

1. DEFINITIONS

- 1.1. The definitions in section "Conditions 2" apply in these conditions.
- 1.2. "TERMS" and "CONDITIONS" mean these terms and conditions and the attached supplementary conditions (if any).
- 1.3. "CONTRACT" means the contract between you and **OSERV/OSM, where OSERV/OSM is contracting on behalf of the OWNERS/MANAGERS**, consisting of: QUOTATION, these CONDITIONS, the PURCHASE ORDER, SERVICE ORDER or **OSERV/OSM** written acceptance of the QUOTATION by an authorised person in **OSERV/OSM**.
- 1.4. "OWNERS" means the Owners of the VESSEL as per the applicable Bimco Shipman agreement or OSERV Service Level Agreement entered into between the OWNERS and OSM as Managers
- 1.5. "AGENTS" means OSM/OSERV, acting solely for and on behalf of OWNERS/MANAGERS under the applicable Bimco Shipman agreement.
- 1.6. "VESSEL" means the ship the PURCHASE ORDER/SERVICE ORDER relates to.
- 1.7. "MANAGERS" means the Managers according to the applicable Bimco Shipman agreement, acting for and on behalf of OWNERS:
- 1.8. "WORK" or "SCOPE OF WORK" means the description of goods and/or services to be supplied.
- 1.9. "CONTRACTOR/SUPPLIER" means the company identified in the purchase/service order as supplier of the relevant work or parts, and is also referred to as "you" in these GT&C
- 1.10. "TENDER" means invitation to submit a QUOTATION for the WORK or SCOPE OF WORK/PRODUCT DEFINITION.
- 1.11. "RFQ" means Request for QUOTATION
- 1.12. "QUOTATION" means the tender or QUOTATION issued by you for the WORK or PRODUCT delivery.
- 1.13. "PURCHASE ORDER" or "SERVICE ORDER" means the order instructions issued by OSERV/ **OSM as AGENTS** for the purchase of the WORK/PRODUCTS for and on behalf of OWNERS/MANAGERS.
- 1.14. "COMMITMENTS" means the date of approval of the supply or contract.
- 1.15. "WRITING" and "WRITTEN" means Letters, Faxes and/or E-mail.
- 1.16. "DESCRIPTION" means documents any DESCRIPTION related to the WORK or SCOPE OF WORK/definition of PRODUCTS.

2. GENERAL

- 2.1. These Conditions apply to the CONTRACT to the exclusion of any other terms and conditions. Any conditions contained in your documents such as quotation, technical specifications or clarification and other documents with comments hereto and not referred to in and as an enclosed document hereto are excluded to the CONTRACT. Only approved variation order with reference to the CONTRACT shall apply and not be constituted.
- 2.2. The CONTRACT is valid for the period stated herein.
- 2.3. These conditions shall apply and shall prevail over any inconsistent terms or conditions contains in, or referred to in your quotation, technical specifications or clarification and other documents with comments hereto and not, confirmation, or implied by law, trade customs, practise or course delays, without written acceptance.
- 2.4. All PURCHASE ORDERS/SERVICE ORDERS and purchasing processes are strictly undertaken by OSERV/OSM as AGENTS for and on behalf of OWNERS/MANAGERS.

OSERV/OSM as AGENTS is not responsible for any failure of the OWNERS to fulfil their payment obligations under the CONTRACT. The liability for payment lies solely with the OWNERS/MANAGERS Neither OSERV/OSM nor any company of OSM Maritime Group is the debtor for any outstanding payments under this CONTRACT In case of overdue payments where OSERV/OSM as AGENTS cannot obtain necessary funding from the OWNERS/MANAGERS, claim for outstanding payments under the CONTRACT shall be addresses to the OWNERS/MANAGERS as stated on the PURCHASE ORDER/SERVICE ORDER.

- 2.5. Your acceptance of the CONTRACT constitutes any terms or conditions, for **OSERV/OSM** to purchase WORK or PRODUCTS specified in these terms and conditions. No offer placed by you shall be accepted other than;

- 1.3.1 By a written acceptance issued and executed by **OSERV/OSM**; or
- 1.3.2 (If earlier) by **OSERV/OSM** accepted starting the WORK or delivering PRODUCTS, when a CONTRACT for the supply or purchase of the WORK or delivery of PRODUCTS is not issued.

3. DESCRIPTION, ETC.

- 3.1. You assume responsibility that goods, services, work, and any design stipulated by you, are sufficient and suitable for the agreed purpose.
- 3.2. Any drawings, firm information and data which we are to provide by the contract will be provided or confirmed at the appropriate time following establishment of the CONTRACT.

4. INSPECTIONS AND TESTS

- 4.1. If in the CONTRACT inspections or tests are required, and to be carried out with the presence of OSERV/OSM or our representative, we must accept notice, time and venue.
- 4.2. In the event of any delay on the part of OSERV/OSM or our representative in carrying out such inspection or attending such test, the inspection or test will not proceed in OSERV/OSM or our representative absence and shall not be recognised to have been made unless other written agreement.
- 4.3. In the event of any delay on the part of you or your representative in carrying out such inspection or test and with attendance of OSERV/OSM or our representative, we must accept notice, time and venue, and the inspection or test shall not be recognised to have been made unless other written agreement.

5. YOUR OBLIGATIONS

- 5.1. Provide for OSERV/OSM, agent, sub-contractors or employees, in a timely manner and at no charge, access to any premises designated by you of any part of the WORK is to be carried out and data and other facilities which we may request.
- 5.2. Provide such information as we may request for the purpose of the WORK and ensure it is accurate in all material respects.
- 5.3. Be responsible (at your own cost) for preparing and maintaining for the supply of the WORK any premises designated by you of any part of the WORK is to be carried out, including identifying, monitoring and disposing of any hazardous material in accordance with all applicable laws, before and during the WORK at those premises.
- 5.4. Inform OSERV/OSM of all health and safety rules and regulations and any other reasonable security requirements that apply at any premises designated by you of any part of the WORK is being carried out.
- 5.5. If performance of the WORK under the CONTRACT is prevented or delayed by any act or omission of you, your agents, sub-contractors or employees, OSERV/OSM shall not be liable for any cost, charges or losses sustained or incurred by you or sub-contractors arising directly or indirectly from such prevention or delay.
- 5.6. You are liable to pay OSERV/OSM, on demand, all reasonable cost, charges or losses sustained or incurred by us arising from your fraud, negligence, failure to perform or delay in the performance of any of your obligations under the CONTRACT, subject to us confirming such cost, charges and losses to you in writing.

6. OSERV/OSM's OBLIGATIONS AS AGENTS FOR AND ON BEHALF OF OWNERS/MANAGERS:

- 6.1. Co-operate with you in all matters relating to the Work;
- 6.2. Provide, for you, in a timely manner access to the necessary premises, office accommodation, data and other facilities as reasonably required by you;
- 6.3. Provide, in a timely manner, such In-put Material and other information as you may reasonably require, and ensure that it is accurate in all material respects;
- 6.4. Be responsible for preparing and maintaining the relevant premises for the supply of the Work;
- 6.5. Inform you of all health and safety rules and regulations and any other reasonable security requirements that apply at OSERV/OSM's relevant premises;
- 6.6. Allow you to contact OSERV/OSM by telephone, fax or email whenever so considered necessary by you; and
- 6.7. Ensure that all requests, whether oral or in writing, presented by you in respect of the Work, other practicalities or personal welfare is given due attention.
- 6.8. In the event of contract procurement on behalf, OSERV acts solely in the name of the owners/managers and follows relevant instructions on RFQ, PURCHASE ORDERS/SERVICE ORDERS and delivery arrangements and activity approvals.

7. TIME

- 7.1. For any performance and time of delivery or completion stated in the CONTRACT, shall be construed as an estimate unless other agreed. A fixed time for performance in conjunction with a provision or liquidated damages for delay in accordance with SUB-CONDITION (2) of this Conditions
- 7.2. If agreed a fixed time for delivery or completion of the WORK and you fail to deliver or complete within that time and as a result and caused by OSERV/OSM, have suffered direct loss, OSERV/OSM undertake to pay a reasonable price as liquidated damages at agreed rates. Liquidated damages shall be calculated only on the portion of the CONTRACT price carried out and actual cost committed up to the point of the observation, and to be limited to cover actual WORK performed in the period. WORK shall be extended (postponed) by a reasonable period if delay is in due to any cause beyond reasonable control, including but not limited to strike, lockout, fire, frost, accident, breakdown, act of God, force majeure.
- 7.3. If delay result from a cause for which you or your servants or supplier or sub-supplier are responsible, OSERV/OSM shall be informed from the date of observation, and OSERV/OSM be informed in writing of a formal written variation, proposal or instruction and following an accept from OSERV/OSM as any associated change in price, time for delivery and conditions.

8. VARIATIONS

- 8.1. OSERV/OSM shall not be obliged to agree to any variations, proposal or instructions to the CONTRACT. Our agreement to any variation shall be effective from the date of OSERV/OSM acceptance in writing of a formal variation to the CONTRACT or instructions and following notification from OSERV/OSM as to any associated change in price and time of delivery.
- 8.2. In the event that any alteration or modification of the WORK becomes necessary owing to a matter for which you or your servants, supplier or sub-supplier are responsible for, including but not limited to any alternation or modification being made to the premises where the WORK is to be installed or carried out or to any of your plant or design relating to such premises, plants to be construed, altered or modified, the CONTRACT price will not be increased by the amount (taking into account, overheads and profit) occasioned by such alterations or modifications.
- 8.3. OSERV/OSM may from time to time and without notice, change the WORK in order to comply with any applicable safety or statutory or regulatory requirements, provided that such changes do not materially affect the nature of, scope of work, or the charges for the WORK.

9. PROPERTY AND RISK

- 9.1. The property in the WORK shall remain with OSERV/OSM even part of or the whole of the price has been paid, irrespective of whether any equipment and materials forming part of the WORK have been installed in whole or in part, and we reserve the right to recover equipment and materials for which payments is agreed or paid.
- 9.2. Risk in the WORK is transferred to you until Point of Delivery. Unless otherwise stated in the CONTRACT, are delivery terms as stated in Purchase Order.
- 9.3. OSERV/OSM, is entitled to handover, sell, resell the products to OWNERS/MANAGERS or of the nature of OSERV/OSM as a manager, will be able to transfer any guarantees of the products or WORK.

10. PRICES

- 10.1. QUOTATION is based on the costs of labour, equipment, materials, plants, transport, and conformity with statutory obligations prevailing at the date of the QUOTATION; in the event of any increase of the cost aforesaid between the date of QUOTATION and the date of delivery or, if applicable, the date of installation or provision of services under the CONTRACT, the labour, equipment, materials, plant and transport will be invoiced upon the basis of the prices prevailing on the date of quotation or CONTRACT and remain until the WORK is delivered.

11. PAYMENTS

- 11.1. The methods of payment are to be agreed between the parties as either your payments terms or as laid out in this clause.
- 11.2. The invoices shall be issued in the name of the OWNERS/MANAGERS in care of OSERV/OSM. The OWNERS/MANAGERS full name will be stated on the PURCHASE ORDER/SERVICE ORDER.
- 11.3. If no terms are discussed or agreed, invoices to be submitted at any time after readiness of goods for despatch or completion of services has been notified to OSERV/OSM and accepted, payments in full shall be due within 60 days from the date of invoice. Unless otherwise stated in the CONTRACT or PURCHASE ORDER, no retention shall be applicable to this CONTRACT and payments shall be made without deduction.
- 11.4. Time of payments of the CONTRACT and in the event of a dispute to comply with the terms as to payments (whether the price is payable by instalments or otherwise) you do not have option not to treat the CONTRACT as terminated and to remove any equipment and materials whether already delivered or installed or not, or to suspend performance of the CONTRACT until such dispute have been complied. You will hold OSERV/OSM harmless and indemnify us against cost, loss expenses or liability arising out of or in connection with such dispute. Payment of the CONTRACT if alleged fault or deficiency in any equipment, material or workmanship or other dispute of claim or right of set-off shall entitle OSERV/OSM to withhold any payment provided for by the CONTRACT.
- 11.5. Without any prejudice in the CONTRACT cannot be terminated upon non-payment, or suspend same and claim indemnity as aforesaid. Interest shall not be payable from the date at which any payment falls due in accordance with the Late Payments of Commercial Debts (interest) Act 1998 and any amendments thereto.

- 11.6. The prices stated in the CONTRACT do not include any allowance for Value Added Tax. Any Value Added Tax which may be chargeable shall be shown as a separate amount on each invoice. The amount will be payable, if not stated otherwise the CONTRACT or stated in the Purchase Order as "This order is for a vessel in foreign trade and VAT shall not be added".
- 11.7. All invoices must be in sent and received by OSERV/OSM for and on behalf of OWNERS/MANAGERS no longer than 3 months after delivery/completion of the WORK, any invoices received after 3 months will not be accepted, unless otherwise stated and agreed.

12. DEFECTS

- 12.1. Any defects to make good, by repair or if necessary by the supply of a replacement, defects which under proper use appear in the WORK within a period of twelve 12 month from the date of delivery or acceptance of delivery of the WORK or completion of any services included on the WORK and which arise solely from faulty design, (other than a design specified by OSERV/OSM) materials or workmanship, provided that defective items can, if necessary, be returned to you carriage and insurance paid if OSERV/OSM shall so require. You shall refund the cost of carriage and insurance on such parts and the repaired or new parts will be delivered by you free of charge.
- 12.2. Insofar as permitted by law, your liability under this condition 11 shall be in lieu of any warranty or conditions implied by law as to the quality or fitness for any particular purpose of the WORK and save as provided in this Conditions 11 (Limitations of Liability) you shall not be under any liability, whether in contract, tort otherwise, on respect of defects of the WORK."

13. CANCELLATION

- 13.1. OSERV/OSM may only cancel the CONTRACT (whether in whole or in part) with previous written consent, which shall be given or withheld at your sole discretion and upon such term as you deem to fit.
- 13.2. Without prejudice to any other rights or remedies you may have, OSERV/OSM shall have the right to cancel the CONTRACT by 7 days' prior notice in writing posted by OSERV/OSM or delivered or faxed to you, provided the you shall have such right once any equipment or materials have been delivered to the premises where they are to be installed.
- 13.3. Without prejudice to any other rights or remedies which the parties may have, either party may terminate the CONTRACT without liability to the other immediately on giving prior written notice to the other if:
- 13.4. The other party commits a material breach of any of the items of the CONTRACT and (if such breach is remediable) fails to remedy that breach within 30 days of the party being notified in writing of the breach; or
- 13.5. There is a change of control of the other party (as defined in section 574 of the Capital Allowances Act 2001).
- 13.6. Each party also has the right to early terminate this Agreement if the other Party becomes bankrupt, enters into a liquidation process or a sale of business process, or is sold to a third party which is in competition with the terminating party.
- 13.7. On termination of the CONTRACT for any reason:
- 13.8. OSERV/OSM will for and on behalf of the OWNERS/MANAGERS immediately pay the outstanding unpaid invoices and interest and, in respect of WORK done for which no invoice has been submitted, you may submit an invoice which will be payable.
- 13.9. OSERV/OSM will return your equipment, and in the event OSERV/OSM equipment are in you premises you will return all of our equipment and materials, and if your fail to do so we may enter the premises where any such equipment and materials are located and take possession of them.

14. SURVIVAL UPON TERMINATION

- 14.1. Upon termination of the Agreement the obligations herein relating to confidentiality shall continue in full force and effect for a period of five (5) years after the termination of the Agreement

15. HEALTH AND SAFETY

- 15.1. You shall use all reasonable endeavours to observe all health and safety rules and regulations and any reasonable security requirements that apply to OSERV/OSM premises and that have been communicated to in writing, provided that you shall not be liable under the CONTRACT if, as a result of such observation, OSERV/OSM are in breach of any of your obligations under the CONTRACT

16. PATENTS AND INTELLECTUAL PROPERTY RIGHTS

- 16.1. OSERV/OSM shall not be liable for the infringement of any patent, registered design, trade mark or other intellectual property right where such infringement result from WORK being manufactured or carried out based on your design and/or instructions. Hold OSERV/OSM fully harmless for indemnity against any claim in respect thereof howsoever arising.
- 16.2. OSERV/OSM shall not be liable for the infringement of any patent, registered design, trade mark or other intellectual property right where such infringement result from WORK being manufactured or carried out based on Our provided design and/or instructions. Hold OSERV/OSM fully harmless for indemnity against any claim in respect thereof howsoever arising.

- 16.3. OSERV/OSM and, if applicable our clients shall retain ownership of and all rights in design, software and other intellectual property developed or designs software and intellectual property, provided by OSERV/OSM under the CONTRACT to the extent necessary for the purpose of constructing, operating and maintaining the premises or plant for which WORK is intended. No other rights shall be granted by you or any servant, agent, sub-supplier or client of yours in intellectual property of your selves or any sub-supplier of OSERV/OSM.

17. INDEMNITY AND HOLD HARMLESS

- 17.1. From and after the date of this CONTRACT, the Supplier agrees to indemnify, defend and hold harmless the OSERV/OSM from any and all claims and liabilities, regardless of by whom such claim or liability may be asserted, for personal injury (including death), or loss or damage to property, or otherwise that may result directly or indirectly from the use, possession or ownership of the goods or from the services provided by you pursuant to this CONTRACT.

18. ASSIGNMENT / SUBCONTRACTING

- 18.1. You shall not have any right to assign this CONTRACT or any benefits arising from this CONTRACT without prior written consent, unless otherwise agreed upon in writing, the rights of any assignee shall be subject to all set-offs, counterclaims, and other comparable rights arising hereunder. You shall not, except in the case of raw materials, castings, forgings or rough welded structures, or standard commercial goods, or except as otherwise agreed in writing by OSERV/OSM, delegate or subcontract the work on any item of material or service to be delivered or performed under this CONTRACT

19. CONFIDENTIALITY

- 19.1. The terms and conditions in this agreement remain strictly confidential. The terms are not to be shared with any third party without the prior written permission to the other party.

20. INSURANCE

- 20.1. In connection with the CONTRACT, it is at you own cost and expense, shall obtain and maintain in force during the term of this CONTRACT, the following insurance coverage: Insurance for workers' compensation insurance, in amounts required by law, covering all officers and employees of the company who are in any way engaged in or connected with the CONTRACT, and employer's liability insurance in an amount of not less than Five Hundred Thousand Dollars (\$500,000). You shall require its agents, sub-suppliers and subcontractors, who are in any way engaged in or connected with the CONTRACT to maintain the same insurance as required herein.
- 20.2. A policy of commercial general liability insurance with broad form property damage endorsement, personal injury and products completed operations coverage, affording protection in an amount of not less than Two Million Dollars (\$2,000,000) per incident and in the aggregate, with respect to personal injury, death, or damage to property.
- 20.3. If this CONTRACT contemplates professional services, a policy of professional liability insurance, including errors and omissions, affording protection of not less than One Million Dollars (\$1,000,000) per incident and One Million Dollars (\$1,000,000) in the aggregate.
- 20.4. A policy of comprehensive automobile liability insurance covering the operation of all motor vehicles and machinery used by you or its agents in connection with this CONTRACT, affording protection in an amount of not less than One Million Dollars (\$1,000,000) combined single limit with respect to personal injury, death, or damage to property.
- 20.5. All of these insurance policies shall be issued by insurance companies with a reasonable rating and within normal standard or higher and a normal financial strength or higher, or equivalent ratings provided by a disinterested, generally recognized rating agency, which companies shall be licensed or permitted to conduct business. The commercial general liability policy as an additional insured, and shall be written as primary coverage and not contributing with or in excess of any coverage that OSERV/OSM may carry. Upon request, you shall furnish to OSERV/OSM a current certificate of insurance for each of the policies required above on request. Insurance coverage(s) provided under this CONTRACT shall not limit or restrict in any way the liability of you arising under or in connection with this CONTRACT. Such insurance shall not be cancelled or terminated without prior written notice of any cancellation or termination.

21. DISPUTE RESOLUTION AND GOVERNING LAW

- 21.1. The relations between the Parties are regulated by the Agreement and Singapore Law.
- 21.2. All disputes originating in the process of execution of the Agreement shall be preliminary considered by the parties to achieve mutually acceptable decision. If the parties do not reach an agreement the disputes are treated in accordance with Singapore legislation and arbitration act.
- 21.3. The Parties shall negotiate diligently and in good faith to resolve any dispute that arises in relation to this Agreement. The Agreement is completed in duplicate having equal legal force and kept one copy by each party. This Agreement shall inure to the benefit of and be binding upon the respective heirs, executors, successors, representatives, and assigns of the parties, as the case may be.

22. FORCE MAJEURE

- 22.1. In the event that either party is prevented from, or delayed in the performance of the Agreement by force majeure, such party shall communicate with the other party concerning the circumstances of such force majeure. The party making such communication shall thereupon be excused from their performance or punctual performance of the obligations during the continuance of the circumstance causing such prevention or delay.
- 22.2. « Force majeure » as herein used shall comprise any circumstance beyond reasonable control of the party which prevents or impedes due performance of the obligations hereunder, including, but not limited to war or hostilities, riots or civil commotions, Acts of God, denial of the use of railway or airport, strike, lockout or other action by workers, labour disputes, storms, floods, explosions.
- 22.3. In case the force majeure event would last for more than 30 days, then this Agreement shall automatically be terminated, but any and all amounts due to each party to the other at the date of termination shall be paid, notwithstanding the occurrence of said force majeure event.

23. ADDITIONAL TERMS

- 23.1. **Implementation of Solas II-1, regulation 3-5 and MSC.1/Circ. 1379**
Spare parts and repairs shall be accompanied by Asbestos free declaration, according to requirements in MSC.17.circ.
- 23.2. SOLAS Chapter II-1, Regulation 3-5
"From 1. January 2011, for all ships, new installation of materials which contain asbestos shall be prohibited."
- 23.3. MSC.1/Circ.1379
"In the context of this regulation, new installation of materials containing asbestos means any new physical installation on board. Any material purchased prior to 1. January 2011 being kept on the ship's store or in the shipyard for a ship under construction, should not be permitted to be installed after 1 January 2011 as a working part"

24. DELIVERY: INSTRUCTIONS TO CONTRACTOR / SUPPLIER:

- 24.1. The general guidelines listed in this section should be applied to all shipments and purchases. Unless additional requirements are identified and specified in the Order or other OSERV/OSM packaging specification, all other packaging decisions are left to the shipper. It is the shipper's responsibility to ensure shipments are packaged in a manner such that the packing material, containers and their contents can withstand worldwide transportation and will arrive at their destination free from damage.
- 24.2. **Following** Focused on correct documentation and necessary instructions is fulfil the requirement correct delivery to final destination.
- 24.2.1. SPECIFIC INSTRUCTIONS ON PO (Invoice and delivery)
- 24.2.2. INSTRUCTIONS REQUIRED FOR FREIGHT AND SHIPPING DOCUMENTS (Packing list, Proforma Invoice & Documentation)
- 24.2.3. DANGEROUS GOODS DECLARATION & CERTIFICATION
- 24.2.4. PRODUCTS CERTIFICATION AND DOCUMENTATION
- 24.3. **OSERV/OSM** is very concerned about the packaging materials and waste impacts on the environment. **CONTRACTOR** and **SUPPLIER'S** Obligations is to choose materials to package items and materials having minimum impact on the environment and how to discard packing materials.
- 24.4. Consider right and correct selection of packing materials prior to shipment, and reduce impact on environment.
- 24.5. Consider right and correct volume of packing materials prior to shipments, and reduce impact on environment.
- 24.6. Consider how to reduce the waste and protect the environment by treating properly.
- 24.6.1. If packing materials can be returned immediately at delivery to Contractor / Supplier.
- 24.6.2. If packing materials can be returned to the Contactor / Supplier at next delivery / destination.
- 24.6.3. If proposal can be provided based on Contactor/Supplier knowledge to the products, and if packing materials can be sorted/segregated properly.
- 24.6.4. If special handling procedures is required do to reduce risk and proper treatment of packing materials/waste and pollutions.