



GENERAL TERMS AND CONDITIONS

1. GENERAL

The following Terms and Conditions shall apply, except where otherwise stated, to all sales and services provided by Zephyr Trading Srl. All quotations of the Supplier are without obligation until they are accepted and confirmed with a purchase order issued by the Purchaser, on the basis of these Terms and Conditions. No amendment or cancellation of the purchase order are accepted after it has been received by the Supplier, unless they are confirmed by the Supplier in writing.

2. INTELLECTUAL PROPERTIES, SECRECY

The documents and information must not be passed on to any third party by none of the contracting party, nor put to any use beyond the concrete agreement without the prior express written content of the other party. The Supplier shall retain the intellectual properties and copyrights with regard to all spare parts, services, documents and all pieces of information made available in accordance to these Terms and Conditions. The Buyer must defend, assure and relieve from responsibility the Supplier for all claims, loss and damages, including any reasonable legal charge due to use, modification, copy or publishing of documents and information, whose rights of use shall be attributed fully and exclusively to the Supplier.

3. SHIPMENTS, ACCEPTANCE AND RETURNS OF SPARE PARTS / EXECUTION AND ACCEPTANCE OF SERVICES

The Supplier shall deliver the supplies in accordance with Incoterms 2010. Except where otherwise agreed in writing, all sales shall be delivered "ex works". Any delivery date or transit time or end of service established or quoted shall be considered only as estimated. There is no explicit nor implicit delivery date a service shall be ended or delivered within. All packing materials must not be returned to the Supplier. The supplies in terms of quantity and quality of the spare parts delivered or the Service executed by the Supplier according to the Contract are considered accepted if the Purchaser has not given express notice to the Supplier of any lack, damage or defect within three (3) days maximum from the receipt of the goods or the end of the work. The Supplier shall not accept any return of goods.

- 3.1 If after concluding the Contract in writing the Purchaser informs the Supplier in advance that any shipment of spare parts or service cannot be accepted (due to any cause assignable to the Purchaser), the Purchaser shall give the Supplier express written notice of the reason and the period of time beyond which the shipment of spare parts or service will be accepted. The Purchaser shall pay the amount of the price resulting from the Contract which would have been due by shipment, as if the shipment had took place. The Supplier shall be entitled to ask by written notice the Purchaser to accept the shipment of the spare parts or the beginning of the service within a reasonable period. Any additional charges payable because of this delay shall be borne by the Purchaser, see 8.2.

3.2 The Purchaser shall have the right to terminate the Contract if it becomes reasonably evident that the Supplier fails to fulfill certain obligations resulting from the Contract.

4. COMPENSATION, TERMS OF PAYMENT AND PROPERTIES

4.1 Unless otherwise agreed in writing, the price resulting from the Contract is based on work made during the normal working hours. The Supplier shall give notice of the worked hours per week with sheets, and the Purchaser shall immediately check and accept them. The sheets provided by the Supplier shall be considered proof of the working hours invoiced by the Supplier. The rates of ordinary working hours, overtime and daily allowance shall be specified in the current standard price list of the Supplier (the rates may occasionally change). The Purchaser shall be charged a daily timetable for each worker sent by the Supplier, based on the number of working days starting from the date of departure of the workers up to their return. Unless otherwise agreed in writing, one working week is made up of forty (40) hours; eight (8) working hours per working day, for a total of five (5) working days. Local public holidays must be observed. Unless otherwise agreed, the Purchaser shall be charged any work made beyond normal working hours as overtime work. Waiting hours for which the Purchaser is not responsible shall be charged to the Purchaser with the rates of ordinary working hours. The time spent by the workers provided by the Supplier to move from the base of the Supplier to the base of the Purchaser, to the workplace, to and from the accommodation given by the Purchaser shall be charged to the Purchaser. The daily payment and the allowance for inability to work due to illness or injury of the workers provided by the Supplier, may be charged to the Purchaser, if they are caused by the lack of preventive measures and safety in the working place due to the Purchaser.

4.2 All travel expenses, plus the cost of paperwork of ten per cent (10%), borne during the performance of the Contract shall be charged to the Purchaser. The travel expenses include: (a) Tickets of transports by train, ship, plane and/or bus; (b) transports, custom duties and shipment charges, insurance on personal belongings, tools necessary to make the work, including surcharge due to overload for shipments by plane; (c) all charges borne by the Supplier for the service ordered by the Purchaser, such as internet, facsimile and telephone calls.

4.3 In case of illness or injury both during and beyond the work of an employee of the Supplier, who needs medical treatments or hospitalization, the Purchaser shall ensure that the best and most accurate care and Hospitals are provided to the employee of the Supplier. Should it be necessary to repatriate a sick, injured or deceased member of the staff employed by the Supplier, the Purchaser shall assist the Supplier in organizing the repatriation in the safest and most appropriate way. All costs included in 4.3 shall be borne by the Purchaser.

4.4 Unless otherwise agreed, all payments shall be made by Bank remittance in the currency and to the Bank Account shown on the Invoice within the date foreseen by the order. All payments shall be made in full and without any compensation, counter-claim or deduction. The Purchaser shall pay interests on delayed payments, which are set according to the Italian law on late payments starting from the due date until the real date of payment. The Purchaser shall pay to the Supplier all costs linked to the connection of the credit, including reasonable legal costs. In case a payment is delayed more than thirty (30) days, the Supplier shall be entitled to suspend or rescind the Contract giving the Purchaser written notice, and not excluding the additional rights of the Supplier foreseen by the Contract or law. The Supplier

shall retain ownership of all supplied, provided or delivered parts, materials, equipments, supplies, consumables or spare parts and any other object until the payment has been received in full. As precondition for the execution of the service or the supplies of the spare parts, the Supplier shall be entitled to ask to the Purchaser (i) payment in advance and/or (ii) that the Purchaser pays for or provides an insurance covering all unpaid amounts of the already due price to the Supplier or to any affiliated member.

4.5 The cost of any work or service made by the Supplier beyond the applicability of the Contract shall be charged as additional work according to the current standard price list of the Supplier and these Terms and Conditions.

5. WARRANTIES

5.1 The Supplier shall, at his unchallengeable option, either remedy or replace the goods concerned and repair or (partially or in full) remake any work showing defects of materials, service or building during the warranty period. As far as the mere manufacture of the product by the Supplier is concerned, the Supplier shall not be claimed for the faults and defects caused by and exclusively referable or due to the performance of the Maker, Carrier, Forwarding Agent and Subcontractors. The Purchaser shall immediately take the necessary measures to prevent the worsening of the defects, and notice of all the warranty requests concerning the present conditions shall be given expressly and in writing by the Purchaser within fourteen (14) days maximum from the date the defects have become evident. The Purchaser shall establish that his request is covered by the present warranty terms. Upon his request, the parts that have been replaced shall become the property of the Buyer, and be delivered to him at his own cost.

5.2 The warranty period of the spare parts shall start from the shipment date of the goods and terminate six (6) months after their installation, or anyhow twelve (12) months after their shipment (when the first expire date is due, the other is no more valid). The warranty period of the spare parts which have been repaired or replaced shall terminate six (6) months after the date when the repaired or replaced parts have been put on or when the warranty period of the spare parts originally supplied expires (when the first expire date is due, the other is no more valid), see above the present 5.2.

5.3 The warranty period of the service performed by the Supplier himself shall start from the final date of work and terminate six (6) months after the last day of work. The warranty period of the service which has been remade under warranty shall terminate six (6) months after the final date of the work under guarantee. The warranty period for services made by the Supplier under warranty shall be subjected to the same terms, conditions and limits of responsibility of the ones applicable to the originally supplied works. Under no circumstances the warranty period of the spare parts or the services performed by the Supplier himself (and thus first supply, repair, replacement or remade work) shall exceed the date after twelve (12) months from the date of beginning of the warranty period of the part or service originally supplied, see above the present 5.2 and 5.3. The warranty shall extinguish in case the spare parts are ready for dispatch or the services are ready to be made but the Supplier is not in the position to proceed with the shipment or the beginning of the work because the Purchaser fails to fulfill certain obligations.

5.4 The Supplier shall not be legally responsible for any defect due to or consequent to for example: (1) building or producing works for the performance of the Contract, services made by third parties (subcontractors) for the performance of the Contract; (2) any materials, components, equipments or software made available or provided by the Purchaser; (3) negligence or fraud of the Purchaser; (4) spare parts, accessories or any part made available by the Purchaser contextually to or during the service; (5) improper manufacture, installation or modification made by the Purchaser; (6) normal usury and deterioration; (7) use of unsuitable materials or consumables by the Purchaser; (8) fluctuation of the power line; (9) utilization, service or use of any equipment, manufactured part or components, and any utilization, service or use of the supplied parts, which are not in accordance with the manuals, instructions or specification of the Supplier, or which are not in line with the normal industrial practice. The warranty obligations of the Supplier shall not include lifting by cranes, supplying electric current, use of scaffold and dry docks, underwater works, towage costs, assembly and disassembly costs and charges due to workers of the Purchaser or of his representatives, and the Purchaser shall indemnify the Supplier of all the above-mentioned costs, should the above conditions arise. If, after the warranty verification made by the Supplier, the warranty claim made by the Purchaser is not in accordance to the present conditions, the warranty terms shall not be applied and the Purchaser shall be considered responsible and therefore shall be charged of all costs and expenses necessary for the verification, repairs and other replacements.

5.5 The present clause 5 states the only warranty which shall be applied to the services and the spare parts and substitute any other worded or implicit warranty, insurance, commitment and responsibility, including warranties, obligations and responsibilities for claims or defects. The Purchaser with this clause shall release all the other worded or implicit remedies, warranties, insurances and responsibilities, coming from laws or others (included without limits of suitability, saleability or satisfactory quality).

6. RESPONSABILITIES OF THE SUPPLIER

6.1 Under no circumstances, the Supplier shall be responsible for any indirect, accidental, special, exceptional, consequential or accidental damage, which has been caused or has occurred in any way (included without limits), for any loss of real or foreseen profit or of income or foreseen savings, for punitive or exemplary damages, for the cost of replacement equipments or parts or services, removals or reinstallations not coming from the present warranty terms. Furthermore, the Supplier shall not be responsible for costs of towage, decontamination, mooring, underwater works, for the damage of any boat, engine room or power plant, yard, other properties (including damages to the properties of the Purchaser), for damages to any equipment or property which are not the supplied spare parts, or to the parts, tools and equipments which have been manufactured.

6.2 The Supplier shall not be responsible for any work made and/or directed following instructions given by the Purchaser or any Third Party, although the work is carried out in the presence of or with requests of employees of the Supplier, in any place this is made.

The Purchaser shall assume and keep the risk of deterioration of his equipments or other goods, although his equipments or other goods are located in facilities used by the Supplier.

7. POLICY

Both the Supplier and the Purchaser shall be provided for and maintain a complete insurance cover at their own cost, in order to safeguard their properties and employees. Both Parties shall obtain from their insurers a waiver of all recourse and subrogation rights against the other Party, and relieve and indemnify the other Party of all warranty claims or of the insurers of the Other Party.

8. CONTROLS ON EXPORTS

- 8.1 Both Parties shall agree that the dispatched spare parts are subjected to all controls on exports or to all restrictions imposed on technology and on products by any Country or Organization or Nation, which are applicable under the jurisdiction of the Supplier, of their affiliated members or head office, including the Country of the Supplier, the United Nations, the European Union and the United States of America. The Purchaser shall agree that the spare parts and all their technical information, documents and materials must not be imported or exported, re-exported, transshipped, marketed, diverted or transferred, either directly or indirectly, contrary to the controls and restrictions.
- 8.2 The Purchaser declares that the supplied spare parts shall be used exclusively with peaceful intentions. Furthermore, the Purchaser confirms that the supplied spare parts shall not be used in connection with or with intentions linked to any nuclear, chemical or bacteriological weapon, missile or any other vehicle able to carry those weapons, or to support any type of terrorist activity, or in connection with any other final military use. Furthermore, the spare parts shall not be resold if the final Purchaser is suspected to use them with the above-mentioned intentions. Upon request of the Supplier, the Purchaser shall notify the Supplier of all Certificates related to the law, regulations and restrictions of the controls on exports, like, but not limited to, certificates of final destination, according to the form and substance specified by the Supplier.

9. FORCE MAJEURE AND OTHER JUSTIFIABLE DELAYS

- 9.1 Neither the Purchaser nor the Supplier shall be responsible for any failure or delay to fulfill their obligations resulting from the Contract, or for any consequent loss or damage, for reasons like force majeure, including without limits natural disasters, declared or undeclared wars, circumstances in connection with war munitioning, civil wars and revolts, hostilities, riots, terroristic activities or threats, embargo, measures of civil or military authorities, fire, floods, strikes, mistakes in the manufacture, materials or properties made by a Subsupplier or Subcontractor and caused by one of the events in the present clause 9.1, epidemics, extremely severe weather conditions for either one or both Parties, or causes beyond their control.
- 9.2 In case the service cannot start as agreed for reasons due to the Purchaser or it is interrupted by force majeure or for reasons not due to the Supplier, all expenses related to the maintenance of the workers by or nearby the working place (including without limits salaries and accommodation) shall be borne by the Purchaser. If the interruption lasts more than one week, the employees of the Supplier can be repatriated to the Country of the Supplier. All costs of the recall and/or of the following repatriation shall be borne by the Purchaser. If the interruption lasts more than two (2) months, each Party shall be entitled to withdraw from the Contract three (3) days in advance by giving express written notice to the other Party, without jeopardizing the rights of both Parties up to the date of conclusion. Consequently to this interruption or to any following restarting or end of the service, the Purchaser shall indemnify

the Supplier of all the additional costs reasonably borne and/or afforded in advance by the Supplier.

10. AGREEMENT ON GUARANTEE OF PAYMENT

10.1 The Purchaser shall guarantee to the Supplier his continuative interest in the guarantee of payment, and wherever applicable a marine pledge in case of need, in the spare parts, together with all properties where the spare parts are located, and all products and profits coming from their sale or rent as guarantee of payment in full of the services. The Purchaser with this clause shall waive any and any type of claim, defense, and legal causes which may arise in connection with any right of pledge of the Supplier.

11. OBLIGATION OF ADDITIONAL PERFORMANCE OF THE PURCHASER

The Purchaser shall follow all laws, rules and regulations applicable in the workplace, coming from the execution of the manufacture. Without any charge to the Supplier, the Purchaser shall guarantee that all the following structures and service are of good quality and sufficient in quantity to enable the Supplier to make the work, unless otherwise agreed in writing by the Parties:

11.1 Support workforce equipped with appropriate tools (like drills and headlights), lifts and means of transport for heavy duty, which must be equipped with the necessary combustibles, lubricating oils, water, electricity, compressed air and washing devices, necessary for the Supplier to carry out the work;

11.2 Heated buildings and/or with air conditioning and drinking water made available for workers, board and lodging for the employees of the Supplier nearby the workplace as follows: lockers with drawers and housing for tools, equipments and supplies for the employees of the Supplier, changing rooms with locking systems, bathrooms and rooms for the personal hygiene made available for the employees of the Supplier, furnished offices equipped with locks, telephones, fax machines, internet and other upon the requests of the employees of the Supplier;

11.3 Assistance requested by the Supplier, including custom papers to import and export the equipments and tools of the Supplier, all VAT- and duty-free;

11.4 Assistance to guarantee that the employees of the Supplier obtain Visas and any other document to enter, exit, live or work in the country where the work takes place, including free entrance and exit to and from the workplace;

11.5 Information about (i) local laws and regulations applicable to the work and (ii) any dangerous condition or unusual risk which might occur in the country of the Purchaser, in the workplace or whilst using any tools or equipments made available by the Purchaser;

11.6 Additional safety measures requested by the Supplier

If the Purchaser is unable or unwilling to provide any of the above-mentioned structure or service, the Supplier shall have the right either to terminate the Contract without any responsibility towards the Purchaser, or to provide the above-mentioned structure or service charging to the Purchaser all the related costs.

12. DUTIES, TAXES, CONTRIBUTIONS AND RESPECT OF THE LAW

The Purchaser shall pay, where applicable, all duties, deductions and other taxes, custom duties and all costs requested by classification or inspection bodies. The Purchaser shall be responsible for and be charged of all the related documents or approvals requested by the applicable laws, and any modification applicable to those laws.

13. APPLICABLE LAW

13.1 The present Contract shall be subject to its clauses and to the laws in force in the country where the Supplier has his registered office.

14. ENTIRE AGREEMENT

The present conditions and the additional agreements based on this Contract (related exclusively to the price, delivery time and place of delivery, technical specifications and quantity of the spare parts to be dispatched, to the price, time and place of work and technical specifications and descriptions of the services to be made) shall contain the entire agreement and interpretation between the Parties with reference to the subject of this document and substitutes all previous agreements and interpretations. Any maintenance work or supplies of spare parts sold by the Supplier to the Purchaser shall be in accordance with the Conditions and General Terms of the Supplier. If a provision of this Contract is, with all the necessary requirements, a variation of an applicable law, the Conditions shall be considered to be modified so that they can comply with that applicable law. No term, condition, representation, guarantee or agreement contained in any agreement, catalogue, or in any other case shall be applicable, unless it is enclosed in the Contract with an expressly written agreement.