

GRAIG SHIP MANAGEMENT LIMITED General Conditions for Purchase (Services)

1. Definitions for these Conditions

'Client' Graig Ship Management Ltd, whose registered office is 1 Caspian Point, Caspian Way, Cardiff, CF10

4DQ.

'Client a duly authorized representative of the Client.

Representative'

'Conditions' these standard terms and conditions for the Services set out in this document (unless the context

otherwise requires) including any special terms and conditions agreed in writing between the Client and

Supplier.

'Contract' the contract for the sale and purchase of the Services consisting of the Order, these Conditions and any

other documents specified in the Order.

'Delivery' the delivery of the Services at the time and to the place as specified in the Order or as otherwise

specified by the Client.

'Delivery the address or Vessel and location stated in the Order or as otherwise specified by the Client.

Address'

'Fee(s)' the fee(s) payable for the Services stated in the Order.

'Order' the Client's purchase order (issued as agent only for and on behalf of the Owner) to which these

Conditions are annexed and which incorporates these Conditions.

'Owner' includes in relation to any Vessel or other floating structure any corporate body, charter manager,

mortgagee or any other person or body having possession thereof on whose behalf the Order has been

placed by the Client.

'Report' the report to be prepared by the Supplier in accordance with the Specification and the Order.

'Services' the services described in the Order, which shall include, without limitation, the preparation and

completion of a final service report.

'Specification' includes any plans, instructions, drawings, data, photographs or other information relating to the Services

as set out in the Order or as otherwise specified by the Client.

'Supplier' the person, firm or company to whom the Order is addressed.

'Vessel' includes any floating unit or storage unit and any other man-made structure designed for use at sea and

whether or not fixed to the seabed.

1.2 A reference to writing or written includes electronic e-mail, telex, and cable; fax transmission and comparable means of communication

2. The Services

- 2.1 The Supplier shall act in accordance with the work scope as specified in the Client's Order, and in no circumstance shall deviate from the Specification contained within the Order, unless otherwise instructed by the Client.
- 2.2 The Supplier shall provide the Client with such reports of its work on the Services at such intervals and in such form as the Client may from time to time require.
- 2.3 The Supplier shall commence and complete the Services on the relevant dates stated in the Order or continue to perform the Services for the period stated in the Order, as applicable. Time is of the essence of the Contract. The Client may by written notice require the Supplier to execute the Services in such order of priority as the Client may decide. In the absence of such notice the Supplier shall submit such detailed programmes of work and progress reports as the Client may require from time to time.
- 2.4 The Client reserves the right by notice to the Supplier to modify its requirements in relation to the Services and any alteration to the Contract, Fee(s) or the completion date arising by reason of such modification shall be as agreed between the parties in writing.
- 2.5 If the Services do not conform with the Specification, the relevant provisions of these Conditions and/or the Order in any respect, the Client may, at its sole option either (i) inform the Supplier of the non-conformity and provide the Supplier with an opportunity to take such steps as are necessary to rectify the relevant non-conformity (if rectifiable) at its own expense or (ii) terminate the Contract pursuant to condition 13 and, where appropriate, obtain the Services elsewhere and charge the Supplier any additional cost incurred.
- 2.6 These Conditions are, in the absence of any other formal written agreement made between the Client and the Supplier, the only terms and conditions upon which the Client is prepared to deal with the Supplier and these Conditions, along with the Order, shall govern the Contract to the entire exclusion of all other terms and conditions the Supplier seeks to impose or incorporate, or which are implied by trade, custom, practice or course of dealing.



GRAIG SHIP MANAGEMENT LIMITED General Conditions for Purchase (Services)

3. Supplier's Personnel

- 3.1 The Supplier shall make available for the purposes of providing the Services any individuals named on the Order as key personnel. The Supplier shall provide the Client with a list of the names and addresses of all others regarded by the Supplier as key personnel (including details of any relevant qualifications as specified by the Client from time to time) and, if and when instructed by the Client, all other persons who may at any time be concerned with the Services or any part of them, specifying in each case the capacities in which they are so concerned and giving such other particulars and evidence of identity and other supporting evidence as the Client may reasonably require. The Client may at any time by notice to the Supplier designate any person concerned with the Services or any part of it as a key person. The Supplier shall not, without the prior written approval of the Client, make any changes in the key personnel referred to in this paragraph.
- 3.2 All Services shall be performed by the Supplier or its employees unless otherwise agreed in writing by the Client that sub-contractors ('Sub-Contractors') approved by the Client can carry out the Services or parts thereof.

4. Fees and Expenses

- 4.1 The Client shall pay to the Supplier the Fee(s) at the rate specified in the Order.
- 4.2 The Client's Representative shall have sole authority for the issuance of any additional Services not covered by the Order and any additional fees shall be quoted by the Supplier and submitted for prior written approval of the Client's Representative. Any unauthorised fee(s) for additional work carried out by the Supplier or Sub-Contractor will not be accepted.
- 4.3 The Supplier shall be responsible for all expenses incurred by it in the performance of the Services including, without limitation, the cost of transportation of the employees, Sub-Contractors or agents of the Supplier to the location at which the Services are to be provided, unless otherwise agreed in writing by the Client, in which event, any expenses reasonably and properly incurred by it in the performance of the Services shall be verified by the production of receipts or such evidence thereof as the Client may reasonably require.
- 4.4 Unless otherwise stated in the Order, payment will be made within sixty [60] days following the end of the month of receipt and agreement of invoices for Services completed to the satisfaction of the Client.
- 4.5 Value Added Tax, where applicable, shall be shown separately on all invoices as a strictly net extra charge.
- 4.6 The Client shall be entitled to deduct from the Fee(s) (and any other sums) due to the Supplier any sums that the Supplier may owe to the Client at any time.

5. Audit

The Supplier shall keep and maintain until seven (7) years after the Contract has been completed, adequate records to establish to the Client's satisfaction all expenditures (if any) which are reimbursable by the Client and of the hours worked and costs incurred by the Supplier or in connection with any employees of the Supplier which are to be paid for by the Client on a time charge basis. The Supplier shall on request afford the Client or its representatives such access to those records as may be required by the Client in connection with the Contract or its business or financial or tax affairs.

6. Prevention of Corruption

The Supplier shall not offer or give, or agree to give, to any member, employee or representative of the Client or any other third party any gift or consideration of any kind as an inducement or reward for doing or refraining from doing, or for having done or refrained from doing, any act in relation to the obtaining or execution of this Contract or any other contract with the Client or for showing or refraining from showing favour or disfavour to any person in relation to this or any such contract. The attention of the Supplier is drawn to the criminal offences created by the Bribery Act 2010.

7. Intellectual Property Rights

- 7.1 All reports, documents and other materials, including the Report, and all intellectual property rights therein including copyright arising out of the performance by the Supplier of the Services are hereby assigned to and shall belong to the Client absolutely. Insofar as they do not vest automatically by operation of law or under these Conditions, the Supplier holds legal title in these rights on trust for the Client and, at the Client's request, shall do (or procure to be done) all such further acts and things and shall execute all such other documents as the Client may from time to time require for the purpose of securing for the Client the full benefit of the Contract, including all rights, title and interest in and to the intellectual property rights assigned to the Client in accordance with this condition 7.1. All reports, documents and other materials, including the Report, and all intellectual property rights therein furnished or made available to the Supplier by the Client shall belong to the Client absolutely.
- 7.2 Except to the extent that the Services incorporate intellectual property provided by the Client, the Supplier warrants that the Services will not infringe any intellectual property rights of any third party and the Supplier shall indemnify the Client against all actions, suits, claims, demands, losses, charges, damages, costs and expenses which the Client may suffer or incur as a result of or in connection with any breach of this condition.
- 7.3 The provisions of this condition 7 shall apply during the continuance of the Contract and indefinitely after its termination howsoever arising.



GRAIG SHIP MANAGEMENT LIMITED General Conditions for Purchase (Services)

8. Warranties, Indemnities and Insurance

- 8.1 The Supplier warrants, represents and undertakes that:
 - (a) it has the authority to enter into the Contract;
 - (b) that the Services shall comply with the Specification;
 - (c) it shall complete the Services with due skill, care and diligence, in accordance with all applicable regulations, statutes, other legal requirements and industry standards (including, without limitation, all environmental laws and regulations) and to such high standard of care as it is reasonable for the Client to expect, all in accordance with the Contract;
 - (d) the Services shall be provided within the time and dates specified in the Order;
 - (e) at all times when providing the Services and in attendance at a Vessel, it shall, and shall ensure that its employees or approved Sub-Contractors shall, be free from alcohol, drugs or any other substance likely to inhibit its/their ability to perform the Services in accordance with these Conditions or otherwise be liable to bring the Client into disrepute.
- 8.2 The Supplier shall keep the Client indemnified in full against all costs, expenses, damages and losses (whether direct or indirect), including any interest, fines, penalties, charges, legal and other professional fees and expenses awarded against or incurred or paid by the Client as a result of or in connection with (i) a breach of the warranties, representations and undertakings set out in condition 8.1 above and/or (ii) any claim made against the Client by a third party arising out of, or in connection with, the performance of the Services, to the extent that such claim arises out of the breach, negligent performance or failure or delay in performance of the Contract by the Supplier, its employees, agents or Sub-Contractors.
- 8.3 The Supplier (if an individual) represents that he is regarded by both the Inland Revenue and the Department of Social Security as self-employed and accordingly shall indemnify the Client against any tax, national insurance contributions or similar impost for which the Client may be liable in respect of the Supplier by reason of the Contract.
- 8.4 The Supplier shall effect with an insurance company or companies acceptable to the Client a policy or policies of insurance (i) covering all the matters which are the subject of the indemnities and undertakings on the part of the Supplier contained in the Contract (to include, without limitation, medical, public liability, professional indemnity and employer's liability (where relevant)).
- 8.5 If requested, a certificate evidencing the existence of such policies shall be provided by the Supplier to the Client.
- 8.6 The Client shall not be liable to the Supplier for any consequential, special or indirect losses including, without limitation: (i) financial or economical loss; (ii) loss of profit; (iii) loss of business or business opportunity; (iv) corruption, loss of or loss of use of data; (v) loss of revenue; (vi) loss of anticipated savings; or (vii) loss of contracts, by the Supplier howsoever arising out of or in connection with the Contract, save where otherwise provided by statute.

9. Health and Safety and Security

- 9.1 The Supplier shall:
 - (a) comply at all times and in absolute accordance with all health and safety, environmental, operational and security policies and procedures from time to time in force at the Vessel or as stipulated by the Owner or the Client, including, without limitation all requirements for accessing and boarding the Vessel and accessing confined spaces within the Vessel itself;
 - (b) other than in respect of the Contractor's own equipment, not operate any ship valve or open any appendage which might initiate a spill; all line-up and operation of equipment or systems on or part of Vessel shall be undertaken by the Vessel operating personnel only;
 - (c) have at all times prior to boarding a Vessel all necessary personal safety equipment including, without limitation, hard hats, work shoes, gloves, safety glasses, personal gas detector and fire resistant overalls. In the event that the Supplier does not possess any of the requisite equipment required by the Owner and/or required to carry out the Services, then the Owner shall either provide the necessary equipment at the cost to the Supplier or may refuse the Supplier access to the Vessel in which event the Client may terminate the Contract in accordance with condition 13.2(a) below;
 - (d) be responsible for the actions of any of its employees, agents or Sub-Contractors authorised to carry out the Services in accordance with these Conditions;
 - (e) carry out the Services in a professional manner and any behaviour or actions of the Supplier which are deemed unsafe, reckless or irresponsible by the Owner will result in the Supplier being removed from the Vessel at the first opportunity and the Supplier shall be liable for all and any expenses incurred as a result:
 - (f) be responsible for making itself familiar with the access and/or boarding requirements at the relevant port at which the Vessel is located;
 - (g) be responsible, at its expense, for obtaining all relevant visas, consents, permits, registrations, approvals, licences and other requirements of any authority in order to carry out the Services;
 - (h) take all steps reasonably required by the Owner to prevent unauthorised persons being admitted to the Vessel. If the Client and/or Owner gives the Supplier notice that any person is not to be admitted to or is to be removed from the Vessel or is not to become involved in or is to be removed from involvement in the Services, the Supplier shall take all steps required to comply with such notice.
- 9.2 The decision of the Client and/or Owner as to whether any person is to be admitted to or is to be removed from the Vessel or is not to become involved in or is to be removed from involvement in the Services or as to the designation or approval of key personnel and as to whether the Supplier has furnished the information or taken the steps required of it by this condition shall be final and conclusive.
- 9.3 The Supplier shall bear the cost of any notice, instruction or decision of the Owner under this condition 9.



GRAIG SHIP MANAGEMENT LIMITED General Conditions for Purchase (Services)

9.4 The Client's Representative shall, as may be agreed with the Owner, be entitled to attend the Vessel during the course of the Services.

10. Discrimination

The Supplier shall not unlawfully discriminate, harass or victimise within the meaning and scope of the provision of the Equality Act 2010 or any statutory modification or re-enactment thereof relating to discrimination, harassment or victimisation in employment or in connection with the performance of the Contract.

11. Confidentiality

- 11.1 The Supplier shall keep secret and not disclose and shall procure that its employees, agents and approved Sub-Contractors keep secret and do not disclose any information of a confidential nature, which shall include, without limitation, information relating to the Client's business, affairs, suppliers, customers, systems and software, obtained by it or them by reason of the Contract except information which is in the public domain otherwise than by reason of a breach of this condition.
- 11.2 Neither party shall be in breach of the Contract where it can show that any disclosure of information is made solely and to the extent necessary to comply with the requirements by law, court order or any governmental or regulatory authority.
- 11.3 The provisions of this condition 11 shall apply during the continuance of the Contract and after its termination howsoever arising.

12. Data protection

- 12.1 Both parties shall comply with the Data Protection Act 1998.
- 12.2 Personal data supplied in connection with provision of the Services shall not be used by either party other than for purposes associated with the administration of the Services.
- 12.3 Personal data may be used in anonymised form for the purpose of audit and statistical analysis.
- 12.4 It is the responsibility of each party to inform individuals that their personal data will be passed to the other party.

13. Termination

- 13.1 Without limiting its other rights or remedies, either party may terminate the Contract with immediate effect by giving written notice to the other party if:
 - (a) the other party commits a material breach of the Contract and (if such a breach is remediable) fails to remedy that breach within fourteen (14) days of the other party being notified in writing of the breach;
 - (b) the other party suspends, or threatens to suspend, payment of its debts or is unable to pay its debts as they fall due or admits inability to pay its debts or (being a company) is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 or (being an individual) is deemed either unable to pay its debts or as having no reasonable prospect of so doing, in either case, within the meaning of section 268 of the Insolvency Act 1986 or (being a partnership) has any partner to whom any of the foregoing apply;
 - (c) the other party commences negotiations with all or any class of its creditors with a view to rescheduling any of its debts, or makes a proposal for or enters into any compromise or arrangement with its creditors;
 - (d) a petition is filed, a notice is given, a resolution is passed, or an order is made, for or in connection with the winding up of the other party (being a company);
 - (e) the other party (being an individual) is the subject of a bankruptcy petition or order;
 - (f) a creditor or encumbrancer of the other party attaches or takes possession of, or a distress, execution, sequestration or other such process is levied or enforced on or sued against, the whole or any part of its assets and such attachment or process is not discharged within fourteen (14) days;
 - (g) an application is made to court, or an order is made, for the appointment of an administrator or if a notice of intention to appoint an administrator is given or if an administrator is appointed over the other party (being a company);
 - (h) a floating charge holder over the assets of the other party (being a company) has become entitled to appoint or has appointed an administrative receiver;
 - a person becomes entitled to appoint a receiver over the assets of the other party or a receiver is appointed over the
 assets of the other party;
 - (j) any event occurs or proceeding is taken with respect to the other party in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned in condition 13.1(b) to condition 13.1(i) (inclusive);
 - (k) the other party suspends or ceases, or threatens to suspend or cease, to carry on all or a substantial part of its business; or
 - (I) the other party (being an individual) dies or, by reason of illness or incapacity (whether mental or physical), is incapable of managing his own affairs or becomes a patient under any mental health legislation.
- 13.2 In addition to its rights of termination under paragraph 13.1 the Client shall be entitled to terminate the Contract if:
 - (a) the Supplier is in breach of condition 9.1(c) above;
 - (b) the other party is subject to a change of control; or
 - (c) at any time by giving to the Supplier not less than seven (7) days' notice to that effect.



GRAIG SHIP MANAGEMENT LIMITED General Conditions for Purchase (Services)

In the event of termination of the Contract by the Client pursuant to this condition 13.2, the Client shall pay any costs reasonably and properly incurred by the Supplier in respect of the terminated Services up to the date of notification of the termination of the Services, subject always to the Supplier's duty to mitigate such costs.

- 13.3 Termination under paragraph 13.1 or 13.2 shall not prejudice or affect any right of action or remedy which shall have accrued or shall thereupon accrue to the Client and shall not affect the continued operation of conditions 5, 7, 8 and 11 and this clause 13.
- 13.4 In the event of the Contract being terminated for any reason whatsoever the Supplier shall immediately deliver to the Client all reports, documents and other materials, including the Report, created or produced (and whether in completed form or not) by or on behalf of the Supplier arising out of or in connection with the performance by the Supplier of the Services.

14. Recovery of sums due

Wherever under the Contract the Client considers that any sum of money is recoverable from or payable by the Supplier, that sum may be deducted from any sum then due, or which at any later time may become due, to the Supplier under the Contract or under any other agreement or contract with the Client.

15. Assignment and sub-contracting

- 15.1 The Supplier shall not assign or sub-contract the whole or any part of the Contract without the prior written consent of the Client. Sub-contracting any part of the Contract shall not relieve the Supplier of any obligation or duty attributable to it under the Contract.
- 15.2 Where the Client has consented to the placing of sub-contracts, copies of each sub-contract shall be sent by the Supplier to the Client immediately once it is executed.

16. Third party rights

Nothing in these Conditions shall create any rights for third parties under the Contracts (Rights of Third Parties) Act 1999. No variation to these Conditions and no supplemental or ancillary agreement to these Conditions shall create any such rights unless expressly so stated in any such agreement by the parties. This does not affect any right or remedy of a third party which exists or is available otherwise than pursuant to that Act.

17. Waiver and severance

- 17.1 No waiver of the Client's rights shall be effective unless in writing and signed by an authorised representative of the Client. A waiver shall only apply to the specific circumstances in which it is given and shall not effect the enforcement of the Client's rights in relation to different circumstances or the recurrence of similar circumstances.
- 17.2 If any court or other competent authority finds any provision of these Conditions (or part of any provision) is invalid, illegal or unenforceable, that illegal or unenforceable provision or part-provision shall, to the extent required, be deemed to be deleted, and the validity and enforceability of the other provisions of these Conditions shall not be affected. If any invalid, unenforceable or illegal provision of these Conditions would be valid, enforceable and legal if some part of it were deleted, the provision shall apply with the minimum modification necessary to make it legal, valid and enforceable.

18. Notices

Any notice given pursuant to the Contract may be sent by hand or by post or by registered post or by the recorded delivery service or transmitted by telex, telemessage, facsimile transmission or other means of telecommunication resulting in the receipt of a written communication in permanent form and if so sent or transmitted to the address of the party shown on the Order, or to such other address as the party may by notice to the other have substituted therefor, shall be deemed effectively given on the day when in the ordinary course of the means of transmission it would first be received by the addressee in normal business hours.

19. Status of Supplier

In performing the Services, the Supplier is acting as an independent contractor and nothing in the Contract shall have the effect of making the Supplier the servant, agent, worker, partner, or employee of the Client.

20. Headings and variation

- 20.1 The headings to these Conditions shall not affect their construction or interpretation.
- 20.2 No variation of these Conditions or the documents referred to in them shall be valid unless it is in writing and signed by or on behalf of each of the parties.

21. Governing law and jurisdiction

These Conditions shall be governed by and construed in accordance with the laws of England and Wales and the Supplier hereby irrevocably submits to the exclusive jurisdiction of the English and Welsh courts.