

VESTDAVIT GENERAL SALES CONDITIONS FOR GOODS AND SERVICES

All sales of Products, including davits and spare parts (hereinafter called Goods), and/or services (hereinafter called Service (-s)) (hereinafter called together or separately Product (-s)) between the Purchaser and Supplier shall be subject to these Conditions. They have precedence over all other documents concerning the Product, including the Purchaser's purchase conditions if any, unless otherwise agreed in a document signed by the Purchaser and the Supplier or accepted in writing by the Supplier.

1. STANDARD CLAUSES FROM THE EUROPEAN ORGANISATION ORGALIME

With the exception of the special clauses in these General Sales Conditions, the clauses of the standards ORGALIME S 2000 shall apply. In case of inconsistency between the special clauses and ORGALIME's clauses, the special clauses shall prevail.

2. SPECIAL CLAUSES

2.1 CONTACT

Each party shall appoint a contact that must be fluent in English and in charge of the performance of the contract (supply of Goods and/or Services).

Unless otherwise agreed in writing and unless another person is specifically appointed and accepted by both parties, the contact shall have all the necessary powers of attorney and any decision made by the contact or any other person above him in the hierarchy of the company shall bind the company whose contact person he/she is.

2.2 OFFER, ORDER CONFIRMATION

2.2.1 Unless otherwise accepted in writing by the Supplier an offer presented by the Supplier is open for order 30 days from the date of the offer. The offer shall not apply to orders received after this time limit.

2.2.2 Only written order confirmation from the Supplier, or beginning of delivery by the Supplier, is binding on the Supplier. Unless the Purchaser makes objection by e-mail, with acknowledgement of receipt, not later than 7 days after the receipt of the order confirmation and at least 5 working days before shipment, the Purchaser shall be bound by its contents.

2.3 DELAY OF DELIVERY NOT DUE TO THE SUPPLIER

2.3.1 In case of delay not due to the Supplier but due to force majeure or due to the Purchaser, the Purchaser's contractors or a customer in the chain of contracts from the Purchaser to the end user, the price of the contract shall be adjusted in order to cover the additional costs, including the increase of the costs of production of Goods. In case of a dispute on the amount of the increase of the costs of production, the price revision clause drafted by the United Nations Economic Commission for Europe shall apply (ref. supplementary clause ME/188bis/53).

2.3.2 In case of delay of delivery due to the Purchaser, the Purchaser's contractors or a customer in the chain of contracts from the Purchaser to the end user, the Purchaser shall proceed to pay as if such delay had not occurred.

2.3.3 In case of delay of delivery due to the Purchaser, the Purchaser's contractors or a customer in the chain of contracts from the Purchaser to the end user and in case this results in a claim against the Supplier, the Purchaser shall defend, indemnify and hold the Supplier harmless from such claim.

2.4 PAYMENT

2.4.1 Late payment

2.4.1.1 In case of late payment, the Purchaser shall pay overdue payment without delay and upon Supplier's request present an on demand bank guarantee for the remaining instalments, issued by a bank accepted by the Supplier or confirmed by Supplier's bank.

2.4.1.2 In case of late payment, and if the parties have an agreement on a retention warranty amount or a retention warranty bond, the agreement giving the Purchaser a right of retention shall automatically be cancelled.

2.4.1.3 In case of late payment, the Supplier shall have the right to postpone any delivery until payment of the overdue payment and presentation of the bank guarantee for the remaining parts of the payment.

2.4.1.4 In case of late payment, the Purchaser shall cover the entire costs of debt recovery, including legal costs, in addition to compensation for loss.

2.4.2 The Purchaser's Insolvency

2.4.2.1 In case insolvency proceedings are initiated against the Purchaser or the end user or if insolvency proceedings are not commenced due to insufficient assets, the Supplier shall have the right to terminate the sales contract unless the Purchaser presents an on first demand bank guarantee for confirmation by the Supplier's bank for any overdue payment and remaining parts of the payment issued on behalf of the Purchaser or any third party.

In case of such a termination the Purchaser must pay, as in the case of force majeure below, and hold the Supplier harmless.

2.4.2.2 The same rights and obligations shall apply in case of cancellation of vessel by the Purchaser's customer or the end user.

2.5 RETURN POLICY

2.5.1 All returns shall be pre-authorized by Vestdavit prior to any shipment

2.5.2 A return identification number will be issued for each return shipment. All related documents shall be marked with the return identification number in addition to the original PO-number. Goods received without return identification number will not be handled.

2.5.3 Return shipping cost will be on customer expense

2.5.4 Preparation/wrapping/shipping protection is the customer's responsibility

2.5.5 Customer is responsible for needed customs clearance documents and making sure the package has these attached.

Return fee/cost

2.5.6 Standard return fee for custom ordered items is 100% of sales price.

2.5.7 Standard return fee for stock items is 30% of sales price. Needs to be confirmed in writing by Vestdavit prior to return.

2.5.8 Any damage on received goods will be carried by customer or its shipping insurance

2.6 LIABILITY FOR DEFECTS OR DEFECTIVE SERVICES (WARRANTY)

2.6.1 Warranty

The Supplier warrants the Goods for any defect or lack of conformity resulting from faulty design, materials or workmanship in accordance with the standard and special clauses.

2.6.2 Unjustified warranty claim

2.6.2.1 The Purchaser has a duty before presenting a warranty claim to examine properly if the claim is covered by the Supplier's warranty.

A warranty claim is unjustified when the claim is not covered by the warranty.

2.6.2.2 In case of repair of the Product, done by the Supplier or by a third party on behalf of the Supplier, related to an unjustified warranty claim from the Purchaser, the Supplier shall invoice the Purchaser for the cost of the repair and Purchaser must pay.

2.6.2.3 When the Purchaser asks a customer, in the chain of contracts from the Purchaser to the end user, to address a warranty claim directly to the Supplier, without making proper examination in order to see if the claim is covered by the Supplier's warranty, the Supplier may invoice the Purchaser directly for the cost of the repair and the Purchaser must pay.

2.6.2.4 The invoice shall cover the cost of repair/replacement and all related costs including travelling and living expenses of the persons performing repair/replacement and the labour costs for working time and travel time.

Travel time shall be invoiced at the same rate as for work time. The same shall apply in case of the repair crew's waiting time due to the Purchaser, a person under the control of the Purchaser or the end user. In such cases the Purchaser shall pay the invoice and defend, indemnify and hold the Supplier harmless from the claim from a customer in the chain of contracts from the Purchaser to the end user.

2.6.2.5 If the Supplier thinks that the claim is unjustified because the defect in question is not covered by the warranty, the Supplier may ask for advance payment and the work for repair or replacement will not begin before receipt of the advance payment, without any liability for the Supplier.

If the claim is proven justified the Supplier shall reimburse the Purchaser for the advance payment.

2.6.2.6 Unless otherwise agreed in writing and in case of repair performed by the Purchaser or any third party not expressly appointed by the Supplier, the Supplier shall have neither responsibility nor liability for the repair, the consequences and the payment for the repair.

2.6.3 Defective parts covered by the warranty and replaced by or for the Supplier

Defective parts shall be stocked at the Purchaser's place at the Purchaser's expense for inspection by the Supplier.

After a reasonable time, which shall not be less than 30 days, the Purchaser may request destruction of defective parts. However the Purchaser shall not destroy these parts when the Supplier accepts to cover the storage expenses at cost or requests sending them at the Supplier's expense to the Supplier's place or any other place designated by the Supplier.

In case of legal proceedings, or risk of such proceedings, the defective parts shall be stocked at the Purchaser's place and expense as long as it is requested for the proceedings.

2.6.4 Services to be done under the warranty Coverage of additional costs

Unless otherwise agreed in writing, the Purchaser shall cover the following costs when the Products must be repaired in a place other than the place of the Supplier, i.e. Bergen, Norway: travel and living expenses of the persons performing the repair/replacement and travel and waiting time according to the "rates and conditions for service personnel".

Purchaser must himself, or through any third party having control over the vessel, position and prepare the vessel for warranty repair by or on behalf of the Supplier. In case of delay and waiting time for the service personnel and the Purchaser shall cover all additional costs due to the

delay, including labour costs for waiting time.

2.6.5 Limitations of liability

2.6.5.1 The Supplier is only responsible when he is in charge of the Service and the Service is done by the Supplier or by service personnel specifically appointed by the Supplier. The Supplier has no liability for damages, injury or death due to any other third party's act or passivity, including lack of maintenance, incorrect erection and faulty repair. The Supplier has no warranty obligation in case of late or non payment.

2.6.5.2 The Supplier shall have no liability for defects, damages or injury and death due to the Supplier's delivery in conformity with technical requests from the Purchaser, the end user, a public authority, a supervisory institution or a classification institution.

2.6.5.3 The Purchaser has a duty to inform in due time the Supplier of any technical specifications required by the Purchaser, the end user, a public authority, a supervisory institution or a classification society. In case of breach of this obligation, no claim for lack of conformity with such specifications may be presented by the Purchaser and the Purchaser shall defend, indemnify and hold the Supplier harmless.

2.7 ADDITIONAL CONDITIONS FOR SERVICES

2.7.1 Services include testing, commissioning, maintenance, repair, periodic inspection and up-grading. Services are subject to a specific contract or specific contractual clauses in a sales contract.

2.7.2 Unless otherwise agreed in writing, supply of Services shall be invoiced according to the Supplier's periodic "Rates and Conditions for Service Personnel" which are applicable at the date of the performance of the Service.

2.7.3 When ordering a Service the Purchaser shall provide the Supplier a clear description of the Service to be performed for sending the right service personnel, deciding of the date and place of performance and ordering special utilities/spare parts when it is necessary. Extra costs, included labour costs, due to unclear or incomplete description shall be covered by the Purchaser.

2.7.4 The Purchaser must provide utilities and facilities (electricity, water, premises, machineries, tools etc.) and technical local assistance and interpreters at the place of performance of the Service, unless the local population has a good knowledge of English or a Scandinavian language, for the performance of the Service.

The Purchaser must provide active assistance for getting all required public authorisations from the immigration authority or any other authority which are necessary for the performance of Services by the service personnel at the place of performance.

The Purchaser is in charge of providing secure, safe and decent working and living conditions for the service personnel.

In case of breach of these obligations, the Purchaser shall be liable for the consequences, including costs. The Purchaser shall defend, indemnify and hold the Supplier harmless.

2.7.5 Knock for knock: each party shall be responsible, i.e. indemnify the other party in case of any claim addressed to the other party, for damage to his property and personal injury to or loss of life of any of his employees, irrespectively of the other party's legal liability.

Each party shall contract an insurance policy covering such damages, injuries and loss of life. Such a policy must be a policy from an insurance company of good international reputation. Such a policy shall not contain any subrogation right to the insurance company's benefit against the other party.

2.7.6 The Purchaser shall control the performance of the Service, request a test if necessary, draft a report, sign it and request the head of the Service personnel to sign it before the service personnel leaves the place of performance of the Service. Unless otherwise expressly

noted in such a service report, the Service shall be deemed correctly performed and the Purchaser shall have no right to claim.

2.8 FORCE MAJEURE

In the event the Supplier is unable to fulfil a contract due to force majeure or in case a contract is terminated because of force majeure, the Purchaser shall pay the Supplier pro rata for the deliveries and work already carried out by the Supplier including the purchases done by the Supplier and the parts of the Product already manufactured in accordance with the production schedule and on stock and in case of supply of Service the costs of the service personnel as mentioned in article 2.9.2.2.

2.9 APPLICABLE LAW, DISPUTE RESOLUTION

2.9.1 These Conditions, and any related contract, shall be governed by the United Nations' Convention on Contracts for the International Sale of Goods of 1980, supplemented, when insufficient, by the law of the Supplier's country for legal fields outside the scope of the Convention.

2.9.2 In case of a lack of conformity alleged by the Purchaser, the parties accept the appointment of an independent technical expert by Det norske Veritas upon request from one of the parties. The expert shall present a technical report in English on the alleged lack of conformity, propose solutions and give an opinion. Unless otherwise agreed the expert shall not be a national of the countries of the parties. Unless otherwise agreed in writing, this opinion shall not bind the parties and any party may go directly to the competent jurisdiction/arbitration as described below. The Purchaser must facilitate for the examination by the expert. The failing party shall cover the fee and costs of the expert. If the expert is of the opinion that both parties have a responsibility, the fee shall be shared equally between the parties.

2.9.3 When the Purchaser is from a European State, which has ratified the Lugano convention on the enforcement of judgments, any dispute arising out of or in connection with these conditions, and any matter related to contracts and commercial transactions, shall be settled by the court at the place of the Supplier.

When the Purchaser is from any other State, such disputes shall be finally settled by fast-track arbitration in accordance with the Rules of the Arbitration and Dispute Resolution Institute of the Oslo Chamber of Commerce, in English, in Oslo. If a party refuses to appear, send the documents requested by the arbitral tribunal, pay the administrative fee or advance payment to the tribunal or follow the arbitral procedure and rules, the tribunal shall settle the dispute solely on the basis of the documents presented and render an arbitral award. A document shall be deemed presented to the tribunal only when it is sent in due time and the fee and advance payment from the party presenting the document are received in due time by the tribunal. As an exception to this arbitration clause, the Supplier may request interlocutory measures or initiate a debt recovery procedure, including legal proceedings, at the court of its place or the place of the Purchaser. The Purchaser shall bear all the costs of the debt recovery procedure.

Both parties hereby agree that accepted mediation solution or arbitral decision or court decision may automatically be enforced in all countries, particularly in any country where the relevant party has assets. The parties undertake not to oppose the enforcement of such a solution or decision. The losing party shall bear all legal costs of the winning party. The tribunal may at its reasonable discretion reduce the legal costs to be reimbursed if the winning party does not win all his claims. The losing party shall cover all costs of enforcement.

2.10 CHANGE ORDER

This article does not cover termination or cancellation of the contract but the right and obligations of the parties related to the Purchaser's

change order i.e. a requested partial modification of the order due to technical requirement.

2.10.1 When required by the end user or when it is necessary for improving the Products, the Purchaser is entitled to demand change of quality, quantity or characteristics of the Goods and change of the time schedule. A change shall be reasonable, i.e. not beyond what could reasonably have been expected at the date of the signature of the Order Confirmation.

2.10.2 In case of an increase of the work/order to be done by the Supplier, the Purchaser shall pay the additional costs on demand upon presentation of the additional invoice. The prices shall be according to the prices and labour costs at the date of the performance of the change order.

2.10.3 If the Supplier cannot perform the increase in the requested time, he shall inform the Purchaser without delay and propose another time limit. This time limit shall be deemed contracted unless the parties agree in writing on another time limit or the Purchaser withdraws his change order with immediate notice to the Supplier.

2.10.4 In case of a reduction or suspension of the work/order, the Supplier shall immediately cease production of the part of the order which can be ceased, use his best endeavours to reduce his costs and inform the Purchaser of the new price without undue delay.

The Purchaser shall pay for all the Supplier's costs which cannot be reduced. The Purchaser shall among other pay for all manufactured Goods on stock and performed Services, parts of Goods partly manufactured and all ordered components and materials. These costs include also the cost related to lay off and dismissal of personnel, cancellation of sub-contracts which are necessary because of the change order and the administrative costs for performing the change order.

2.10.6 Unless the parties agree in writing on a new delivery schedule and new milestones by reason of the required changes, the delivery time shall remain unchanged.

2.10.7 In case of change order the Purchaser shall hold the Supplier harmless.

2.11 TERMINATION OF CONTRACT

2.11.1 Termination

A contract may be terminated with immediate effect by either party (the Requesting Party):

2.11.1.1 if the other party has a receiver appointed over any of his assets, becomes insolvent or enters into liquidation, or if a petition of bankruptcy is filed by or against him, or if he makes an arrangement for the benefit of his creditors,

2.11.1.2 in case of default in payment or a material, i.e. substantial, breach by the other party of the obligations arising out of the contract, if the other party does not rectify such default or breach within the time period stipulated by the Requesting Party in the written request of rectification (this time period shall not be less than 15 days unless the default or breach cannot be rectified), or

2.11.1.3 in any other which gives the right to cancel the contract according to the law of the contract.

2.11.2 Cancellation by the Purchaser

2.11.2.1 Supply of Goods:

Notwithstanding the possibility of termination according to Article 2.11.1, the Purchaser may cancel a contract upon the fulfilment of the following conditions:

- a)** payment of 10 % of the EXW value of the contract price (EXW latest Incoterms) for cancellation 9 months before the agreed delivery date,
- b)** payment of 20% of the EXW value of the contract price for cancellation 6 months before the agreed delivery date,
- c)** payment of 100% of the contract price in case of later cancellation unless otherwise agreed in a specific written agreement on a compensation.

2.11.2.2. Supply of Services:

Purchaser shall cover all the incurred costs of personnel, the costs for cancellation of travel and accommodation and all costs related to earlier return of the personnel, including the labour costs for the working, waiting and travel time.

If Purchaser cancels or postpones the contract 3 days or less in advance of scheduled and confirmed assignment a cancellation fee will be applied in addition to incurred cost. The cancellation fee consists of the planned working hours for the first 3 days of the assignment.

2.11.2.3

In any case the Purchaser cancelling the contract shall defend, indemnify and hold the Supplier harmless in case of cancellation.