held liable for any losses, damage or delay to the said goods (in whole or in part) occurring during offloading, storage, loading and transportation arising including but not limited to negligence on the part of the Supplier or subcontractor/representatives, and the Buyer shall indemnify the Supplier from any loss and/or liability arising out of the performance of the services related to the Owner's Goods.
  - 9.4 The Buyer acknowledges and accepts that barge transport may be performed as deck cargo, and the Buyer shall have the sole responsibility of proper and sufficient packing of the Owner's Goods.
  - 9.5 The Supplier shall be deemed to have no knowledge of the weight, contents or quality of the Owner's Goods and in no way whatsoever can the Supplier be held responsible for

same.

9.6 With reference to Clause 9.5 above it remains the sole responsibility of the Buyer to ensure and the Buyer guarantees that Owner's Goods are stored, transported, exported and imported in accordance with all applicable laws and regulations. The Buyer shall indemnify the Supplier all costs borne by the Supplier related to the storage, transport, export and/or import of the Owner's Goods if such are due to issues of compliance with laws and regulations, or due to health and safety measure taken by the Supplier to protect staff or property belonging to the Supplier or third parties.

9.7 The Buyer shall ensure that property insurance is covering the Owners Goods during the period of transport and storage by the Supplier or its representatives.

9.8 The Supplier's liability for carriage or storage of the Buyer's Goods shall always be limited in accordance the terms in Article 6.

9.9

#### 10. ACCEPTANCE OF THESE TERMS

10.1 If the company to whom the Order Confirmation is issued is not the registered owner of the Vessel, the Master (or any other Officer or Representative of the Vessel) by signing or stamping the delivery notes or other similar document shall be deemed to have full authority on behalf of the Vessel and her owners to accept these Terms.

#### 11. LAW AND ARBITRIATION

**11.1** These Terms, and any and all Order Confirmations, agreements and/or transactions to which these Terms apply, shall be governed by and construed in accordance with Chinese substantive Law. CISG does not apply.

11.2 Any dispute between the Buyer and the Supplier, including, but not limited to, any disputes regarding the existence, validity or termination of these Terms, shall be settled by arbitration administered by the Chinese Maritime Arbitration Committee Shanghai Branch in accordance with the rules of arbitration procedure adopted by the Chinese Institute of Arbitration and in force at the time when such proceedings are commenced. The place of Arbitration shall be Shanghai, P. R. China. The language of such proceedings shall be in the language accepted by the Chinese Maritime Arbitration Committee.

11.3 Notwithstanding anything to the contrary in clause 11.1, and clause 11.2 above, the Supplier shall without prejudice to i) any rights hereunder of the Supplier and/or ii) any claim raised pursuant to clause 11.2 above, have the right to proceed against the Buyer and/or and third party and/or the Vessel in such jurisdiction as the Supplier in its sole discretion sees and deems fit, inter alia for the purpose of securing payment of any amount due to the Supplier from the Buyer. In such circumstances, the proceedings shall be governed by the General Maritime Law of China with respect to the existence of a maritime lien( regardless of country in which the Supplier takes legal action) and in all other respects by the laws(substantive and procedural) of the jurisdiction so chosen by the Supplier. To the extent the application of the General Maritime Law of China with respect to the existence of a maritime lien is no recognized in the jurisdiction discretionarily chosen by the Supplier in accordance with this clause 11.3, the proceedings against the Buyer and/or any third party and/or the vessels shall be governed solely by the laws (substantive and procedural) of the jurisdiction chosen by the Supplier in accordance with this clause 11.3.

12. SEVERABILITY

12.1 Should any part of these Terms be held invalid, void or unenforceable by applicable law, the remainder of the Terms shall remain in full force.

13. VALIDITY DATE

13.1 These Terms shall be in force and valid for any and all contracts, orders, sales and deliveries of goods or services by the Supplier with effect from JUNE 6 2018.