

General Purchasing Conditions- revised 12/2017

I. Application of the General Purchasing Conditions

1. These General Purchasing Conditions apply to all orders and contracts, contracts for supplying goods, contract for services or any other contracts, unless otherwise agreed in writing, with commercial Suppliers of Remontowa Shipbuilding SA – hereinafter referred to as RSB. The regulations set forth in these General Purchasing Conditions equally apply to the work to be produced by the Supplier; subject to expressly formulated deviations, the contract on the production of a work is deemed a "contract" and the work to be produced is deemed "goods" within the meaning of these General Purchasing Conditions. Additional obligations assumed by the Supplier do not affect the application of these General Purchasing Conditions.
2. Conflicting or differing terms of business of the Supplier do not bind RSB, even if RSB does not object to them or if RSB unconditionally renders performance or accepts the Supplier's performance. Neither is RSB bound, insofar as the terms of business of the Supplier deviate from statutory provisions irrespective of the contents of these General Purchasing Conditions. Conditions varying from the Contract/Order or Purchasing Conditions are not a component of the Contract and shall not be applicable, even if they were not rejected explicitly in any individual case.
3. The reference as to "order" or "contract" whenever made in these General Purchasing Conditions means the contract of delivery for supplying goods or performance of services based on these General Purchasing Conditions.

II. Conclusion of the Contract

1. The Supplier is obliged to give written notice to RSB prior to the conclusion of the contract if the goods to be delivered are not fit without restrictions for the purpose made known to the Supplier or for the purpose provided in the contract or if special safety instructions have to be observed in handling the goods or if a risk to health, safety or the environment or a risk of atypical damages or unusual amounts of loss is associated with the goods to be delivered of which the Supplier is or ought to have been aware. The same applies if statements regarding the goods to be delivered made by the Supplier or by third parties in adverts, prospectuses or other public announcements in as well as outside of Poland, of which the Supplier is or ought to have been aware, cannot be complied with in each and every respect.
2. Offers by the Supplier have to be made in writing, shall always be binding and free of cost. If the Supplier's offer deviates from the inquiry or order submitted by RSB, the Supplier will emphasize the deviations as such.
3. All orders, in particular also those placed by employees of RSB, will take effect exclusively if followed by a written Contract/Order by person(s) entitled to act on behalf of RSB. Verbal agreements shall require a written confirmation for their efficiency. The contract comes into existence if it's forwarded to the Supplier by RSB and received by RSB without any changes to content and signed by the Supplier with legally binding effect within fourteen (14) calendar days as of the date of the receiving the contract signed by RSB. The contract does not come into existence if the Supplier gives written notice that this is not completely consistent with the declarations made by the Supplier, if the Supplier specifies such inconsistencies in writing and if such notice is received by RSB within a short period of time, i.e. no later than seven (7) calendar days after the written Contract/Order has been received by the Supplier. The actual taking delivery of goods and/or accepting the Supplier's performance, the payment of such goods and/or work or other conduct by RSB or silence shall not give reasons for the Supplier to rely on the conclusion of the contract.
4. The written Contract/Order by RSB sets out all the terms of the contract even if it deviates from the declarations made by the Supplier in any other way, especially with reference to the exclusive application of these General Purchasing Conditions. Illustrations and drawings accompanying the contract as well as details of amounts, size and weight are binding.
5. Any restriction of RSB's legal rights or of the rights granted by these General Purchasing Conditions, namely any limitation to or exclusion of statutory remedies, guarantees, warranties or assurances by the Supplier concerning the goods and/or work to be produced or the performance of the contract as well as the kind and extent of tests to be conducted by RSB require RSB's express and written confirmation in any case.
6. Order confirmations by the Supplier are of no effect without any objection by RSB being necessary. In particular, neither the actual taking delivery of the goods and/or accepting of work, the payment of such goods and/or work or any other conduct by RSB nor silence shall give rise to any belief by the Supplier in the relevance of its order confirmation.
7. Against reimbursement of the Supplier's proven and reasonable expenses caused thereby, person(s) entitled to act on behalf of RSB is entitled to change the requirements for the goods to be delivered and/or work to be produced or to cancel part of the already concluded contract.
8. Amendments to the concluded contract may be made by an Order by RSB modifying the contract and the corresponding Order Confirmation by the Supplier according to Clause II.-3. Any other amendment to the concluded contract always requires written confirmation by RSB.

III. Prices

1. All prices shall be considered as fixed prices without the legal turnover tax (i.e. VAT).
2. The prices agreed with the Supplier shall include the payment of all supplies and services assigned to the Supplier (including possibly required certificates, drawings, evaluations etc. in Polish and English language in quantity and additional languages listed in the inquiry), be understood free shipyard (according to INCOTERMS 2010, DAP) or free the delivery address otherwise mentioned by RSB and include all additional costs (including packaging, shipping, insurance).
3. The Supplier shall take out a transport insurance of a sufficient limit of indemnity (i.e. at least value of the contractual supplies and services plus unpredictable indirect consequential damages) at his expense for the objects to be supplied and/or services to be rendered by him and prove the taking out of this policy on first request. If the Supplier does not prove the taking out of the transport insurance on request, RSB shall be entitled to take out a transport insurance of a sufficient limit of indemnity for the Supplier and deduct the insurance premiums from the payment to be made to the Supplier.

IV. Scope of Delivery and Services

1. The Supplier shall transfer to RSB ownership of all technical documentation created in the scope of construction service, and essential documents including that of sub-Suppliers, and all others for the new manufacture, maintenance and operation of the delivery and service. Economic copyrights belongs to RSB and personal copyrights belongs to the Supplier – according to the Law on Copyright and Related Rights. These documents shall be formulated in Polish or English and correspond to the international system of units (SI).
2. The Supplier shall grant RSB all rights of use required for the use of the supplied item and services by RSB or third parties taking into account any patents, supplementary protection certificates, brands, registered designs etc.
3. The delivery and services to be effected by the Supplier shall be free from the rights of the Supplier or third parties and are to be transferred to RSB for his free use. This includes the Supplier's authorisation to effect repairs and modifications to the supplied item or service and to manufacture spare parts himself or to have such manufactured. The Supplier ensures that RSB is excluded from any third party claims based on the infringement of industrial property rights.
4. Approval of drawings and technical documents supplied by RSB or by a classification company does not constitute acceptance in a legal sense.
5. Within 2 (two) weeks from signing the Contract/Order, the Supplier will deliver Equipment Assembly Documentation to RSB all in order to enable RSB elaboration of technical design (in particular: technical specifications, specific calculations, recommendation for installation, transport and maintenance, installation drawings with all demanded views and dimensions for proper installing of equipment, inclusive of weight, position of CoG and footprints etc., heat emission data, power consumption of Supplier's scope of supply, power consumption estimate for yard supplied equipment supporting Supplier's scope of supply such as pumps etc.). Afore mentioned documentation shall be delivered in English version. All drawings to be delivered in pdf. Dimensions drawings shall be sent in CAD.
6. List of delivered documentation (list in *.xls) – all drawings and documents listed in tables with clearly stated drawing number, title, updated revision and date of issue for all of them. Any other documentation which shall be needed to provide full design overview and information.
7. If the Supplier shall not comply with delivering corrected documentation or with the documentation's requirements as per previous clause of this section, the RSB will be entitled to entrust a third party with correcting documentation (or is allowed to order the necessary activities herein to the third party at the sole discretion of RSB to choose performing party). The costs incurred by the above mentioned correction of documentation will be borne solely by the Supplier.
8. The Supplier shall provide the following as-built technical documentation and certificates for each complete set of the Equipment respectively:
 - 8.1 Complete set of the final technical documentation approved by the RSB's design office: electronic version (via e-mail) in *.dwg/dxf or pdf shall be delivered when needed according to delivery schedule.
 - 8.2 Manual technical documentation (for each vessel respectively) consisting of:
 - Installation Instruction – 3 (three) hard copies and 1 (one) CD,
 - Maintenance and Operation Instruction – 3 (three) hard copies and 1 (one) CD,
 - 8.3 Commercial documents as follows shall be delivered together with the Equipment:
 - Commercial Invoice (1 (one) original),
 - Delivery packing list including ID's numbers analogically (1 (one) original).
 - 8.4 Classification Society certificate- in original.
 - 8.5 Material Declaration of Asbestos free – materials, products and equipment – 1 (one) set shall be delivered latest 2 (two) weeks following delivery of the ship-set.
 - 8.6 Material Declaration (MD) and Supplier's Declaration of Conformity (SDoC) required under "IMO Resolution MEPC.179 (59)- for all delivered goods (from each sub-supplier respectively – as extensive and reliable as it is possible) required by Clean Design/Green Passport class notation shall be delivered in 1 (one) hard copy and 1 (one) scanned document (sent in *.pdf) latest 2 (two) weeks following the delivery of the ship-set.
9. All the delivered goods shall be properly tagged with ID's labels with fixed description .
10. Supplied items based on information, drawings, samples, models or other documentation created by RSB may only be delivered to him and not made accessible to third parties unless RSB provides written authorisation. All documents, in particular samples, models and drawings remain the property of RSB. This also applies to any existing industrial property rights. The documents shall be treated as confidential and must not be made accessible to third parties without the written permission of RSB. The documents, together with any copies, are to be returned to RSB without special request to this effect, after the enquiry or order is completed. Improvements to the item, which at the time the Contract is executed appear possible to the Supplier, shall be communicated to RSB. RSB has the exclusive right to register protected rights for such improvement and to use these commercially.
11. Should the agreed scope of performance be diverted from, the Supplier is only then entitled to increase his payment demand or amend the scheduling if a corresponding written supplementary agreement is concluded prior to execution.
12. The Parties shall take all steps reasonably and lawfully available to them to avoid withholding any taxes from any payments made under the orders and to obtain double taxation relief. The Supplier shall provide RSB with valid certificate of tax residence to enable the Supplier to obtain appropriate relief from double taxation of the payment in question.

13. If the Supplier fails to provide RSB with a valid certificate of tax residence RSB shall withhold tax on each payment made under the order in the prevailing rate of 20%.

14. If the Supplier provides RSB with a valid certificate of tax residence after the payment had been made and tax had been withheld RSB shall take all necessary steps to obtain tax refund of withheld tax. In such case RSB shall not be held liable for any decision made by competent tax authority in this respect e.g. refund denial.

15. The document "tax residence certificate" is valid for one year from the date of issue and must be forwarded to RSB in original.

V. Delivery and Storage

1. The Supplier shall inform RSB about the dispatch of the Equipment immediately, however not later than 2 (two) weeks prior to the delivery day and shall furnish RSB with detailed packing list of the Equipment to be delivered.

2. The Supplier shall fulfill all duties imposed by the contract and these General Purchasing Conditions. Unless the terms of delivery are specified in contract, the clause DAP of Incoterms® 2010. Guarantees, warranties and assurances given by the Supplier shall be honoured, without these having to be confirmed in writing.

3. In any case, the Supplier is not allowed to entrust subsuppliers with the performance of its obligations owed to RSB without expressed prior written consent by RSB under pain of nullity.

4. Irrespective of other information duties, the Supplier shall inform RSB in writing and a reasonable time in advance of the forthcoming delivery and is obliged to examine the goods as close in time as possible prior to their handing-over to RSB to the same extent as RSB is obliged to examine incoming goods after taking delivery. Furthermore, the Supplier shall record the result of such examination in writing and send it to RSB upon request. In any event and irrespective of any obligation of examination on taking delivery incumbent upon RSB, the Supplier is obliged to examine the goods in respect of the Supplier's compliance with the quantity owed, the type and packaging of the supplied goods and their freedom from relatively easily detectable defects in quality and of title.

5. Strict compliance with agreed dates or periods shall be a fundamental obligation of the Supplier. RSB is entitled to select the date of delivery within an agreed period. The Supplier can only rely on technical questions not having been clarified by RSB in due time after he has requested RSB to do so in writing and a reasonable time in advance. Without prejudice to any other claim, which RSB may have against the Supplier, any delay in delivery shall be communicated to RSB in writing immediately after discovery thereof stating the new delivery date. In case deliveries do not take place in due time, RSB's claims to performance remain without any special notice becoming necessary. The Supplier is only entitled to perform his obligations outside the agreed dates and periods insofar as RSB has agreed thereto in writing in each individual case. Missed deadlines can lead to significant damage for RSB due to his own obligations vis-à-vis his customers. Even a short exceeding of the agreed dates of delivery and completion by the Supplier may disturb the production flow of RSB severely and result in a very high liability for damages of RSB. RSB is also entitled to reject the goods, should these be delivered in advance of the agreed date.

6. In the event of delay of Supplier, RSB is permitted to have the not yet effected delivery/service performed by a third party at the Supplier's cost without setting an additional deadline or achieving previous court authorization.

7. Up to the taking over by RSB, the transport and custody of the goods and/or work is the sole responsibility of the Supplier; in particular, the Supplier is responsible vis-à-vis RSB for the goods and/or work being packed suitably for transportation, being loaded in a safe manner and being transported by suitable means of transport. Cost and damages due to improper package shall be at the expense of the Supplier. Without prejudice to its sole responsibility for transport, the Supplier is additionally obliged to observe all dispatch requirements, if any, set out in the written Order from RSB. The agreement of other delivery clauses merely involves a variation of the provisions as to transportation and transportation costs and does not modify the provisions laid down in this paragraph.

8. The Supplier is responsible vis-à-vis RSB that the goods and/or work comply with all requirements that have to be met when making the goods and/or work available on the market in UE. Irrespective of statutory information duties, the Supplier shall inform RSB in writing and a reasonable time in advance of any features of the goods and/or work, which may have a significant effect on its marketing. The agreement of other delivery clauses merely involve a variation of the provisions as to transportation and transportation costs and does not modify the provisions laid down in this paragraph.

9. The Supplier is obliged to fulfil the obligations imposed on him timely and in particular hand over the goods and/or work to RSB by unloading them at the place of delivery indicated in RSB's Order or – if a place of delivery is not indicated – at the premises of the office of RSB. Only employees of RSB working in the receiving department and the warehouse are entitled to receive the goods. The delivery of the goods to a receiving location other than that stipulated by RSB does not effect a transfer of risk to RSB, even if the receiving location should accept the delivery. The Supplier shall carry the incremental costs of RSB, caused by the delivery to a location other than that agreed.

10. Subject to promises providing for more, the Supplier is obliged to hand over to RSB newly produced, state-of-the-art goods and/or work of the agreed kind and quantity, which are of the quality and in the packaging (e.g.: EU data sheets of hazardous material) and which comply with the labelling and marking requirements, which comply with the provisions and standards applicable to making the goods and/or work available on the market in UE, especially in regard to product safety, prevention of accidents, industrial safety regulations and health protection, non-application of banned substances, the adherence to limiting values etc. Particularly, the Supplier shall ensure that the goods and/or work are not subject to deviations which might adversely affect their normal use or their economic value in Poland or the purpose made known to the Supplier. Furthermore, the Supplier shall hand over all required manuals, instructions and technical documentation as well as material on the goods and/or work to RSB in Poland. If the goods and/or work require further specification, the Supplier shall invite RSB to exercise its right to determination in writing and a reasonable time in advance.

11. In case of accounting based on quantity, measures and weights the values determined by RSB on the receiving inspection shall be relevant.

12. The Supplier is obliged to present delivery notes in triplicate together with the delivery. This shall include the following information: (1) RSB's contract/order number, (2) RSB's order number, (3) Position number from the Order and any additionally remarks requested on the Order. A notice of dispatch including the same information as the delivery note and separately for each order shall be sent to RSB on the day the goods are shipped. Invoices, delivery notes and

transportation documents shall correspond with the details stated in the Contract/Order by RSB, comply with all legal requirements and shall be forwarded to RSB separately by post and additionally by electronic means. Invoices shall clearly state the order number and RSB's contract/order number as well as the Supplier's tax number and the name of RSB's employee in charge of the respective transaction. Partial deliveries or final instalment deliveries agreed upon shall be identified as such in the delivery note and in the invoice.

If the delivery note is missing or it includes wrong or incomplete details, RSB shall be entitled to refuse the acceptance of the dispatch at the expense of the Supplier.

13. On dispatch of goods requiring a certain unloading equipment to be provided by the shipyard (starting 4 t single weight) RSB shall be informed in writing of the time of arrival minimum 7 days earlier. On RSB's request, the Supplier is obliged to deliver unloading instruction.

14. The Supplier is obliged to hand over to RSB in Gdańsk/Poland any Supplier's declarations as well as certificates of origin, customs certificates and certificates of conformity desired by RSB for the goods. The Supplier shall inform RSB on his own accord of any import and/or export restrictions by third states on the delivered goods and/or work of which he has knowledge. The agreement of other clauses of the Incoterms or other transport clauses merely involve a variation of the provisions as to transportation and transportation costs and does not modify the provisions laid down in this paragraph.

15. RSB reserves its right to repayment for unused materials delivered by the Supplier on the basis of the prices indicated in the Contract.

16. Should the return of packaging materials be contractually agreed, a corresponding and clear identification to this effect shall be included in all delivery papers. The Supplier is responsible for the disposal of the package material. If this remark should be omitted RSB shall dispose of the packaging at the Supplier's cost; in this event the Supplier's entitlement to the packaging to be returned expires.

17. The storage of objects belonging to the Supplier required for performing services on RSB's property is permitted in allocated storage areas only. The Supplier assumes full responsibility and risk for these objects.

18. An acceptance agreed with RSB shall be carried out at the shipyard. If the parties agree as an exception that the acceptance shall be carried out on another place (e.g. in the factory of the Supplier), the risk of the object of contract shall pass with the delivery only in deviation from the legal stipulations. Cost of materials of the acceptance shall be at the expense of the Supplier. The Supplier and RSB bear the personnel cost they incur in connection with acceptance.

19. Supplies and/or services the condition according to the contract of which can be established only after completion or commissioning of a subsequent work, shall be accepted by RSB only after completion or commissioning of this subsequent work and its acceptance by the competent authorities (e.g. Quality or Technical Control Board, classification society).

20. RSB shall be entitled to refuse the acceptance of supplied objects and acceptance of services, if there are a case of force majeure or other circumstances beyond the control of RSB (also strikes) which make the acceptance of the supplied object or the acceptance of the service impossible or unacceptable.

VI. Invoicing, Payment and Offsetting

1. After receiving of the goods or services by RSB and signing by the Parties the protocol confirming reception of the goods or services in accordance with the contract, the Supplier shall submit its invoice in original paper version in two copies to RSB indicating the turnover tax (i.e.VAT) in the respective legal amount and separately for every order. Collective invoices shall be accepted on a separate agreement only. All invoices shall show the date of delivery, contract/order no., product no., name of RSB's employees responsible for the order/contract and product designation (vessel no. which goods were dedicated to, if any) as well as all compulsory details as e.g. the sales tax identification no. The basis for the invoice is signed by the both Parties protocol confirming the receipt of the goods by RSB without any objections.

2. The price covers all of the Supplier's performances including any accessory expenses, in particular taxes and charges as well as banking fees incurred. An increase of the price agreed upon at the conclusion of the contract – irrespective of the legal ground – is excluded.

3. Third parties not involved in the conclusion of the contract are not entitled to request payment. The Supplier's entitlement to receive payment remains even if the Supplier assigns claims arising out of the contract to third Parties.

4. Payments shall only be executed following full performance of delivery or service and on receipt of a proper invoice. The date of payment of the contractual price is the date of debiting the RSB's bank account.

5. RSB does not default on his obligation to provide payment prior to the receipt of an arrears notice.

6. The claim to payment of the price comes into being after the goods and the documents have been handed over to RSB completely and according to the contract and after the Supplier's work have been accepted completely. The payment period does not start before RSB has received an invoice in due form.

7. Down payments shall be made by RSB only on a special written agreement. A prerequisite of that is an acceptable provision of security of the down payment by RSB (e.g. by a guarantee of a bank). The payment shall be a cashless payment and a payment to a factoring bank shall not be accepted.

8. The delivery with reservation of ownership shall be excluded. The ownership of the goods passes to the RSB at the time of payment of the contractual price for each part of the goods which was received by RSB, but not later than at the moment of installation of the goods in the destined facility (especially on the ship), unless the Parties agree otherwise in the Contract.

9. Statutory rights of RSB to reduce the price or to exercise a set-off against the price or to withhold the performance of its obligations and/or to raise defences or counterclaims are not restricted by the provisions laid down in these General Purchasing Conditions and RSB shall be entitled to these rights irrespective of any further statutory remedies even if cash-payment terms are agreed. Without any previous notice to the Supplier being necessary, RSB is entitled to suspend the performance owed by RSB as long as there is a concern in RSB's view that the Supplier will not wholly or partly perform in accordance with the contract its duties arising under the particular contract or any contract made with RSB which has not been completely fulfilled. RSB is also entitled to exercise a set-off against the price or to withhold the performance of its obligations or to raise defences or counterclaims when the claim against the Supplier has been acquired by RSB by assignment or when RSB is entitled to request payment for any other reason or when the claim against the Supplier exists but has not yet fallen due or is in another currency or is subject to the exclusive jurisdiction of a court or an arbitral tribunal different to the one having jurisdiction for the claim of the Supplier.

VII. Liabilities for Material Defects and Legal Defects

1. The Supplier has the unrestricted responsibility to ensure that his goods and/or services deliveries possess the agreed condition and are fit for their intended function and have agreed amount, quality or suitability, as per Contract/Order.
2. The confirmation to RSB by the Supplier as to the quality or suitability of the goods and/or work constitutes an unconditional and unrestricted guarantee of the Supplier within the meaning of the law unless the Supplier has declared in writing vis-à-vis RSB that he cannot give such a guarantee. The same applies to all references made by the Supplier to generally accepted standards or quality marks or to similar declarations by the Supplier indicating that the goods and/or work have certain qualities and/or are suitable for a certain purpose. In case of subsequent transactions involving the same goods and/or work, the confirmations, references or other declarations by the Supplier continue to apply without any particular reference being necessary.
3. The warranty period for defects shall be 36 months, unless the Parties agree otherwise in the Contract. The warranty period shall start on the date of acceptance, but for delivered items, which are installed on ships, the warranty period shall start on the date of acceptance of the ship by RSB's customer at the earliest. For machinery and equipment or parts thereof, the warranty period shall start on the date of initial operation of such equipment at the earliest. Otherwise the warranty period shall start on the date of complete delivery and/or completion of the services in accordance with the contract.
4. For repaired and replaced parts, a new warranty period shall start on the date of complete remediation of the defect.
5. RSB is entitled to perform all necessary measures to remove defects at the Supplier's expense with prior demand for defects removal to be made but without court's authorization.
6. In the event that the Supplier is responsible for a product defect, he shall indemnify and hold harmless RSB from any third party claims at immediate request.
7. Statutory rights of the Supplier to withhold or to suspend performance of the obligation imposed on him under the contract are excluded.
8. The Supplier shall be certified according to PN EN ISO 9001 or to follow his own quality management system that is in principle in accordance with the requirements of DIN EN ISO 9001. RSB has the right to carry out quality audits on the Supplier in accordance with the general valid standards.
9. If the object of contract is defective or not in accordance with the contract for other reasons, RSB shall be entitled to the legal claims and rights at full volume; possible non-liabilities and limitations of liability of the Supplier shall not apply.
10. The defects should be listed in the protocol of receipt however if the protocol is not prepared RSB shall inform the Supplier about the defects within seven working days upon the date of disclosure. The same rule is applicable if the defects were disclosed after the protocol of receipt has been prepared. The Supplier shall, without undue delay, commence examination of the defects and shall agree with the RSB the time limit (not longer than 7 days) for their removal or for delivering to RSB new goods which are free from any defects.
11. In case of a supplementary performance the Supplier shall also pay those additional expenses, especially transport, travelling, working and material cost occurring due to the fact that the object of contract was brought to another place than the place of performance, if this change of place is in the scope of the intended use of the object of contract. These expenses shall be left out of consideration on the evaluation of the disproportion of the supplementary performance.
12. The Supplier is obliged to provide RSB with spare parts for the object of contract on the current market conditions and prices for the period of the usual service life of the object of contract, however not less than two years from the time of receiving of the goods or services by RSB and signing by the Parties the protocol confirming reception of the goods or services in accordance with the contract. Spare parts which has become defective shall, at the option of the Supplier, be repaired free of charge or the Supplier shall supply the new parts to the Vessel at its own costs and risks at the location of the Vessel indicated by RSB or Vessel Owner.
13. The limitation of liability for material defects and defects of title shall be suspended for the period from the notice of defects by RSB until the elimination of the defect and/or replacement of the defect part. The limitation of liability for material defects and defects of title shall extend by this period, however in no case longer than up to five years after delivery or acceptance of the object of contract.
14. The Supplier is responsible for proper packaging of the Equipment for transportation. In case of any damage arisen during the transport, RSB can refuse reception of the Equipment and charge the Supplier with all costs related to lack of required goods on time.
15. The Supplier shall provide the RSB with detailed unloading and storage instructions.
16. In case of non-performance or improper performance of the reparation, remedy the defect by the Supplier or Supplier's Agents or designees or failure to supply parts needed for the repair as soon as possible, however not later than 4 (four) weeks (if technically possible) from the date of being notified and accepted the scope of work by both Parties, RSB is in title to entrust a third party with the replacement of the Equipment delivered or a part thereof, on Supplier's cost.
17. All warranty rights resulting from this Contract may be transferred and made available by RSB to the Vessel Owner without the Supplier's approval.

VIII. Proprietary Rights and Documentation

1. The Supplier shall not disclose any operational procedures, facilities, equipment, documents, etc. of RSB or his customers, which become known to him in connection with his activities for RSB, to a third party, also after the offer or contract is completed. The Supplier shall impose the corresponding obligation on his assistants and vicarious Suppliers.
2. The Supplier is liable for all damages and disadvantages incurred by RSB due to the fact that the use, installation or resale of the supplies/services infringes rights of third parties.
3. If RSB is claimed on by a third party because of the infringement of his rights, the Supplier shall be obliged to release RSB from such claims on the first request. This right of indemnity of RSB extends to all damages and expenses he incurred due to or in connection with being claimed on by the third party.
4. For the period of a dispute about an infringement of a proprietary right the Supplier shall provide a security towards RSB by furnishing a bank guarantee (irrevocable unconditional and payable on first demand) in the amount of the compensation claims and expenses RSB is threatened by. In this guarantee the guarantor shall waive the plea of unexhausted remedies, contestability and set-off,

unless the counterclaims of the Supplier have been legally established and/or proven. Semifinished and finished products manufactured according to particulars, drawings, patterns, models or other documentation shall be delivered to RSB only and not be made available to third parties in any case.

5. All documentation that is the property of RSB, especially patterns, models and drawings in any form of which copies or reproductions are allowed to be made with the express permission of RSB only and that are to be treated confidentially shall remain the equitable and intellectual property of RSB, shall be returned without special request to RSB together with all copies perhaps been made immediately after the inquiries and orders have been settled. Improvements or proposals for that that seem to be possible shall be notified to RSB by the Supplier and exclusively RSB shall be entitled to use them in terms of patent law or in the scope of other proprietary rights.

6. In relation to illustrations, drawings, calculations and other documents as well as computer-software, which have been made available by RSB in a material or electronic form, RSB reserves all proprietary rights, copyrights, other industrial property rights as well as know-how rights. Such documents shall be treated confidentially towards third parties and may exclusively be used for completing RSB's order. After the completion of the order, said material shall be completely returned to RSB without retention of any copies and without having been asked and waiving any right of retention.

7. RSB may use delivered Software in respect of the performance features agreed upon with the Supplier and/or the intended use of the goods and/or work or any relating products without restrictions to any use regulated by law or otherwise agreed with the Supplier. RSB is entitled to make back-up copies at any time.

IX. Cancellation and Withdrawal from the Contract

1. Without prejudicing its other legal rights, RSB is entitled to withdraw the contract in whole or in part (i) if the performance of the contract is or will be legally prohibited, (ii) if the Supplier objects to the application of these General Purchasing Conditions, (iii) if the Supplier without providing a reason justifiable in law does not meet fundamental obligations due towards RSB, (iv) if RSB is entitled to remedies according to these General Purchasing Conditions and due to the delivery of defective goods, (v) if the Supplier has failed to comply with other obligations and an additional period of time for performance set by RSB has expired to no avail, or (vi) in the event of occurrence, at the sole discretion of RSB, the Supplier's risk of insolvency or if the court administrative or arbitral tribunal proceeding against the Supplier is being conducted which affecting the performance of the agreement concluded by and between the Supplier and RSB. RSB may exercise its right to withdraw the contract within 90 days from the date of occurrence of the circumstances referred to in the preceding sentence.
2. Without prejudicing other claims including claims of an extra-contractual nature, RSB is entitled to claim damages from the Supplier for any kind of breach of contract without any restriction pursuant to legal requirements. The taking of delivery of the goods and/or work or the paying of the price without any reservation shall not result in a waiver of the right to damages.

X. Liability of RSB, Release on Product Liability and Insurance

1. Subject to provision of this section, compensation claims and claims for compensation of expenses against RSB, for whatever legal reason, shall be excluded.
2. RSB is liable for the claims based on a wilful or grossly negligent breach of duty of RSB, the non-compliance with a guarantee for the existence of characteristics, injuries to health or physical injuries of the Supplier or his employees due to at least negligent breach of duty or the breach of an essential contractual duty ("Cardinal duty") by RSB. In case of a breach of essential contractual duties the liability of RSB shall be limited to the loss foreseeable and typical for this type of contract. The breach of duty by RSB shall be equated with such one of his legal representatives or performing agents. No reversal of the burden of proof to the detriment of the Supplier shall be connected with the above settlements.
3. If third parties assert product liability claims or the product liability law against RSB, the Supplier shall release RSB from these claims insofar as the losses of the third parties have been caused by the raw materials or partial products delivered by the Supplier or the services rendered by him.
4. Furthermore the Supplier is obliged to compensate RSB for possible damages and expenses from and in connection with a product recall carried out by RSB due to a product defect on the object of contract. If this is possible for RSB and can be expected from him, he shall inform the Supplier of the contents and scope of the product recall to be carried out and give him the opportunity for a comment. The liability of the Supplier according to the legal rules shall remain unaffected.
5. The Supplier shall be obliged to carry a product liability insurance with a minimum limit of indemnity of a lumpsum of € 3.500.000, for every personal and material damage and to furnish a corresponding proof of insurance to RSB on the first request.
6. Without prejudice to RSB's more far-reaching claims, the Supplier shall indemnify RSB against all claims of third parties, which may be brought against RSB based on product law or product liability law or similar provisions insofar as the product was delivered by the Supplier or the causation of the product defect by materials or parts delivered by the Supplier cannot be excluded. In particular, the indemnification also includes compensation for expenses incurred by RSB and the costs of any precautionary campaign to redress or recall potentially defective goods and is granted by the Supplier waiving further conditions or other objections, in particular without requiring compliance with any duty of examination, giving notice, supervision or recall and waiving any defence of limitation. Insofar as the contract with the Supplier is not covered by a Supplier liability insurance by RSB and RSB has informed the Supplier about the extent of the cover in writing, the Supplier shall maintain irrespective of any additional claims of RSB a product liability insurance and a product recall insurance, each with a cover figure of not less than EUR five million for each event of damage or loss and to prove to RSB the existence of such insurance at any time upon request.
7. Without prejudice to RSB's more far-reaching claims, the Supplier shall furnish the due particulars and technical documentation regarding the goods and/or work in writing to RSB and give RSB unlimited security or compensation on first demand and waiving all further conditions or other defences, in particular waiving the observing of all duties of examination, giving notice, supervision or recall or the prior taking of administrative or legal proceedings as well as waiving the defence of limitation if in consequence of an administrative order, RSB is threatened with detriment or if RSB is subject to administrative fines or if RSB suffers of other detriment and the administrative order is based on pro-visions of product law, the observance of which is within the Supplier's sphere of ob-ligation according to the provisions of these General Purchasing Conditions. The same applies if RSB is

obliged on the basis of applicable statutory provisions to recall goods and/or work, which have been delivered by the Supplier or which contain parts delivered by the Supplier as far as their causation for the recall cannot be excluded.

XI. Contractual Penalties

1. The Supplier shall pay RSB the following contractual penalties for the failure to perform or undue performance of the Contract:
 - a) for delay in supplying all or part of the goods which are subject of the Contract – in the amount of 0,5 % of the net contractual price for each day of delay - the sum of this contractual penalty cannot exceed 20 % of the net contractual price,
 - b) for delay in remedying any defects or faults discovered in the warranty period – in the amount of 0,25 % of the net contractual price for each day of delay - the sum of this contractual penalty, cannot exceed 20 % of the net contractual price,
 - c) for withdrawal from the Contract caused by the reasons attributable to the Supplier – in the amount of 20 % of the net contractual price;
2. RSB reserves the right to claim supplementary damages up to the full size of the damage incurred if the amount of damages exceeds the amount of accrued contractual penalties.
3. The provisions also concerns the delays in providing of any kind of documentation
4. Agreed penalties (contractual penalties and/or liquidated damages) shall be paid in addition to the agreed performance, shall not exclude the claim for further damages and may be claimed by RSB regardless of whether it accepts the delivery without reservation or not.

XII. Confidentiality Obligation

1. The Parties both acknowledge that the stipulations of this Contract are the Parties' trade secret (Confidential Information).
2. As concerns Confidential Information, each of the Parties shall be obliged to:
 - a) refrain from disclosing Confidential Information,
 - b) obtain the other Party's prior written consent, should the disclosure of Confidential Information to a third party going beyond the extent permissible hereunder prove necessary,
 - c) use Confidential Information for no purposes other than those connected directly with the performance of this Contract,
 - d) assure that Confidential Information shall be kept secret by the Party's employees and business partners.
3. The obligation to refrain from disclosure of Confidential Information shall remain valid over the term of this Contract, and survive it for another 5 years after the date its performance is completed, it is terminated, or withdrawn from.

XIII. Other Provisions

1. The assignment of any claims arising or which may arise out of the contract to be made by the Supplier to any other third party needs the prior written consent of RSB under pain of nullity.
2. The Supplier guarantees that:
 - his activities are and will be conducted in accordance with the highest business standards, and any actions which will or could affect the image or reputation of RSB will not be performed;
 - he will not undertake measures and will endeavour to ensure that persons who are members of the Management Board, shareholders, directors, executives, employees, representatives or other persons acting on its behalf will not take any action in relation hereto which would subject RSB to the risk of penalties under laws and regulations applicable in any relevant jurisdiction, and which prohibit corrupt activities, i.e. promising, proposing, giving, demanding and accepting directly or indirectly a financial, personal or other benefit or a promising of such in exchange for an act or omission in the course of economic activity;
 - he will not engage in any other activity that would subject RSB to the risk of penalties under the provisions of law and applicable regulations.
3. Any changes of the Contract, under the pain of nullity, shall be made in writing in a form of an annex signed by both Parties.
4. The contractual and extra-contractual legal relationship with the Supplier shall be exclusively governed by Polish law. The United Nations Convention of the International Sale of Goods (CISG) shall not be applicable.
5. For all contractual and extra-contractual disputes arising out of or in connection with contracts, to which these General Purchasing Conditions apply, the exclusive local and general jurisdiction of the courts which have jurisdiction for Gdańsk/Poland is agreed. This competence excludes especially every competence, which is legally provided by reason of a personal or substantive relation. The Supplier is not entitled to bring a counter claim, set-off, third party notice or a right of withholding before any court other than the courts having jurisdiction for Gdańsk/Poland. Instead of bringing an action before the court having jurisdiction in Gdańsk/Poland, RSB is entitled to bring an action before the State Court of the Supplier's place of business or any national court with jurisdiction according to domestic or foreign law.
6. If provisions of these General Purchasing Conditions should be or become partly or wholly ineffective, the remaining terms shall continue to apply. The parties are bound to replace the ineffective provision with a legally valid provision as close as possible to the commercial meaning and purpose of the ineffective provision.
7. These General Purchasing Conditions have been translated from the Polish "Ogólne Warunki Zakupów" of RSB. In case of doubt, in the event of any discrepancy between the Polish "Ogólne Warunki Zakupów" and this translation thereof, the Polish "Ogólne Warunki Zakupów" shall prevail.

