

General Conditions for ship repairs and conversions

of June 1967 as subsequently amended (recently in June 2023)

1. Definitions

1.1

The following definitions apply to these Conditions:

“WORKS”:

Any services, supplies or works relating to the Vessel provided by the Shipyard to the Customer, including any Extra Works. The Conditions thus apply, inter alia, to work relating to repairs, maintenance, installation and conversion, inspections, overhaul and work performed under a guarantee clause - also in respect of new building constructed by the Shipyard - together with the Shipyard’s pertinent supplies and services, including docking, hauling and laying up.

“CONDITIONS”:

These General Conditions for ship repairs and conversions.

“DOCUMENTATION”:

All material relating to the Works, including reports, documents, drawings, photos, calculations, correspondence or other material received or prepared by the Shipyard in connection with the Works.

“EXTRA WORKS”:

Any services or Works provided by the Shipyard to the Customer in addition to or in continuation of the existing Contract that are agreed or necessary for the Shipyard’s performance of the Contract. This includes alterations.

“FORCE MAJEURE”:

Actions, events or omissions beyond the reasonable control of the Parties, including such unforeseeable events in or outside Denmark as war or warlike events, civil commotion, vandalism, strike, lockout, compulsory shortening of working hours,

pandemics, epidemics, cyber-attacks, import or export bans and other public injunction or prohibition (which are beyond the Shipyard’s control), natural disasters, unusual and extraordinary weather conditions, including hindrances caused by ice, fire and other accidental causes. Force Majeure will also be deemed to exist if delivery is prevented or delayed owing to circumstances of Subcontractors if the reason for delay would be deemed to be force majeure under this definition if the delay affects the Shipyard or if the delay is caused by circumstances of Subcontractors beyond the Shipyard’s control, including bankruptcy, reconstruction and other financial difficulties.

“INTELLECTUAL PROPERTY RIGHTS”:

Copyrights and related rights, patents, utility models, trademarks, service marks, trade names, topographical rights, design rights and database rights, domain names, know-how rights, trade secrets and applications or pending applications, whether or not registered in any country, and any right or other form of protection of similar form or effect globally.

“ISPS CODE”:

International Ship and Port Facility Security Code and the rules in force from time to time implementing this under Danish law (e.g. the executive order on security of port facilities no. 1283 of 26/08/2020).

“CONTRACT”:

Any written contract for the execution of the Works between the Shipyard and the Customer, including any Orders and Quotations.

“CONTRACT PERIOD”:

The period from (i) the agreed date of delivery of the Vessel by the Customer to the Shipyard up to and including (ii) the

agreed date on which the Shipyard must return the Vessel after completion of the Works under the Contract.

“CONTRACT PRICE”:

The price for the execution of the Works by the Shipyard as agreed in the Contract.

“CUSTOMER”:

The buyer of the Works. In addition to the owner of the Vessel, the Customer may be its Representative.

“NOTIFICATIONS”:

Data, messages, advice and/or information (including electronic data) in any form.

“NORDIC ARBITRATION”:

Nordic Offshore & Maritime Arbitration Association (Org.no.: 920 168 140), Kristinelundveien 22, 0268 Oslo, Norway.

“ORDER”:

Any purchase order or other binding request for execution of the Works made by the Customer.

“PARTY” OR “PARTIES”:

The Shipyard and the Customer individually and jointly.

“REDUCTION(S)”:

All limitations of the scope of the Works under the Contract.

“REPRESENTATIVE(S)”:

The Shipyard’s or the Customer’s representative(s), including owners, freighters, charterers, operators, Subcontractors, agents, technical inspectors, brokers, masters, etc.

“SANCTIONS”:

Economic or financial sanctions regulations, legislation and trade embargoes administered, imposed or maintained by the European Union, states within the European Economic Area, the US

Government or US agencies (including the Office of Foreign Assets Control of the United States Department of the Treasury “OFAC” (or any successor agency), the US Department of Commerce or the US Department of the Treasury) or the United Nations Security Council.

“SANCTIONED PARTY”:

Any person or entity listed on the list of persons or entities published in connection with the imposition of Sanctions (whether such persons or entities are listed by name or are part of a group of persons), a person or entity resident or domiciled, registered as located or headquartered in, or incorporated under the laws of, a country subject to Sanctions, or a person or entity with whom the Shipyard is prohibited from doing business or conducting transactions in accordance with Sanctions.

“VESSEL”:

The vessel or the vessels to which the Works relate under the Contract or the Order.

“SPECIFICATIONS”:

The technical specifications for the Works as set out in the Contract or as otherwise agreed with the Shipyard.

“QUOTATION”:

Any tender or quotation submitted by the Shipyard to the Customer for the delivery of the Works.

“SHIPYARD”:

The shipyard that is to execute the Works under the Contract.

“SUBCONTRACTORS”:

Any person or undertaking hired by the Shipyard or the Customer, respectively, to carry out the Works, supply equipment or materials for the execution of the Works.

2. Scope

2.1

Unless otherwise agreed in writing, these Conditions apply in their entirety to Works executed by the Shipyard for the Customer and supersede any other terms and conditions in their entirety. The Conditions constitute an integral part of any Contract, including any Orders and Quotations, entered into between the Customer and the Shipyard.

2.2

The Conditions will not apply to newbuilding contracts, unless agreed otherwise by the Parties.

2.3

Deviation from individual provisions in these Conditions applies only when it is clearly and explicitly stated in which respects such deviation is to be made.

3. Conclusion of contract

3.1

A Quotation submitted by the Shipyard is valid for 30 days from the time it was submitted, unless it has been withdrawn by the Shipyard or otherwise stated in the Quotation. Responses from the Customer that do not comply with the terms of the Quotation due to additions, limitations or reservations, etc. do not constitute acceptance of the Quotation and will be treated as an Order.

3.2

No Order is binding on the Shipyard, unless confirmed in writing by the Shipyard.

3.3

In the event of any discrepancy between (i) the Contract and (ii) related Specifications and other Documentation, the Contract will prevail. In the event of discrepancies between (i) Specifications and (ii) other Documentation, (i) the Specifications will prevail.

4. Scope of the work and Contract Period

4.1

The Work only includes what has been specified in writing in the Contract, including any correspondence between the Parties. This also applies to Extra Works.

4.2

The Parties may agree that the Shipyard is to execute Extra Works in accordance with the original Contract between the Parties. Extra Works must, if possible in the assessment of the Shipyard, be executed within the Contract Period. If this is not possible or if the Extra Works cause a delay in the execution of the original Works, the Shipyard is entitled to a corresponding extension of the Contract Period. The Shipyard may require the extension to be confirmed in writing by the Customer.

4.3

Reductions of the Works specified in the Contract, Order, Specifications or other Documentation must be agreed in writing between the Parties to be valid.

5. Execution of the Works

A) OVERALL SCOPE

5.1

The Works are executed in accordance with the Shipyard’s usual practice, professionally and with the use of qualified materials. The Shipyard must comply with any reasonable requests made by the Customer regarding the materials and the execution of the Works to the extent that this is within the scope of the agreed Works.

5.2

The Works must be executed in accordance with the laws and regulations laid down by public authorities applicable to the Vessel at the time the Contract is entered into. This also applies to requirements laid down by the classification society if agreed in the Contract. If, after the conclusion of the Contract, amendments to laws and regulations come into force, the Shipyard must execute the required alterations against upward revision of prices and delivery time as set out in clauses 4.2 and 12.2.

5.3

The Customer pays all costs for the classification society and authorities.

5.4

The Customer must make any notifications, etc. that may be required for the Works to be executed in accordance with applicable laws and regulations. The Shipyard must provide reasonable assistance to the extent that the Shipyard's assistance is necessary for the Customer's notifications, etc.

5.5

Information contained in the Documentation is for illustrative purposes and is not binding in detail for the execution of the Works by the Shipyard, unless expressly included in the Contract. Information in the Documentation on dimensions, weight, volume, etc. is deemed to be approximate.

b) THE SHIPYARD'S SUBCONTRACTORS

5.6

The Shipyard may use Subcontractors for the execution of the Works without the Customer's consent. The Shipyard remains responsible for its own Subcontractors. When these Conditions refer to the Shipyard in relation to the execution of the Works, this is also deemed to include its Subcontractors.

5.7

The Shipyard is not responsible for Subcontractors hired by the Customer.

c) THE CUSTOMER'S OWN WORKS, ETC.

5.8

When the Vessel is within the premises of the Shipyard, the Customer may only carry out works and activities on the Vessel, including cleaning works, after coordination with the Shipyard.

5.9

In addition to the crew of the Vessel, the Customer is not entitled to use any labour other than the Shipyard's own labour without special permission from the Shipyard. If the Customer wishes works to be executed by the Vessel's crew, the Shipyard must receive a written statement in advance of the nature, scope and time of the work. The crew is not allowed to execute any works requiring docking or hauling up on a slip. The Customer is re-

sponsible for the works executed by the Vessel's crew.

5.10

The Customer's works may not disturb or delay the Shipyard's execution of the Works.

5.11

Bunkering and pumping of oil and water containing oil are subject to the Shipyard's approval and must be performed in accordance with the Shipyard's instructions. Pumping is to be understood as pumping to and from the Vessel as well as pumping between the Vessel's tanks or any other pumping operation aboard the Vessel.

5.12

Any cleaning of the Vessel's tanks using chemicals, emulsifying agents, etc. is subject to the Shipyard's approval.

5.13

Work involving paints, including sand blasting and any other type of surface treatment, which is subject to special public environmental requirements may only be performed by the Shipyard.

6. Representatives

6.1

Prior to the commencement of the Works, the Customer must appoint at least one Representative who must be present during the execution of the Works. At the request of the Customer, the Shipyard must designate one or more Representatives who are responsible for the execution of the Works on behalf of the Shipyard.

6.2

The Parties' Representative(s) must be authorised to act on behalf of each their Party in matters relating to the execution of the Works, including approval of Documents, conclusion of contracts on Extra Works, approval of invoices and contact to and control of Subcontractors.

6.3

The Representatives of the Shipyard and the Customer will generally hold meetings on all working days to ensure the progress

of the Works, unless otherwise agreed by the Parties.

6.4

Unless otherwise provided by applicable law, including the ISPS code, the Shipyard is responsible for the coordination of protective and precautionary measures and rules of conduct on the Shipyard's premises and aboard the Vessel as long as it is at the Shipyard. If the Shipyard executes Works on the Vessel outside the Shipyard's premises, this is the responsibility of the Customer.

6.5

The Customer's Representatives must comply with the public and local protective and precautionary measures and rules of conduct applicable to the Shipyard and must observe the instructions issued by the Shipyard, including the ISPS code. The Customer must inform its Representatives of this.

7. Delivery and return

A) DELIVERY

7.1

The Customer must ensure that the Vessel is available to the Shipyard at the time, place and in the condition agreed between the Parties, and such that the Works can be commenced immediately upon agreed delivery from the Customer and can proceed without interruption until completion of the Works.

7.2

The Vessel must be handed over by the Customer at no cost to the Shipyard and must be moored by the Customer or the Shipyard at the Shipyard's quay, in the dock of the Shipyard or at a quay used by the Shipyard as instructed by the Shipyard.

7.3

The Contract Period will not commence until the Customer has met the above-mentioned conditions. Should delays of the above-mentioned nature occur during the execution of the Works, which

reasonably prevent the execution of the Works, the Shipyard is entitled to suspend the work until the Customer has met its obligations. In that event, the Contract Period will be extended accordingly.

b) DELAYED DELIVERY

7.4

Where a specific delivery time or fixed delivery date for the Vessel has been agreed, without specific agreement in the Contract on the consequences of delay, the Shipyard is entitled to compensation for all direct and reasonable costs resulting from the Customer's delayed delivery of the Vessel to the Shipyard, regardless of the reason.

7.5

If the Vessel has not been delivered to the Shipyard within seven days after the agreed delivery date, the Shipyard is entitled to cancel (terminate) the Contract, regardless of the reason for the delayed delivery. The Shipyard may cancel the Contract on this basis at the latest upon the arrival of the Vessel at the Shipyard. Upon cancellation of the Contract, the Shipyard is entitled to recovery of (i) all reasonable direct and reasonable costs incurred by the Shipyard in connection with the Contract until the time of the cancellation (reliance damages), see clause 7.4, or (ii) the Shipyard's loss due to non-performance of the Contract (expectation damages).

c) RETURN

7.6

The Vessel must, as far as possible, be returned to the Customer no later than at the end of the Contract Period.

7.7

When the Shipyard finds that the Works have been completed in accordance with the Contract, the Customer is notified accordingly. The Shipyard may demand that the Parties set a time for a joint inspection of the Works at a hand-over meeting. The Shipyard must give the Customer a timely notice, and the Customer is obliged to attend the meeting.

7.8

At the hand-over meeting, any defects in the works may be recorded in a minute book to be signed by both Parties. Return will not take place until the defects stated in the minute book have been remedied. However, the Parties are entitled to agree to have some Works completed after the return.

7.9

When the defects referred to in clause 7.8 have been adequately remedied, the Customer must immediately accept the Works and accept the return of the Vessel. At the request of the Shipyard, the Customer must sign an updated return minute book stating no defects.

7.10

When the Vessel is returned, it must be collected by the Customer at no cost to the Shipyard. Collection takes place from the location where the Works have been executed, unless the Parties have agreed otherwise in the Contract.

d) DELAYED RETURN

7.11

The Shipyard is entitled to an extension of the Contract Period in the event of delayed delivery of the Vessel or other circumstances attributable to the Customer or the Customer's Representatives, see clause 7.3, as a result of Extra Works, see clause 4.2, and as a result of Force Majeure, see clause 10.

7.12

Where a specific return time or a fixed date for the return of the Vessel has been agreed, but the consequences of delay have not been agreed, the Customer is entitled to liquidated damages for the Shipyard's delayed return of the Vessel to the Customer if the delay is not due to circumstances listed in clause 7.11. The liquidated damages are set at a percentage rate of 0.25% of the Contract Price per day for the number of days the return of the Vessel is delayed and up to a maximum of 5.00% of the Contract Price, corresponding to 20 days. The Shipyard's liability towards the Customer in the event

of delayed return is thus limited to 5% of the Contract Price.

7.13

While the Customer's right to compensation is governed by clause 7.12, the Customer's right to terminate the Contract in the event of delayed return is governed by the general rules of Danish law.

8. Materials, equipment, etc

8.1

The risk of materials, equipment, etc., which are purchased by the Shipyard or its Subcontractors for installation on the Vessel or otherwise for use in connection with the Works, passes to the Customer when the materials are delivered on the Shipyard's premises. The title to materials, equipment, etc., which are purchased at the Shipyard's expense, passes on payment by the Customer, however, at the earliest when the materials, equipment, etc. arrive on the Shipyard's premises.

8.2

If the materials, equipment, etc. specified cannot be procured in due time, the Shipyard is entitled to use other qualified materials, equipment, etc. without a separate approval of the Customer.

8.3

Parts and equipment of the Vessel, which are replaced with new materials – except for heavy machinery parts, propellers, propeller shafts, etc. – as well as any surplus materials – become the property of the Shipyard, without the Customer being entitled to special consideration for this, as the Contract Price is deemed to have taken this into account. This also applies to the replacement of equipment, etc. in connection with any remedial works, see clause 13.

8.4

The Customer must, at the latest on return of the Vessel to the Customer, collect materials, equipment, etc. belonging to the Customer or its Subcontractors from the Shipyard's premises at the Custo-

mer's expense. The Shipyard is entitled to send materials, equipment, etc. to the Customer's place of business at the Customer's expense if these have not been collected at the latest on return of the Vessel.

8.5

Materials, equipment, etc. that have not been collected or forwarded within 30 days of the return of the Vessel, including heavy machinery parts, propellers, propeller shafts, etc., become the property of the Shipyard without consideration, as the Customer is deemed to have renounced its rights hereof.

9. Emergency docking

9.1

The Shipyard is always entitled to give priority of docking to Vessels in distress, including hauling up on a slip. This applies to dockings which the Shipyard could not reasonably foresee at the conclusion of the Contract. Such docking is considered Force Majeure, see clause 10.

10. Force Majeure

10.1

Where circumstances occur which, in the Shipyard's opinion, will cause a delay in the return, the Shipyard must notify the Customer hereof, stating the reason for the delay and whether, in the Shipyard's opinion, the delay is considered Force Majeure. As far as possible, the Shipyard must also state the probable duration of the delay.

10.2

The Shipyard's right to claim extension of the Contract Period commences even if the event causing the delay of the return does not occur until the agreed date of delivery has been exceeded. Such extension does not affect the Shipyard's possible liability for the delay that has already occurred.

10.3

The Shipyard is not otherwise liable for delays or non-performance of the Con-

tract if the delays or non-performance are due to Force Majeure. If and to the extent that any Force Majeure event has prevented or can reasonably be expected to substantially prevent the delivery of the Works for more than 30 days, either Party is entitled to terminate the Contract in whole or in part without notice and without incurring liability.

11. Testing

11.1

The Shipyard is entitled to undertake such testing as it deems necessary to determine whether the Works are in accordance with the Contract prior to the return of the Vessel. The Shipyard is entitled to make use of the Vessel's fuel, etc. free of charge for testing purposes. The Shipyard is obliged to notify the Customer of the time of such testing. If requested by the Shipyard, the Customer's designated Representative must be present when such testing is undertaken.

11.2

The Shipyard is entitled, in good time before and after the testing, to make all examinations, measurements or observations on board that the Shipyard deems necessary to ensure satisfactory performance and control of the testing and the Shipyard must have access to all information on previous testing.

11.3

During sea trials, the Customer must man the Vessel in accordance with rules and regulations, at no cost to the Shipyard. However, the Shipyard is entitled to have its own personnel operate the machinery of the Vessel.

11.4

The Customer bears the risk and responsibility for the Vessel, its machinery, equipment, etc. and for damage caused by the Vessel in connection with sea trials, however, the Shipyard is liable towards the Customer for damage caused by errors or negligence in the execution of the Works by the Shipyard, see clause 15.

11.5

If damage occurring during testing can be attributed to a third party from a point in time prior to the Contract Period, the Customer alone bears the risk and responsibility for this.

12. Price, payment and lien

A) PRICE

12.1

If a specific price for the Works has not been agreed, the price is determined on the basis of the actual costs incurred in accordance with the Shipyard's usual practice in this respect.

12.2

If a price has been agreed for prior specified Works, Works not included in the Specification are charged on the basis of the actual costs incurred in accordance with the Shipyard's usual practice.

12.3

If alterations agreed between the Parties result in a Reduction of the specified Works, the Customer is credited with a corresponding share of the agreed price for the affected Works.

12.4

The Shipyard's disbursements to Subcontractors are settled with the Customer in accordance with the Shipyard's usual practice, unless a price has been agreed for these Works.

B) PAYMENT

12.5

During the execution of the Works, the Shipyard may demand payment of on account amounts to cover 75% of the estimated value of the Works executed at any time. The remaining balance is payable at the return of the Vessel to the Customer, unless the Parties have explicitly agreed otherwise.

12.6

For Works invoiced on an ongoing basis, the due date for payment is 14 calendar

days after receipt of the invoice, but never later than at the time of delivery of the Vessel to the Customer.

12.7

In the event of late payment, interest will be charged from the due date until payment is made at a rate corresponding to the default interest rate under section 5 of the Danish Interest Act.

12.8

The Customer may not deduct from payments due to the Shipyard any counterclaims that have not been acknowledged by the Shipyard.

12.9

Payment is deemed to have been made when the amount has been received in the bank account stated by the Shipyard.

c) LIEN

12.10

The Shipyard is entitled to retain the Vessel as well as materials, equipment, etc. purchased or used for the purpose of the Works, see clause 8, until the Shipyard has received payment for the entire agreed Contract Price, including Extra Works, and for all other claims the Shipyard may have against the Customer in accordance with the Contract, these Conditions and the general rules of Danish law.

12.11

This right of retention applies to all overdue claims regardless of whether the Shipyard has terminated the Contract in accordance with clause 17.

12.12

The Customer must incur the direct and indirect losses and the costs of the Shipyard in connection with the Customer's non-payment and the Shipyard's justified exercise of the right of retention.

d) SECURITY

12.13

In the event of a dispute concerning consideration for Works where the amount

disputed is minimum DKK 1,000,000, the Customer is entitled to demand an adequate bank guarantee or other security provided by the Shipyard covering the amount disputed against payment of the amount claimed by the Shipyard. The customer must pay the costs related to the security. The Shipyard must then hand over the Vessel to the Customer.

12.14

When guarantee has been provided in accordance with clause 12.13, the Customer must initiate arbitration within three months of the date when the guarantee was provided unless the case has not already been initiated by the Shipyard, see clause 19. The competent arbitral tribunal or court of law decides on the release of the security to the Customer and on the allocation of the costs between the Parties.

13. Defects, remedies and complaints

13.1

Defects exist in the event that the Works are not executed in accordance with the Contract.

13.2

The time of return is decisive for the establishment of defects in the Works, whether the defects can be established at this time or are hidden.

A) DEFECTS ESTABLISHED AT RETURN

13.3

The Shipyard is obliged and entitled to remedy any defects in the Works established at the return of the Vessel to the Customer.

13.4

In consultation with the Customer, the Shipyard must set a deadline in writing to remedy the defects established. The duration of such period must be determined on the basis of the nature and extent of the defect and the circumstances in general. The Shipyard must notify the Customer in writing when the defects have been remedied.

13.5

If the Customer after the expiry of the deadline set – or after having received notification that the defects have been remedied – is of the opinion that the defects have not been remedied, the Customer must notify the Shipyard in writing within three working days. The Customer is deemed to have accepted that the defects have been remedied if the Customer does not give written notification of this within this deadline.

B) DEFECTS ESTABLISHED AFTER RETURN

13.6

The Shipyard is obliged and entitled to remedy hidden faults and defects in the Works established within the first six months after the return of the Vessel to the Customer, unless the Shipyard has undertaken to guarantee the Works for a longer period.

13.7

Such defects may be relied upon by the Customer only if the Shipyard was notified thereof in writing no later than 30 days after the defects were or ought to have been discovered.

13.8

The Customer is precluded from later claiming any hidden faults and defects without the Customer having duly notified the complaint within the deadline set out in clause 13.6 or otherwise in accordance with clause 13.7.

13.9

Clauses 13.4 and 13.5 apply correspondingly to defects established after the return of the Vessel.

C) GENERAL REMEDY PROVISIONS

13.10

Notification of complaints about faults and defects must be in writing and specified.

13.11

The Shipyard will generally be entitled to remedy the defects on the Shipyard's premises where the Works were executed.

The remedy is free of charge to the Customer. The Shipyard is not liable for any direct or external costs of the Customer in connection with the remedial work.

13.12

In consultation with the Shipyard, the Customer is entitled to have the remedial work carried out at another shipyard. In such case, the Shipyard's liability is limited to the cost of the remedial work by its own shipyard, but never more than the actual cost of the remedial work.

13.13

In the event that the Shipyard makes replacement of or performs repairs to parts of the Works executed, a new remedying period of six months will commence for this part, however, the total remedying period ends 12 months after the return.

D) INVOICE COMPLAINTS

13.14

Notification of invoice complaints must be given no later than 14 calendar days after the date of issue. If a written notification of complaint is not given within the deadline, the invoices are deemed to have been accepted by the Customer.

14. Insurance

14.1

The Customer must keep the Vessel adequately insured, with both hull insurance as well as third-party liability insurance, while the Vessel is at the Shipyard and in connection with testing, see clause 11.

14.2

The Shipyard must be insured for its possible liability towards the Customer with an insurance sum of DKK 15,000,000 for each incident and otherwise on customary terms, unless the Shipyard has informed the Customer in the Contract or otherwise prior to the conclusion of the Contract that the Shipyard's insurance cover is limited to a lower amount.

14.3

The Shipyard is not obliged to take out insurance for the Vessel, the Vessel's crew, cargo and equipment on board or for any other objects owned by or at the disposal of the Customer.

14.4

The Customer and the Shipyard must each provide, at the request of the other Party, a copy of a certificate of insurance documenting the insurance set out in clause 14.

15. The Shipyard's liability

15.1

The Shipyard is liable for any damage to the Vessel, the Vessel's materials, equipment or other objects owned or provided by the Customer or its Subcontractors occurring while the Vessel is in the custody of the Shipyard if the Customer can prove that the damage is attributable to the negligence or intentional conduct of the Shipyard. Hence, the Shipyard is not strictly liable towards the Customer.

15.2

In addition to the penalty provision under clause 7.12 in the event of delayed return, the Shipyard is under no circumstances liable for operating loss, loss of time, loss of profit or other indirect losses (consequential damage), neither towards the Customer nor towards any third parties.

15.3

The liability the Shipyard may incur towards the Customer in relation to the Works is limited to a total of DKK 15,000,000, regardless of whether the damage is related to the same fault or negligence and regardless of whether the damage is related to one or more Contracts. If, prior to the conclusion of contract, the Shipyard has stated that the Shipyard has a lower insurance sum, see clause 14, the liability will be limited to this insurance sum.

15.4

The Shipyard's Subcontractors will be entitled to rely on the same limitation of liability as agreed between the Shipyard and the Customer, including clause 15.

For direct claims made by the Customer against the Shipyard's Subcontractors, clause 16.3 applies.

16. The Customer's liability

16.1

The Customer is liable on a strict liability basis for any damage, spill, etc. caused by the Customer, its Subcontractors and/or Representatives in connection with their works on the Shipyard's premises or otherwise in relation to the Contract, see clause 5.c).

16.2

Subject to clause 16.1, the Customer is liable towards the Shipyard in accordance with the general rules of Danish law and is liable for the acts and omissions of its Subcontractors and Representatives in the Customer's relationship with the Shipyard. However, the Shipyard's remedies for breach in the event of delayed delivery of the Vessel by the Customer are exhaustively regulated in clause 7.b).

16.3

To the extent that the Shipyard may be held liable towards a third party on the basis of the Works, the Customer is obliged to indemnify the Shipyard for claims exceeding the limitations of liability in the Contract, see clause 15 of these Conditions, or Danish law in general. In addition, the Customer is in this case obliged to join the same legal or arbitration proceedings that may deal with any claim for damages against the Shipyard and to incur the associated costs hereof.

17. Termination

17.1

The Shipyard is entitled to terminate the Contract if the Customer without valid reason fails to pay any claims due under the Contract or if the Shipyard has reasonable grounds to assume that the Customer will not be able to pay due to financial difficulties. The right of termination under this clause 17.1 implies that the Shipyard gives the Customer at least three days'

written notice and that the Customer has not made payment for the claim submitted by the end of this period at the latest.

17.2

The Shipyard is entitled to terminate the Contract immediately if the Customer is insolvent. The Customer will, inter alia, be deemed to be insolvent if the Customer is unable to meet its liabilities as they fall due and if the Customer is subject to restructuring or bankruptcy proceedings.

17.3

The Shipyard is entitled to terminate the Contract immediately if an event occurs in relation to the Customer or the Works which, at the Shipyard's reasonable discretion, causes or could cause the Shipyard to act contrary to the Sanctions or if the Customer is a Sanctioned Party.

18. Intellectual Property Rights

18.1

All Intellectual Property Rights prepared by the Shipyard in connection with the execution of the Works belong to the Shipyard, unless it has been agreed that the ownership is transferred to the Customer (and not only granted as a licence). The Customer may not use these contrary to the interests of the Shipyard.

18.2

The Customer must ensure that all drawings and other Documentation provided by the Customer to the Shipyard for the execution of the Works by the Shipyard do not infringe any Intellectual Property Rights belonging to third parties. The Customer must indemnify the Shipyard against third party claims for infringement of Intellectual Property Rights relating to Documentation provided by or on behalf of the Customer.

18.3

If Documentation provided to the Shipyard contains Intellectual Property Rights belonging to third parties, the Customer acknowledges that the Shipyard's use of such Intellectual Property Rights is conditional upon the Shipyard having received

a written licence from the relevant licensor on terms that entitle the Customer to grant the Shipyard a licence to the relevant rights.

18.4

All Intellectual Property Rights not included in the Documentation but otherwise used by the Shipyard in connection with the Works are and remain the property of the Shipyard. All Intellectual Property Rights otherwise owned and shared by the Customer or the Shipyard in connection with the Contract remain the property of the Customer or the Shipyard, respectively.

19. Applicable law and dispute resolution

19.1

The Contract and these Conditions are governed by Danish law.

19.2

The Parties must use reasonable efforts to resolve any disputes by settlement.

19.3

Any dispute arising out of or in connection with these Conditions and/or any Contract entered into between the Parties, including but not limited to any disputes concerning the existence or breach, termination or validity of the Contract, will be finally settled by arbitration in accordance with the rules of arbitration adopted by Nordic Arbitration and in force at the time of commencement of any such arbitration proceedings. Best practice rules will apply. The arbitral tribunal must consist of three arbitrators. The place of arbitration will be Copenhagen, Denmark, and the language of the arbitration will be Danish.

19.4

If the claims (including Counterclaims) in the dispute total DKK 2,500,000 or less, clause 19.3 will apply, however, the arbitral tribunal will consist of only one arbitrator and the process will be subject to Nordic Arbitration's fast track arbitration procedure ("Fast Track Arbitration Rules") as may be in force at the time of commencement of the arbitration.

19.5

Notwithstanding the above, the Shipyard is entitled to commence legal proceedings or make a ship arrest to secure any claims arising out of the Contract (i) before the ordinary courts of law in Denmark, (ii) in the country in which the Customer has its place of business, and (iii) in the country in which the Vessel may be located. Main proceedings cannot be brought before the courts of law if arbitration has been initiated in accordance with the above provisions.