

WATERCRAFT MARINE LIMITED

GENERAL TERMS AND CONDITIONS

GOODS AND SERVICES

1. PARTIES

These Terms and Conditions govern the relationship between the customer, hereinafter referred to as "**Customer**" and Watercraft Marine Limited as specified in the Agreement hereinafter referred to as "**WML**".

2. DEFINITIONS AND INTERPRETATION

2.1. Definitions

"Agreement" means (i) the separate contract document, whether called Purchase Order, Form of Agreement, or otherwise, (ii) any other document or appendix specifically referred to in the Purchase Order and/or Form of Agreement and incorporated by reference, and (iii) these General Terms and Conditions. In case of a conflict between the terms of the documents forming the Agreement, they shall be given priority in the order set out above.

"Goods" means all goods, materials, products, and spare parts to be delivered by WML pursuant to the Agreement, as further described in the Purchase Order and/or Form of Agreement.

"LSA" means any lifesaving appliance including but not limited to lifeboats, davits, winches and rescue boats.

"Purchase Order" or **"Form of Agreement"** as applicable, means a document or instruction sent by the Customer to WML in acceptance of WML's quote for the provision of the Work. It describes the parties, the scope of Work, the agreed schedule of milestones applicable to the performance of the Work, and any special terms agreed upon by the parties.

"Services" means all services to be performed by WML pursuant to the Agreement.

"Work" means all the Services to be performed and/or Goods to be delivered by WML pursuant to the Agreement.

2.2 Interpretation

- a) All references to a statutory provision shall include references to any statutory provision modification, consolidation, or re-enactment (whether before or after the date hereof) currently in force.
- b) Except where the context otherwise requires, words denoting the singular include the plural and vice versa; words denoting persons include firms and corporations and vice versa.
- c) Unless otherwise stated, a reference to a Clause, Schedule, Appendix or Annex is a reference to a clause, schedule, appendix or annex to this Agreement, and each Schedule, Appendix or Annex shall be deemed to form part of this Agreement.
- d) Clause headings are for ease of reference only and do not affect the construction of this Agreement.
- e) Any reference to a party to the Agreement includes a reference to its successors in title and permitted assigns.

3. THE WORK

3.1. WML shall ensure that the Services are performed according to standards of good workmanship, the Agreement specifications and in compliance with applicable laws and regulations.

3.2. The Customer shall maintain safe working conditions for WML's personnel and/or sub-contractors, supply WML with all requested drawings, technical documents, data and specifications, comply with any warnings, instructions or safety rules given by WML, acquaint itself with and apply best industry practice for the storage, handling and use of any LSA, and comply with all applicable regulations, rules and guidelines including health and safety requirements, class requirements, SOLAS Regulations and applicable IMO Guidelines.

3.3. WML shall only supply genuine spare parts in accordance with the original manufacturer's build specifications. The Customer agrees that in order to maintain warranty conditions and ensure the correct and safe operation of equipment as required by SOLAS Regulations and applicable IMO Guidelines, these parts shall only be fitted by WML engineers or persons authorised by WML. WML will provide the contact details of the nearest authorised service provider upon the Customer's request.

4. PAYMENT

4.1 The Customer shall pay the agreed price for the Work as set out in the Agreement and as invoiced by WML within thirty (30) days of receipt of the invoice without any deduction. If the Customer disputes any payment made under the Agreement, the Customer must notify WML in writing within the same thirty (30) day period. Failure to notify WML within this period shall result in the waiver by the Customer of any claim relating to any such disputed payment. However, the Customer is still obliged to make all undisputed payments to WML in a timely manner.

4.2 WML shall be entitled to claim interest at a rate of one (1) % per month (both before and after any court judgment) on any overdue payment from the due date until payment in full is received and shall be entitled to all associated administrative expenses and all legal costs and expenses in connection with the recovery of payments on a full indemnity basis.

4.3 The Customer shall reimburse WML for the reasonable cost of hotel accommodations, subsistence, travel and any other ancillary expenses reasonably incurred by WML's personnel and / or its subcontractors in connection with the performance of the Work.

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5. SUB-CONTRACTORS

- 5.1 WML may sub-contract any work relating to the Work, subject to the prior written consent of the Customer, provided that such consent shall not be unreasonably withheld. WML shall exercise reasonable supervision and control over such sub-contracted work to the extent practical.

6. DELAY

- 6.1 Delivery of the Work shall be made according to the agreed schedule. If no specific schedule for completion has been agreed upon, WML will perform the Work in a reasonably diligent and timely manner. If WML anticipates that it may not be able to perform the Work within the time specified in the Agreement, it will promptly notify the Customer and provide a revised estimate for the completion of the Work.
- 6.2 WML shall be entitled to an extension of time for completion of the Work if a delay occurs due to (i) any circumstances referred to in Clause 18, (ii) any variations in the Work ordered by the Customer, (iii) any act or omission on the part of the Customer, or (iv) any other circumstance for which the Customer is responsible.
- 6.3 If completion of the Work is delayed compared to the agreed completion date due to reasons solely attributable to WML, the Customer is entitled to claim liquidated damages amounting to one (1) % of the value of the delayed portion of the Work for each calendar day of delay. The aggregate liquidated damages payable by WML to the Customer for delay shall not exceed ten (10) % of the agreed price for the Work as set out in the Agreement. The liquidated damages specified in this provision shall constitute the Customer's sole and exclusive remedy for delay caused by WML.

7. TITLE, RISK AND INSURANCE

- 7.1 Title, risk and responsibility for the Work shall transfer to the Customer upon delivery. However, the Goods shall remain the property of WML until they are paid for in full, to the extent that such retention of title is valid under the applicable law.
- 7.2 WML will at all times maintain public liability insurance with a reputable insurer with a limit of USD one (1) million per event and in the aggregate. Notwithstanding WML's limited liability specified in Clause 9, the Customer shall maintain adequate insurance against all risks or liabilities related to any LSA, as well as all relevant ships, rigs, hull and machinery, stores, crew, passengers, equipment and other property or interests owned or held by the Customer.

8. DEFECTS AND FAULTY PERFORMANCE

- 8.1 WML shall, at its own expense, rectify any defects or faulty performance of the Services for which WML is liable arising within a guarantee period of twelve (12) months after completion of the Services. The guarantee period for rectification work shall be twelve (12) months after completion of such work. However, the total guarantee period, including rectification work, shall not exceed eighteen (18) months from the completion date for the Services.
- 8.2 If the Customer discovers a defect or faulty performance of the Services, the Customer shall immediately notify WML in writing of the defect or faulty performance, at the latest before the expiry of the guarantee period. The notice to WML shall provide a specific description of the defect and/or faulty performance.
- 8.3 All spare parts supplied by WML are guaranteed for a period of twelve (12) months from the date of delivery, with the exception of parts that are liable to normal wear e.g. brake linings.
- 8.4 The guarantee period for integral parts obtained from sub-suppliers may vary according to the stipulations of said sub-suppliers. In such cases, the guarantee period will follow the sub-supplier's guarantee period.
- 8.5 If the event that any supplied part exhibits a defect during the guarantee period, WML will, at its discretion, either replace or repair that part. WML's liability will be limited to the cost of the replacement or repair of the actual spare part.
- 8.6 Any repair carried out by personnel other than those employed or approved by WML during the guarantee period requires the written permission of WML. Violation of this clause will release WML from its guarantee responsibilities.
- 8.7 WML will not accept any responsibility if, during the guarantee period, maintenance or operation of the equipment to which the part is fitted is not strictly carried out in accordance with the procedures stated within the equipment's operation or maintenance manuals or instructions.
- 8.8 Notwithstanding the provisions in this Clause 8, WML shall not be responsible, under any circumstances, for any claims for death, bodily injury, or property damage caused by any faulty or defective Goods, which shall be the liability of the manufacturer.
- 8.9 The remedies specified in this Clause 8 shall be the Customer's sole remedies in respect of defects or faulty performance of the Work by WML, and WML shall have no other liability, whether in contract, tort (including negligence), strict liability, or otherwise. Regardless of any other provision to the contrary, the guarantees expressed in this Clause 8 replace any other guarantees, whether express, implied, provided by law, or otherwise, including fitness for a particular purpose or merchantability.

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9. INDEMNIFICATION AND LIMITATION OF LIABILITY

- 9.1 The Customer agrees that no claim of any kind shall be made against any of WML's directors, officers, or employees in their individual capacity for any loss, damage, or delay arising directly or indirectly from any negligent act, error, or omission in the performance of the Services on behalf of WML, subject to these terms and conditions.
- 9.2 WML shall indemnify the Customer from and against any and all claims, expenses, and lawsuits for breach of contract, injury, death, or property damage arising out of or in connection with WML's grossly negligent or wilful acts or omissions in the performance of the Work under the Agreement.
- 9.3 The Customer shall indemnify WML (including any suppliers and subcontractors of WML, as well as WML's affiliates, employees, officers, agents, insurers, invitees, and representatives) from and against any and all claims, expenses, and lawsuits for breach of contract, injury, death, or property damage arising out of or in connection with the performance of the Work by WML under the Agreement, except to the extent such claims, expenses, or lawsuits are caused by the gross negligence or wilful defaults of WML.
- 9.4 Neither party shall be liable to the other for any loss of profits, loss of business, loss of revenue, loss of goodwill, or loss of anticipated savings, or any indirect or consequential loss or damage.
- 9.5 The total liability of WML with respect to the Agreement, whether based on contract, warranty, negligence, strict liability, or otherwise, shall not exceed USD one (1) million. The Customer agrees to release and indemnify WML from any liability in excess thereof.
- 9.6 WML shall be discharged from all liability to the Customer unless a lawsuit is brought within one (1) year of the act or default giving rise to the complaint.

10. TERMINATION

- 10.1 This Agreement shall become effective on the commencement date specified in the Agreement and, subject to this Clause 10, shall remain in force for the period specified in the Agreement.
- 10.2 The Either party may terminate this Agreement immediately if the other party:
- Commits a material breach of any term of this Agreement, which, if capable of being remedied, has not been remedied within thirty (30) days of receiving a written request to remedy the breach; or
 - Calls a meeting of its creditors, has a resolution passed or court order made for its winding up, has an administrator appointed pursuant to any relevant law, or has a receiver or manager appointed to its assets or undertaking, or any part thereof.

- 10.3 Any termination of this Agreement shall not prejudice any other rights or remedies that a party may have under this Agreement or at law. It shall not affect any accrued rights or liabilities of either party nor the coming into or continuation of force of any provision of the Agreement that is expressly or implicitly intended to come into or continue in force on or after such termination.

11. CONFIDENTIALITY

- 11.1 Neither party shall disclose any confidential or proprietary information, data, secrets, accounts, or dealings of or related to the business of the other party (collectively referred to as the "Confidential Information") without the prior written consent of the other party, except in the following circumstances:
- a) The receiving party already possessed the Confidential Information prior to its disclosure by the other party.
 - b) The Confidential Information becomes publicly known or is publicly disclosed through no unauthorised act of the receiving party.
 - c) The receiving party lawfully received the Confidential Information from a third party without any obligation of confidentiality.
 - d) The receiving party independently developed the Confidential Information without using the disclosing party's information.
 - e) Disclosure of the Confidential Information is required by law.

12. ASSIGNMENT

- 12.1 Neither party shall assign or sub-contract any of its rights and obligations under this Agreement to any other person without the prior written consent of the other party, provided that such consent shall not be unreasonably withheld or delayed.

13. NO PARTNERSHIP

- 13.1 The Agreement shall not create or recognise a partnership or joint venture of any kind between the parties. The relationship between the parties is that of independent contractors.

14. COMMUNICATIONS

- 14.1 Any notice or other communication required to be given pursuant to the Agreement shall be in writing and delivered by hand, sent by prepaid registered post or international courier, or transmitted by electronic mail to the address, or email address of the other party as specified in the Agreement (or as subsequently notified). If the notice or communication is not returned as undelivered, it shall be deemed served one (1) business day after signed receipt for a letter, or within four (4) normal working hours for electronic mail.

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15. REMEDIES

15.1 No remedy conferred by any provision of this Agreement is intended to be exclusive of any other remedy that may be available at law, in equity, by statute, or otherwise. Each remedy provided for in this Agreement shall be cumulative and in addition to any other remedy available under this Agreement or under any other applicable law. The election of one or more remedies by a party shall not constitute a waiver of that party's right to pursue any other available remedy.

16. WAIVER OF BREACH

16.1 The waiver by either party of a breach or default of any provision of this Agreement by the other party shall not be construed as a waiver of any subsequent breach of the same or other provisions. Nor shall any delay or omission on the part of either party to exercise or avail itself of any right, power, or privilege it has or may have under this Agreement operate as a waiver of any breach or default by the other party.

17. SEVERABILITY

17.1 If any provision (or part of a provision) of the Agreement is found by any court of competent jurisdiction to be invalid, illegal or unenforceable, the other provisions shall remain in full force and effect.

17.2 If any invalid, illegal, or unenforceable provision would be valid, legal, or enforceable if some part of it were deleted or modified, the parties shall make reasonable efforts to modify or interpret such provision to the extent necessary to make it valid, legal, and enforceable.

18. FORCE MAJEURE

18.1 If either party is prevented or delayed from performing any obligations under this Agreement (except for payment obligations) on the due date(s) due to circumstances beyond their reasonable control, the performance of such obligations shall be postponed for a reasonable period of time equal to the duration of the prevention or delay.

18.2 If the period of prevention or delay in performance of the obligations under the Agreement exceeds six (6) months, the Agreement shall automatically terminate unless the parties otherwise expressly agree in writing.

19. ETHICS AND BRIBERY

19.1 WML is committed to complying with international laws and regulations regarding ethics and bribery. WML maintains a zero-tolerance approach to any breaches of these laws and regulations. If WML becomes aware of or believes that a breach of ethics or bribery laws or regulations is occurring or likely to occur, WML will promptly notify the Customer and cease performing its obligations to the extent that they relate to the breach. WML shall not be liable to the Customer for any claims, losses, liabilities, or expenses arising from a breach of ethics or bribery laws or regulations. Furthermore, WML will not be obligated to resume the performance of the Work until the breach has been fully investigated and measures have been implemented to prevent any further breaches.

20. ENTIRE AGREEMENT

20.1 The Agreement constitutes the entire agreement between WML and the Customer. The parties shall not be bound by or liable for any statement, representation, promise, or understanding not set out in the Agreement. No changes, amendments, or modifications to any of the terms or conditions of the Agreement shall be valid unless reduced to writing and signed by both parties.

21. GOVERNING LAW & JURISDICTION

21.1 The Agreement shall be governed by and construed in accordance with the laws of Hong Kong SAR. Any disputes between the parties shall be exclusively subject to the jurisdiction of the courts of Hong Kong SAR.

21.2 Nothing in the Agreement shall prevent WML from seeking security or interim orders (including but not limited to in rem arrests, injunctions, attachments, seizures, sales, detentions, the exercise of a lien, or any other appropriate remedy or relief) in any jurisdiction deemed necessary by WML.

01 July 2023