

GENERAL TERMS AND CONDITIONS - PURETEQ SERVICE AGREEMENTS

1. Introduction

- 1.1. The Supplier carries on the business of manufacturing, and servicing Exhaust Gas Cleaning Systems of any brand and providing related Services.
- 1.2. The Customer has purchased and fitted the Vessels with Exhaust Gas Cleaning Systems and requires the Services in connection therewith.
- 1.3. The Customer and the Supplier have entered into an Agreement for the delivery of services to the Customer of Services, as further set out below.
- 1.4. In the event of inconsistency between the Agreement and the Attachments for the Agreement, the Agreement shall prevail.

2. Definitions

- 2.1. Capitalized terms have the meanings set out in the Agreement and the Attachments. In this Agreement, the below-mentioned terms will mean the following:

“Export Control”	Means all applicable export control laws and regulations relating to the import, export, or re-export of the Spare Parts and/or the Services of the United States, the European Union, or any country to or from which the Services, and/or Spare Parts are provided.
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“Force Majeure Event”	Means acts, events, omissions, happenings, or non-happenings beyond a Party’s reasonable control, including regulations by any government authority, embargoes, war, war-like actions, civil commotions, riots, uprising, revolutions, epidemics, and fires. Force Majeure Events include pandemics (e.g., Covid-19), epidemics and virus outbreaks that will limit, prevent, or severely give rise to nonperformance of the Supplier’s obligations under the Agreement. Restrictions on travel, movement and large-gathering resulting from such Force Majeure Events and thereby making performance impossible or severely impracticable are also considered Force Majeure Events.
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“Intellectual Property Rights”	Means copyrights and related rights, patents, utility models, trademarks, service marks, trade names, topography rights, design rights and rights in databases, domain names, rights in know-how, trade secrets and all applications or pending applications in each case whether registerable in any country and all rights and forms of protection of a similar nature or having equivalent or similar effect anywhere in the world.
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“Sanctions Authority”	Means (a) the United Nations, the European Union, the United Kingdom, Norway, Switzerland, the United States of America or
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(b) the respective governmental institutions and agencies of any of the foregoing, including, without limitation, the Office of Foreign Assets Control of the U.S. Department of Treasury (“OFAC”), the United States Department of State, the U.S. Department of Commerce, any other agency of the United States government and Her Majesty’s Treasury, or other relevant sanctions authority.

“Sanctions List” Means any list of persons, groups or entities published in connection with Sanctions Laws, by or on behalf of any Sanctions Authority.

“Sanctions Laws” Means the applicable economic or financial sanctions laws, orders and/or regulations, trade embargoes, export controls, prohibitions, restrictive measures, decisions, executive orders, or notices from regulators implemented, adopted, imposed, administered, enacted and/or enforced from time to time by any Sanctions Authority.

3. Spare Parts

- 3.1. Supplier has discretion regarding which Spare Parts to be used in the provision of the Services. The Supplier’s choices of types and brands of Spare Parts will be made on the basis that the life expectancy, quality, functionality, and price of the new Spare Parts, should be as similar as possible to those of the replaced spare parts.
- 3.2. Spare Parts may be replaced by the Supplier or by Customer’s crew. Where replacements will be conducted by Customer’s crew, instructions for replacement of vital parts or service of vital parts will be prepared by Supplier. Instructions may be supplemented by videos to ease understanding for crew.

4. Delay

- 4.1. In case of an unforeseen incident causing a delay in the delivery of the Services as mentioned in Clauses 5 and 6 (for which the Supplier is responsible), the Supplier shall at the earliest time possible inform the Customer if any such incident has occurred.
- 4.2. The Supplier will not be liable for delay in the delivery of Services as described in the Service Agreement Clause 5 and 6 if the delay is caused by:
- a) A Force Majeure Event (as further described in Clause 10).
 - b) The Customer’s failure to comply with the payment obligations.
 - c) The Customer’s failure to allow access to the Vessels, the Yard or other infrastructure and to provide in a timely manner the necessary information and instructions which are necessary for the Supplier’s delivery of the Services.
 - d) The Customer’s failure to receive the Services within the agreed delivery time.
 - e) The Customer’s failure to ensure proper internet connection to allow the Supplier to carry out Remote Monitoring Activities; or

- f) Any other fault of the Customer, the Yard and any third party for which the Supplier is not responsible.

4.3 In the event of delay for which the Supplier is not responsible under Clause 4.1, the Supplier may charge the Customer for any time lost based on the Service Engineers' (or other personnel's) standard rates. In addition, the Customer shall reimburse the Supplier for all costs and expenses incurred by the Supplier in connection with such delay, including but not limited to, travel costs, lodging, living costs and telecommunication.

5. Price

- 5.1. All services are quoted by the Supplier and matched by purchase order from the Customer or other written request.
- 5.2. When physical attendance by Service Engineers is required, the cost of travel and living costs shall be based on actual expenditures plus a 15% administration charge. Furthermore, a daily allowance per Service Engineer per Service Engineer for each day spent travelling, working, or waiting on-site will also be charged.
- 5.3. The Customer will be liable for all external costs and expenses (including the classification society) which are not specified to be the Supplier's responsibility.
- 5.4. Unless specifically agreed between the Parties, the prices for the delivery of the Services and Spare Parts are exclusive of VAT, taxes, duties, and other third-party charges of any kind.

6. Payment Terms

- 6.1. If payment is delayed by the Customer, the Customer shall pay to the Supplier a rate of four percent (4%) per annum interest on the outstanding payment amount for the duration of the delay.
- 6.2. If the Customer does not comply with the payment obligations as set out in this Agreement, the Supplier has the right to suspend performance of the Agreement until the Customer has complied with the relevant payment obligations.
- 6.3. Nothing under this Clause 6 will limit any other right or remedy available to the Supplier.

7. Title and Risk

- 7.1. Title to Spare Parts delivered to the Customer as part of the provision of the Services shall pass to the Customer on the full payment of the price for the Services.
- 7.2. Risk in the Spare Parts delivered to the Customer shall pass to the Customer on the completion of delivery (pursuant to Clauses 5, 6 and 7).

8. Warranties and Liabilities

- 8.1. **Defects.** The Supplier warrants that the Services and the Spare Parts delivered to the Customer by the Supplier as part of the provision of the Services are free from substantial defects in design, material, and workmanship, which are discovered within 12 months of delivery.
- 8.2. This warranty shall be void if any other party including the Customer, the Yard or any other third party carry out any independent work on the Exhaust Gas Cleaning systems after the delivery of the relevant Services and/or Spare Parts.

- 8.3. This warranty shall not apply to Services and Spare Parts, which become damaged due to ordinary wear and tear or to erosion or corrosion, use for unintended purpose, misuse, abuse or improper storage, maintenance or operation, or exposure to abnormal conditions, including radioactive materials.
- 8.4. This warranty does not cover consumables such as filters, gaskets, impellers, and other Spare Parts, which have a life expectancy of less than 12 months, both of which are provided without warranty.
- 8.5. **Sole warranty.** The warranty in Clause 8.1 is the sole warranty given by the Supplier in respect of the Services and the Spare Parts delivered to the Customer as part of the provision of the Services. The Supplier makes no other warranties with respect to merchantability, suitability, fitness for a particular purpose or otherwise in respect of the Spare Parts or Services.
- 8.6. **Liability for installation, repairs, maintenance, and use.** The Supplier takes no responsibility for installation of the Spare Parts unless the Supplier is conducting the installation and/or other Services. If the Supplier shall assist the Customer with the installation of the Spare Parts as part of the Services, the Supplier is only responsible for its own and its subcontractors' acts and not those of any third party (including the Yard). The Supplier takes no responsibility for any repairs, maintenance, monitoring, and use of the Spare Parts and/or any other acts or omissions the Customer, the Yard or any other third party have carried out.
- 8.7. Information provided by the Supplier is provided in good faith, but is not held out to be, nor to be taken as guaranteed, complete, accurate or timely. Information is provided for the Customer only and the Customer shall be responsible for use of any Information by any third party.
- 8.8. **Notification.** The Customer shall give notice to the Supplier in writing as promptly as possible, in any event no later than within thirty (30) days after discovery of any defect or corrosion for which a claim is to be made under the warranty in Clause 8.1 which shall include particulars as to the nature and cause of the defect and the extent of the damage caused thereby, if any. The Supplier will be under no obligation with respect to this warranty in respect of any claim for defects discovered prior to the expiry of the warranty period unless such notice is received by the Supplier within thirty (30) days after the expiry of the warranty period.
- 8.9. **Re-perform or refund.** In the event the Services and/or Spare Parts do not conform, and the Customer has notified the Supplier in accordance with Clause 8.8, the Supplier shall, at its option, redeliver the Spare Parts or Services or refund pro-rata any price paid for the Services or Spare Parts. In the case of a refund, the Customer shall return the Spare Parts to the Supplier according to the Supplier's instructions and at the Supplier's expense and risk.

9. Limitation of Liability

- 9.1. Neither the Supplier nor the Customer shall be liable to the other Party, whether arising in contract, tort, breach of statutory duty, or otherwise, for any loss of use, business interruption, downtime, loss of profit, indirect or consequential loss arising under or in connection with the Agreement.
- 9.2. Subject to Clause 9.1 –9.3 inclusive, the Supplier's total aggregate liability to the Customer in respect of all losses arising or in connection with the Agreement, whether arising in contract, tort, breach of statutory duty, or otherwise, shall not exceed an amount equal to the aggregate price – related to the specific Vessel – in respect of the Spare Parts and/or Services in the calendar year in which the losses arise.
- 9.3. The Customer shall notify any claims for loss or damage in writing to the Supplier no later than thirty (30) days after the date of the event giving rise to the claim. If such notification is not made in time, the Supplier will in no event be liable for any such claim.

10. Force Majeure

10.1. The Supplier will not be in default or otherwise liable for any delay in or failure of its performance under the Agreement where such delay or failure is due to any unforeseeable cause affecting the performance of the Supplier's obligations under the Agreement arising from any Force Majeure Event. If and to the extent any Force Majeure Event has prevented or is reasonably expected to substantially prevent the delivery of the Services for a period of more than thirty (30) days, the Supplier may terminate the Agreement fully or partly with no further notice and without incurring any liability.

11. Export Controls

- 11.1. The Agreement is made expressly subject to any Sanctions Laws imposed by any Sanctions Authority, Export Controls or other restrictions imposed by any other governmental entity on the Spare Parts and Services or any related information.
- 11.2. The Customer acknowledges that insofar the Spare Parts and Services or related information is subject to Export Controls or Sanctions Laws, the Spare Parts, Services and/or related information may not be imported, exported, re-exported, transshipped, traded, diverted, or transferred, directly or indirectly contrary thereto.
- 11.3. The Supplier reserves the right to suspend or terminate at its sole discretion the delivery of the Spare Parts and Services, without incurring any liability, where the delivery of the Spare Parts and Services is prevented by any applicable Export Controls, Sanctions Laws and/or other applicable laws, regulations, orders, or other restrictions.

12. Term and Termination

- 12.1. **The Term.** The Agreement will commence on the date stated on the first page of this Agreement and shall continue until terminated by either Party giving notice to the other Party in writing in which event this Agreement will terminate three (3) months from the date on which such notice is received (the "Term").
- 12.2. **Termination for material breach.** Either Party will be entitled to terminate this Agreement fully or partly if the other Party commits any material breach of this Agreement and fails to remedy that breach within thirty (30) days of written notice of that breach. For the avoidance of doubt, this remedy period only applies where a breach is capable of remedy - if it is incapable of remedy, a Party may terminate the Agreement by written notice with immediate effect.
- 12.3. **Termination due to insolvency.** Either Party may at any time by notice in writing terminate the Agreement as of the date specified in such notice if:
- (a) the other Party at any time becomes bankrupt or has a receiving order or administration order made against it or makes any composition or arrangement with or for the benefit of its creditors or purports to do so;
 - (b) the other Party passes a resolution, or a court makes an order that the other Party be wound up;
 - (c) a receiver or an administrator on behalf of a creditor is appointed in respect of the business of the other Party or any part or parts thereof;
 - (d) circumstances arise which entitle a court or a creditor to appoint a receiver or administrator or which entitle a court to make a winding-up order; or
 - (e) anything analogous to any of these events under the law of any jurisdiction occurs in relation to the other Party.

13. Intellectual Property Rights and Data

13.1. The Customer is the owner of all Data. However, the Customer shall grant the Supplier a non-exclusive, worldwide, license to use the Data arising in connection with the Services performed under the Agreement for the performance of the Services for the Customer.

14. Documentation

14.1. **The Supplier undertakes to provide the Customer with any information which the Customer may reasonably request in relation to the Spare Parts and/or the Services.**

15. Insurance

15.1. During this Agreement, the Supplier will maintain insurance cover for any insurance required by Danish mandatory law and, at least, public liability insurance and product liability insurance with reputable insurance companies for the following amounts:

- a) public liability insurance for not less than EUR 2,000,000 for claims arising from any single event and not less than EUR 4,000,000 in aggregate for all claims arising in a year; and
- b) product liability insurance for not less than EUR 2,000,000 for claims arising from any single event and not less than EUR 4,000,000 in aggregate for all claims arising in a year.

15.2. On the Customer's written request, the Supplier shall provide the Customer with copies of the insurance policy certificates, documentation on the payment of premiums and the details of the cover.

16. Confidentiality

16.1. Subject to Clause 20.2, Each Party shall keep in confidence all Confidential Information obtained from or relating to the other Party and shall not disclose such Confidential Information to any third party without the other Party's prior written approval.

- (a) Either Party may disclose Confidential Information;
- (b) To its legal and other professional and technical advisors as is reasonably required to enable it to enter into and perform the Agreement provided such persons are made aware of and abide by the confidentiality obligations under the Agreement;
- (c) To the appointed classification society to the extent necessary;
- (d) To its sub-suppliers as is reasonably required in connection with the performance of the Agreement provided such persons are made aware of and abide by the confidentiality obligations under the Agreement; and
- (e) As required by mandatory law and/or any regulatory authority.

17. Assignment

17.1. If the Supplier assigns sub-contractors, in whole or in part, any of the performance of the Services to a third party, the Supplier is responsible for such sub-contractors' acts and omissions as if they were the Supplier's. The Customer shall, remain responsible for the payment to the Supplier of the Price in full.

17.2. The Agreement is personal to the Customer. The Customer shall not assign, novate, or otherwise dispose of the Agreement to any third party, without the prior consent in writing of the Supplier.

18. Variation

18.1. No variation of the Agreement, including the introduction of additional terms and conditions shall be effective unless it is agreed in writing between the Parties.

19. Entire Agreement

19.1. The Agreement constitutes the entire agreement between the Parties as to its subject-matter and, in relation to that subject-matter and supersedes any prior warranties, indemnities, undertakings, conditions, understanding, commitments or agreements between the Parties, whether oral or written.

20. Severability

20.1. If any provision or part of a provision of this Agreement is held by any court of competent jurisdiction to be or, pursuant to any applicable law becomes invalid, illegal or unenforceable for any reason, such provision shall be severed from this Agreement and the remaining provisions shall continue in full force and effect as if the invalid, illegal or unenforceable provision or part of a provision had been eliminated from the Agreement. Furthermore, the Parties shall use reasonable efforts to replace the ineffective provision with a provision of fundamentally the same content, which, however, is legally valid, binding, and enforceable under the said law.

21. Additional Terms

21.1. This Agreement incorporates the terms of [Danish Maritime General Terms and Conditions for the Supply of Marine Goods and Services](#) (the “Conditions”).

21.2. PureteQ Standard Legal Terms which can be found on www.pureteq.com

21.3. In the event of inconsistency between this Agreement and the Conditions, this Agreement will prevail.

22. Choice of Law and Dispute Resolution

22.1. The Agreement and any non-contractual obligations arising out of or in connection with it will be governed by the laws of England and Wales, save for any rules leading to the application of the laws of another jurisdiction.

22.2. Any dispute arising out of or in connection with the Agreement, including any disputes regarding the existence, validity, or termination thereof, shall be settled by arbitration in accordance with the London Maritime Arbitrators Association (LMAA) terms which are in force when the arbitration proceedings are commenced. The number of arbitrators shall be three. The place of arbitration shall be London, England. The language to be used in the arbitral proceedings shall be English.