

# ROMV & Associates

## Ship Design & Construction, Inc

### General Terms and Conditions of Sale and Delivery

Only the following conditions shall apply for all legal transactions and the company ROMV & Associates, Ship Design & Construction (in the following referred to as ROMV & Associates) as supplier and the Client including any future orders. Conditions which are contrary to or deviate from the following General Terms and Conditions of Sale and Delivery or conditions of the Client in extent thereof are not valid, unless, ROMV & Associates expressly approves in writing. The following conditions shall also only apply if ROMV & Associates, after being informed of the Client's conditions contrary to or deviating from the following conditions, supplies the delivery to the Client without any reservations or contradictions. All agreements between ROMV & Associates and the Client as well as modifications and supplements of such agreements shall be subject to being submitted in writing. This also applies to the requirement of the written form itself.

#### I. Quotations

Quotations are always to be understood without obligation. Quotations, specification drawings and printed matter are approximate and not binding, unless expressly designated as binding. ROMV & Associates reserves the proprietary right and copyright of cost estimates, drawings and other documents. They may not be disclosed to third parties.

#### II. Scope of Supplies

1.) ROMV & Associates's written order confirmation shall govern the scope of supply. Subsidiary agreements as well as warranties of specific characteristics of the goods sold or of the structure shall be effective only if confirmed in writing. 2.) Even after written order confirmation, ROMV & Associates shall be entitled to effect changes in design if: a) their necessity becomes obvious only in the course of execution of the order, or b) they become necessary due to subsequent modifications of the regulations prescribed by classification societies, trade unions or other supervising authorities. The Client will be notified beforehand of any material changes. 3.) If this or subsequent wishes of the Client should result in work exceeding the scope described in the order confirmation (additional work), then ROMV & Associates shall be entitled to adequate, additional remuneration.

4.) Additional work will result in an extension of the agreed delivery period.

#### III. Prices

1.) The prices are to be understood without any deduction for supplies and services ex ROMV & Associates's Building Yard. They do not include turnover tax, packing, freight, postage and insurance costs. 2.) Unless a firm price has been expressly agreed, ROMV & Associates shall be entitled to reasonably increase the agreed price if there is an increase in labour and material costs after award of contract. This shall apply to contracts only if a minimum of four months have expired between award of contract and contractual delivery date.

#### IV. Delivery Period

The agreed delivery period shall commence on the date of our written order confirmation and shall be subject to prior clarification of all technical questions. However, it will extend correspondingly without resulting in any compensation claims against ROMV & Associates if

a) essential technical or commercial details have to be stipulated or altered after award of contract; b) the delivery of components or equipment items is delayed with out any fault of ROMV & Associates, or c) unforeseen circumstances such as transport interruptions, operating disturbances or labour disputes at ROMV & Associates or at subcontractors delay completion. Force majeure and other occurrences which should arise after the contract has been entered and which are no fault of ROMV & Associates and make delivery impossible, delays the delivery or make delivery very difficult, release ROMV & Associates for the duration of the occurrence and the obstruction of obligations arising from the corresponding contract. The mentioned circumstances shall be for example: labour disputes, operating disturbances, transport obstacles, lack of raw material, official measures, upheaval, war, untimely self-delivery, strikes, legal lockouts, as well as natural disasters. This also applies if these circumstances arise concerning the sub-suppliers of ROMV & Associates and for these reasons it is difficult for ROMV & Associates to carry out delivery on time or this is made impossible. In this case ROMV & Associates shall be entitled to withdraw from the contract. In this case the Client shall be notified of the inability to fill the order immediately. The Client may not claim compensation due to delayed or unfilled delivery, if ROMV & Associates is not accountable intentionally or due to gross negligence.

#### V. Ancillary Supplies

1.) Ancillary supplies on the part of the Client have to be made free to ROMV & Associates's Building Yard at the installation times established by ROMV & Associates. Unless otherwise agreed in writing, the Client shall bear the costs of insurance, installation, commissioning and trials. 2.) The delivery period shall be extended correspondingly, if services to be provided by the Client are not rendered at the established times. ROMV & Associates shall be entitled to give the Client one-week grace period. After expiration of said grace period ROMV & Associates may, at its option, either install components procured by itself against charge of a reasonable extra price or exercise rights pursuant to Ecuador Civil Code. 3.) ROMV & Associates shall be liable for loss of or damage to components supplied by subcontractors only in case of gross negligence. The liability shall, to the exclusion of further claims, be limited to actual property damage

#### VI. Passing of Risk

1.) The risk shall pass to the Client at the time that the goods or the structure are handed over to the Client. If the goods or the structure are sent or delivered to the Client, then risk shall pass to the Client at that point in time when the goods and/or the structure leave ROMV & Associates's premises, i.e., even if dispatch is effected for account of the Client. 2.) If the structure is damaged or destroyed prior to handing over or dispatch due to circumstances beyond ROMV & Associates's control, then ROMV & Associates shall, nevertheless, be entitled to payment for those parts of the work which it has completed until then. In this case, further claims by the Client shall be excluded.

#### VII. Payment

1.) Payments shall principally become due net cash on the contracted due date. Cheques and bills of exchange will only be accepted on account of payment. In case of acceptance of bills of exchange, which ROMV & Associates is not required to do, discount charges will be invoiced. 2.) In case of counterclaims, if any, the Client may make setoffs or enforce liens only if such counterclaims are undisputed or established by a final court judgement. 3.) If the Client fails to pay one or several instalments or asserts rights of retention or setoffs contrary to the above paragraph (event of default), then ROMV & Associates shall be entitled, without prior notice, to stop the construction work temporarily and/or grant the Client an additional grace period of one week. If ROMV & Associates stops the construction work temporarily, then it shall be entitled, even after payment of arrears, to postpone the construction work until other work which was started in the meantime has been completed. In this case, the delivery period shall be extended correspondingly; however, the due dates for further payments shall remain unaffected.

4.) In all cases outstanding payments shall be charged interest 14 days following delivery at 8 percent, where a consumer is involved at 5 percent, in excess of the respective base lending rate.

5.) In the event of default, shall apply correspondingly with regard to ROMV & Associates's liability and transfer of risk. ROMV & Associates shall be entitled to charge reasonable costs of storage for storing the structure and/or goods or to store the structure and/or the goods at the expense and risk of the Client.

#### VIII. Reservation of Ownership

1.) All supplied goods and structures shall remain the property of ROMV & Associates (reserved goods) until full payment of all claims of ROMV & Associates against the Client

2.) As far as components supplied by the Client are used in the construction, these shall become equitable lien of ROMV & Associates upon delivery. Unless owned by ROMV & Associates, the structure made from these components shall, likewise, become equitable lien of ROMV & Associates. With respect to the structure, Subsection 1 shall apply correspondingly, i.e. even after delivery.

3.) If the reserved goods are processed by the Client or by a third party on his behalf, ROMV & Associates shall be considered as the manufacturer and the manufactured product shall become the property of ROMV & Associates. If goods owned by third parties are used in the processing, then the co-ownership interest of ROMV & Associates shall be determined by the proportion of the value of the reserved goods to the goods owned by third parties.

4.) Goods owned and/or co-owned by ROMV & Associates pursuant to the preceding subsection shall be considered as reserved goods.

5.) The Client shall be entitled to dispose of reserved goods within the ordinary course of business. He hereby assigns his claims from the sale of the reserved goods to ROMV & Associates as a cover against the claims of ROMV & Associates. ROMV & Associates hereby accepts this assignment.

6.) If demanded by ROMV & Associates, the Client shall be obligated to notify his buyers of the assignment as well as to give all necessary information to ROMV & Associates for asserting assigned claims.

7.) The Client shall not be entitled to pledge the reserved goods or to furnish them as security or collateral. The Client shall inform ROMV & Associates immediately in the event of any attachment or seizure of the reserved goods.

8.) ROMV & Associates undertakes, at its own discretion, to release the securities to which it is entitled insofar as their value exceeds the unsettled claims by more than 25%.

#### IX. Claims based on defects

1.) Defects that are provably traceable to faulty design, faulty material or faulty workmanship will be remedied free of charge at ROMV & Associates during normal working hours.

2.) If satisfaction still fails to be given, the principal may call for reduction or may withdraw from the contract. Claims for damages for whatever legal reason shall be ruled out, unless major obligations derived from the contract have been breached. Likewise excluded are damages derived from injury to life, body or health, if ROMV & Associates is responsible for the breach of obligation, and other damages that are based on wilful intent or gross negligence on the part of ROMV & Associates. A breach of contract on the part of ROMV & Associates is equivalent to that of the legal representatives and vicarious agents of ROMV & Associates. If ROMV & Associates is responsible for the breach of obligation, the principal shall be entitled to withdraw from the contract in line with the requirements laid down by the law, unless the matter relates to a defect in the item purchased.

3.) In the event ROMV & Associates is entitled to eliminate defects itself, it shall only bear the costs incurred thereby to the order of those that would have been generated had the work been carried out by ROMV & Associates itself in normal working hours.

4.) If a certain speed or another kind of performance is warranted, then this warranty shall be limited to ascertaining the performance during acceptance in Ecuador waters, to the acceptance at the supply plant in the case of marine engines, with the usual tolerances, unless these have been expressly excluded.

5.) If compliance with the standards of different classification societies is prescribed for the building a ship, and if there is a discrepancy between these standards, ROMV & Associates shall be entitled to carry out building in accordance with the standards of that classification society which is responsible for the accepting the vessel without thereby allowing the Client to derive any rights against ROMV & Associates.

6.) The limitation period for claims based on defects is one year. In the cases with contracts with consumers, the limitation periods set forth by law shall apply. All claims arising from defects shall lapse if the customer fails to comply properly with his obligation to inspect and lodge complaint or if work is carried out on the product delivered by ROMV & Associates during the guarantee period by other parties without the consent of ROMV & Associates or if constructional changes are effected. The liability for defects in ship building shall likewise lapse if the ship changes hands or incurs a fire or runs aground.

#### X. Repair, Conversion

1.) The Client must insure boats handed in for repair or conversion.

2.) If, during repair work, damages occur to the boat, its fixtures and fittings or equipment, section IX. 2.) sentences 2 and 3 shall apply accordingly. 3.) Persons who are not staff members of ROMV & Associates may set foot on the boat and building site during the period in ROMV & Associates refit only with the express permission of ROMV & Associates and, in each case, only by appointment with the foreman in charge. Only under this requirement and only in case of gross negligence shall ROMV & Associates be liable for personal injury, if any. 4.) ROMV & Associates shall advise the Client on establishing the scope of repairs to the best of its knowledge. In so doing, ROMV & Associates may rely on stipulations, if any, of a classification society or its authorised representative. In each case, however, the Client shall make his own decision regarding the scope of repairs and shall insofar bear the risk alone

#### XI. Place of Performance and Jurisdiction

Place of performance for the obligations of both parties is Beme/Motzen an der Weser. The sole place of jurisdiction for all disputes including action relating to bills (of exchange), cheques and deeds is agreed to be Bremen, provided the principal is a registered trader. However, ROMV & Associates is also entitled to sue the customer before the Courts responsible for its established place of business. Ecuador law is applicable.