



**BW LPG**

**GENERAL PURCHASING  
TERMS AND CONDITIONS  
FOR GOODS AND SERVICES**

Version 2.0



**Article 1. Definitions**

In these General Terms and Conditions, the following terms will be understood to have the meanings assigned to them below:

- 1.1 Buyer: BW LPG and their respective offices and representatives, or an affiliated company as stated in the Order. An inquiry to a Supplier from any of Buyer's offices or vessels will be considered an inquiry from Buyer.
- 1.2 Supplier: The firm/ company defined in the Agreement as "Supplier" who has entered into an agreement with Buyer.
- 1.3 Agreement: The Purchase and/ or Service Order issued by Buyer to Supplier, and shall include these General Terms and Conditions, any attachments, appendices, schedules, correspondence and documents as the parties may have expressly identified and agreed in writing as forming part of the Agreement. In the event of any inconsistency between the documents comprising the Agreement and ii/, the Purchase and/ or Service Order or any specific contractual terms, the Purchase and/ or Service Order or any specific contractual terms shall prevail over these General Terms and Conditions.
- 1.4 Goods: All goods covered by the Purchase Order.
- 1.5 Services: The performance that the Supplier renders to the Buyer pursuant to the Order, to the extent this does not consist of supplying Goods.
- 1.6 Party/Parties: Any party (Supplier and/ or Buyer) to the Agreement.
- 1.7 Price: The specified and/ or confirmed price from Supplier in accordance with the Agreement. Such price is firm and not subject to currency fluctuation or escalation.
- 1.8 Product: The result of a fabrication or production process.
- 1.9 Order: The Purchase and/ or Service Order issued by the Buyer to the Supplier.
- 1.10 Sub-Supplier: Any firm or other entity which has entered into an agreement with Supplier for supply part of or all the Goods and/ or Services in the Purchase or Service Order.
- 1.11 Specification: A detailed description of the design and materials.

**Article 2. Applicability of these terms and conditions**

- 2.1 These Terms and Conditions are – to the express exclusion of the Supplier's terms and conditions – applicable to all Orders between the Buyer and the Supplier, as well as to any ensuing or related agreements or further agreements. These Terms and Conditions are also applicable to negotiations regarding such Orders or Agreements, even if said negotiations do not result in the conclusion of an Agreement. The Supplier shall be considered to make / its offer based on these Terms and Conditions.
- 2.2 Regardless of their form, deviations from or supplements to these Terms and Conditions shall only apply if the Buyer has consented to same in writing.

**Article 3. Order**

- 3.1 The Buyer shall only be bound by Orders that are confirmed by the Supplier's returning, within 5 days of receiving the Order, of a signed copy of the Order provided by the Buyer, unless the Order specifies another term. As long as the Supplier has not confirmed the Order as described above, the Buyer shall be entitled to cancel the Order by providing written notice to the Supplier of same, without the Buyer being liable for any payment of damages or other compensation to the Supplier.
- 3.2 Offers, delivery deadlines, warranties, specifications and price lists provided by the Supplier, as well as other provisions agreed in writing, may not be unilaterally changed after their issue.
- 3.3 The Agreement shall be concluded by the timely confirmation of the Order in accordance with Article 3.1. The content of the Agreement shall be determined exclusively by the Order and these Terms and Conditions.

**Article 4. Supplier performance and general instructions**

- 4.1 The Supplier represents and warrants that it has the necessary expertise, capability, skill, know-how and resources to perform the delivery of Goods and/ or Services in accordance with the Agreement.

- 4.2 The Supplier shall comply with all applicable laws and regulations in connection with fulfillment of the Agreement. The Supplier shall, at its own cost, obtain and maintain any and all registrations, permits, consents, authorizations, approvals and/or licenses necessary to perform delivery of Goods or Services as per the Agreement. Whenever requested by Buyer, Supplier shall produce documentation showing that necessary registrations, permits, consents, authorizations, approvals and/or licenses have been obtained.
- 4.3 Where requested by Buyer, Supplier shall furnish Buyer with a production or implementation plan and/ or assist Buyer in the preparation of progress reports.
- 4.4 If Supplier considers discontinuing the Services or related support of any Goods supplied under the Agreement Buyer shall be notified in writing not less than six months prior to such discontinuation.
- 4.5 Supplier to confirm the Purchase and/ or Service Order with NET prices and date (s) of delivery.
- 4.6 Partial deliveries are not accepted unless there is a prior written agreement for partial deliveries.
- 4.7 Supplier shall defend and save harmless Buyer from patent liability or claims of patent infringement of any nature or kind, infringement of any nature or kind of patent, trademark or copyright registered in any or all countries in connection with the Goods and/ or Services provided by Supplier, including costs and expenses for, or on account of any patented, unpatented and patentable invention made or used in the performance of the Agreement and including cost and expense of litigation, if any.
- 4.8 The Supplier shall perform the Order itself, unless the Buyer has expressly granted its prior written consent to, permission to, or has issued a written Order allowing, the Supplier to contract out work, use any sub-contractors, or source any Goods or services from third parties. The Supplier shall be fully responsible for the performance of third parties engaged in performing the Order as if it were his/ her/ its own performance.

#### **Article 5. HSSE – Health, Safety, Security and Environment**

- 5.1 Supplier shall comply with all applicable local and international laws, regulations, sanctions, rules and guidelines involving health, safety, security and environment.
- 5.2 Supplier shall confirm its commitment to monitoring, document and whenever possible, improving the environmental impact regarding design, manufacturing, packaging and delivery of the Goods and/ or Services. Supplier will work with Buyer and any Sub-Supplier to minimize the environmental impact of the energy and materials used.
- 5.3 Supplier shall make best efforts to establish a formal environmental management system in accordance with the quality assurance system standard ISO 14001, or an equivalent auditable system.
- 5.4 Supplier warrants that the Goods and/ or Services are in accordance with the quality assurance system standard ISO 9000, or an equivalent auditable system.
- 5.5 Supplier shall confirm that Goods and/ or Services are in strict compliance with Supplier's and/ or the original equipment manufacturer's specifications, drawings and quality standards, subject to any express modifications specified in the Agreement.
- 5.6 Supplier shall confirm that the original equipment manufacturer's certificate of conformity, where applicable, will be supplied to Buyer for all Goods.
- 5.7 Supplier warrants that Goods and/ or Services are in compliance with all applicable requirements of any vessel's classification society and all applicable laws and regulations, including but not limited to:
  - a. If applicable, Supplier shall ensure that Goods comply with the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 (MARPOL 73/78) Annex VI: prevention of Air Pollution from Ships.
  - b. If applicable, Supplier shall ensure that the Goods comply with SOLAS Chapter II-1, Regulation 3-5 and MSC.1/Circ. 1374, MSC.1/Circ.1379 relating to the prohibition of supplying Goods containing asbestos and where Goods are required to be certified with an asbestos-free declaration.

The Supplier shall indemnify Buyer and save harmless Buyer for failure to comply with this sub-clause 5.7 and Supplier shall pay for and settle directly all costs including but not limited to the removal, cleaning, decontamination and reinstallation of the Goods including costs for sampling, analysis, validation and re-validation. Furthermore, Supplier shall compensate Buyer for any loss and/ or damage due to the non-compliance with this clause.

- 5.8 If Supplier is aware of any defect or other quality issue related to Goods and/ or Services provided to a third party similar to the Goods and/ or Services, Supplier shall immediately notify Buyer in writing.
- 5.9 Supplier undertakes to refrain from using child labor as defined in the International Labor Organization (ILO) Convention No. 138 on minimum age for admission to employment, and from using slave labor in any activity related to performance of this Agreement. Supplier shall comply with all relevant laws and regulations relating to the employment of children and young persons in connection with the Work.

**Article 6. Delivery date and consequences**

- 6.1 The Goods and or Services shall be delivered as per the delivery time and destination specified in the Purchase and/ or Service Order, unless otherwise agreed in writing between Buyer and Supplier.
- 6.2 Should the Supplier fail to meet all, or part of the requirements in Article 6.1, the Supplier will immediately be in default without any notice of default being required. In such case, the Buyer shall be entitled, without judicial intervention and without prejudice to its other rights, to terminate the entire Order or to terminate that part of the Order that has not been performed (and to have a third party perform same at the Supplier's expense) unless the Supplier can prove that the delay is caused by Force Majeure.
- 6.3 Buyer shall be promptly notified if Supplier anticipates that it will not be able to deliver the Goods and/ or Services at the time stated in the Purchase and/ or Service Order stating the reason and the new time when delivery can be expected.
- 6.4 In the event of delay and Buyer does not elect to cancel the Agreement, Buyer shall be entitled to liquidated damages at a rate of zero-point three five percent (0.35%) of the Price per each completed day of delay, however the aggregate of the liquidated damages shall not exceed 20 % of the Price.
- 6.5 The Supplier and Buyer hereby agree that the compensation payable pursuant to Clause 6.4 is a reasonable and genuine pre-estimate of the damages that the Buyer would suffer as a result of Supplier's failure to deliver Goods and or Services in accordance with the Agreement and is in proportion to Buyer's legitimate interest in enforcing Supplier's contractual obligations.

**Article 7. Postponement of delivery**

- 7.1 The Buyer shall be entitled to postpone the delivery of the Goods for a reasonable period of time by providing the Supplier with a written statement to that effect. In the aforementioned statement, the Buyer shall indicate the period of time for which the delivery term will be extended.
- 7.2 If the Buyer avails itself of the right referred to in Article 7.1, the Supplier shall store the Goods in a suitable place in such a manner that they are identifiable as being destined for the Buyer and shall take suitable measures to prevent a loss of quality in the Goods. The Buyer shall pay the Supplier a reasonable amount of direct costs incurred in relation to said storage.

**Article 8. Performance according to the specification**

- 8.1 The Supplier shall be obliged to perform the Order in strict accordance with the Specification and with due observance of the usual requirements of proper and good workmanship.
- 8.2 The Buyer shall be entitled to amend the Specification. Should this amendment result in a substantial change in the costs or the time necessary for the performance of the Order, then the price or date of delivery or supply of the Order will be reasonably adjusted accordingly as agreed by the Parties.
- 8.3 The Supplier shall inform the Buyer within 5 working days of receiving written notification of the amendment if the amendment will result in a substantial change in the costs or the time necessary for the performance of the Order, in default of which the Supplier shall forfeit its right to adjust the Order. In anticipation of an Agreement between the Parties concerning the possible amendment of the Order, the Supplier shall perform the Order in accordance with the amendment proposed by the Buyer.

**Article 9. Good made available by the Buyer to the Supplier**

- 9.1 The Buyer shall remain the owner of all goods made available to the Supplier in connection with the Order. The Supplier shall at all times refrain from using these goods in such a way that third parties acquire ownership of same through alteration, accession,

confusion or any other cause. If the aforementioned goods become part of a Product, the Buyer shall acquire ownership of that Product by operation of law without any further act of delivery being required. This provision shall not prejudice the provisions regarding risk contained in Article 10.10 which shall remain in full force and effect.

- 9.2 The Supplier shall, at its own expense and on behalf of the Buyer, ensure that all of the goods that it receives from the Buyer are insured, under the usual terms and conditions, against all harm or loss that could result from the full or partial loss of, or harm to, those goods, regardless of the cause of same.
- 9.3 Immediately after the Order is performed and unless the Buyer instructs the Supplier otherwise in writing, the Supplier shall return, in good condition, all models, stamps, drawings or other tools that the Buyer has provided to the Supplier. The Supplier shall use these tools entirely at its own risk; the Buyer shall never be liable for any negative consequences, including but not limited to damages, losses etc. ensuing from the use of these tools by the Supplier or any third parties. The Supplier shall not use these tools for any purpose or authorize or allow the tools to be used by a third party for purposes, other than in connection with the proper performance of the Order.

#### **Article 10. Packing, incoterms and passing title and risk**

- 10.1 All packaging shall be designated to ensure sufficient protection of the Goods against damage in transit.
- 10.2 Buyer is ISO 14001 certified and actively working on initiatives aimed at reducing waste. Supplier shall also endeavor to reduce global warming by using environmentally friendly packing material where practical.
- 10.3 For delivery of spares and/or equipment in wooden crates, all wooden materials used must comply with ISPM 15 standard. If Goods are incorrectly packed, Supplier shall be responsible for any additional expense incurred in delivering such Goods to their correct/ final destination. Any additional expense incurred by Buyer shall be for Supplier's account and to be deducted from the payment due by Buyer with supporting documents and against a proper credit note from Supplier.
- 10.4 All dangerous goods must be delivered separately and packed in accordance with all applicable ADR (formally, the European Agreement concerning the International Carriage of Dangerous Goods by Road), IMO (International Maritime Organization) or IATA (International Air Transport Association) packing instructions.
- 10.5 The use of asbestos in packing or products is strictly prohibited.
- 10.6 The Buyer shall be entitled to reject shipments which do not conform with the provisions of Article 10.1 to 10.4.
- 10.7 All Goods and Services must be delivered at the delivery point specified in the Purchase and/or Service Order.
- 10.8 If not otherwise agreed in writing between Buyer and the Supplier, terms of delivery shall be interpreted in accordance with the following INCOTERMS 2010 valid at the time of signing the Agreement:
- a. When delivering to Buyer named destination in same country as the Buyer Carriage Paid To (CPT) to apply up to the named place of destination.
  - b. When delivering cross border to Buyer named destination, Carriage Paid To (CPT) to apply up to the named place of destination.
  - c. When delivering Free on Board (FOB) onto Buyer's Vessel to apply up to the named port (normally via the port agent).
- 10.9 It is Supplier's responsibility to arrange proper shipment declarations for each given delivery to destination specified in the Agreement to avoid any delay in customs clearance based on the local / national customs legislation. If Goods are incorrectly delivered, Supplier shall be responsible for any additional expenses incurred in delivering such Goods to the specified address/destination. Any additional expense incurred by Buyer shall be for Supplier's account and to be deducted from the payment due by Buyer with supporting documents and against a proper credit note from Supplier.
- 10.11 The title of the Goods shall pass to Buyer upon delivery in accordance with above INCOTERMS 2010 definitions. The title and risk of the Goods shall remain with Supplier until the Goods are deemed to be delivered in their entirety in accordance with the Agreement.
- 10.12 The Supplier warrants that the Goods to be delivered will be free of attachment, retention of title, third-party rights, etc., and that the Buyer shall have unrestricted access to the Goods and/ or Services. The Supplier shall indemnify the Buyer for all harm or loss ensuing from breaching this Article.

#### **Article 11. Intellectual property**



- 11.1 The Supplier grants the Buyer a non-exclusive, irrevocable license, subject to any intellectual property and other exclusive rights regarding the Goods supplied. Pursuant to this license, the Buyer shall have the right to use and apply, in the course of the Buyer's own business, the inventions and know-how incorporated into the Goods to the extent these are protected by the rights referred to, including to repair the Goods and/ or to cause them to be repaired, and the Buyer shall also be authorized to supply the Goods to third parties, whether or not the Goods are supplied to the third parties as a component of other goods. The fee for this license is included in the price.
- 11.2 The Supplier warrants that the Goods do not infringe the intellectual property rights of any third parties and shall indemnify the Buyer, companies affiliated with the Buyer and the Buyer's clients and customers for all costs, loss or harm that may arise as the result of any infringement or alleged infringement of such rights.

**Article 12. Inspection after delivery**

- 12.1 Unless agreed otherwise in the Order, the Buyer shall inspect the Goods or assess the Services within a reasonable time of their being delivered or performed, respectively. If that inspection indicates that the Goods or Services are inconsistent with the Order, then the Buyer shall return the Products or reject the Services or shall accept the Goods and/ or Services at a lower price.
- 12.2 The inspection shall not preclude the Buyer from claiming the Supplier's non-performance of its warranty obligations stipulated in Article 20 or of any other obligations the Supplier may have to the Buyer.

**Article 13. Delivery instruction, shipment documents and cargo insurance**

- 13.1 All deliveries must be clearly marked and have following information:
- a. Supplier's name;
  - b. Vessel's name;
  - c. Purchase and/or Service Order number;
  - d. Each package to be marked with Vessel's name and Purchase and/or Service Order number.
  - e. Proforma Invoice/ Packing List with all necessary data like contents, number of packages, gross weight etc.
- 13.2 Proforma Invoice/ Packing List should have 3 copies to follow the Goods; 1 copy inside and 2 copies outside the package.
- 13.3 Copy of Air Way Bill, Proforma Invoice/ Packing List to be emailed to the consignee with copy to Buyer prior to flight/ shipment arrival.
- 13.4 Supplier must indicate the Harmonized System (HS) code for each line item on the Delivery Note.
- 13.5 In the event Goods are not delivered with the above shipping documents, Supplier shall be responsible for any additional expenses incurred in delivering such Goods to the specified address/ destination. Any additional expense incurred by Buyer shall be for Supplier's account and to be deducted from the payment due by Buyer with supporting documents and against a proper credit note from Supplier.
- 13.6 Unless otherwise agreed each Party to be responsible for their own Cargo Insurance before and after the delivery of the Goods respectively.

**Article 14. Invoicing instructions, payment and offset**

- 14.1 Soft copy (hard copy not required) of the invoice including signed Delivery Note, AWB/ BL, Time Sheet and other relevant supporting documents where applicable to be sent via email (in UNPROTECTED PDF format 300dpi) to [payable.receivable@bwlp.com](mailto:payable.receivable@bwlp.com).
- 14.2 There should be only ONE invoice with a unique invoice number per Purchase and/or Service Order.
- 14.3 No extra items are to be added to the Purchase and/ or Service Order.
- 14.4 The invoice currency must be the same as stated in the offer and/ or order confirmation.
- 14.5 Buyer Purchase and/ or Service Order and Buyer name shall be stated on each invoice and supporting document.
- 14.6 Supplier will submit invoices in a timely manner of Goods and/ or Services being rendered. Supplier agrees that a discount of 20% will be applied to any invoice not received in 6 months.

- 14.7 Invoice to be issued not before time of delivery and payment shall be made within 30 calendar days from receipt date of invoice unless otherwise agreed.
- 14.8 In the case of consumable items that are delivered to a Vessel in port, a copy of the 'delivery note' signed by the Vessel's Master should accompany or follow the relevant invoice as a supporting document to enable Buyer to match items and invoice. Similarly, in the case of a Service Order relating to services to be performed onboard a Vessel, a 'service report' signed and stamped by the Vessel's Master or Chief Engineer should accompany or follow the relevant invoice as a supporting document to enable Buyer to match service and invoice. In these cases, payment shall be made within 30 calendar days from the later of the date of receipt date of invoice or delivery note or service report as the case may be.
- 14.9 If advance payment is made and Supplier fails to deliver the Goods and/ or Services as ordered, Buyer reserves the right to request for full refund of the advance payment plus interest charge.
- 14.10 Without prejudice to its statutory rights to postpone performance, the Buyer shall be entitled to suspend payment to the Supplier as long as the Supplier, or a group company affiliated with the Supplier, continues to default on its obligations pursuant to other agreements between the parties
- 14.11 Buyer may always offset what it owes or will owe to the Supplier with what the Supplier and/ or companies affiliated with the Supplier owes or will owe to Buyer, regardless of whether such amounts are due and payable or subject to a condition or time limit. The Supplier may only offset amounts with the written consent of Buyer.

**Article 15. VAT, TAX, etc.**

- 15.1 Buyer confirms that:
- a. Goods are solely for use onboard an oceangoing vessel and should be zero-rated; or
  - b. Goods are for direct export and should be zero-rated; or
  - c. Goods being delivered to an export warehouse are for eventual export and should be zero-rated
- 15.2 Supplier shall make best effort to ensure Goods supplied are invoiced as zero-rated.

**Article 16. Force majeure**

- 16.1 Neither Party shall be responsible for any loss, damage, delay, standby charge, or failure in performance under the Agreement resulting from conditions beyond a Party's reasonable control including, but not limited to, acts of God, government restrictions (including the denial or cancellation of any export or other necessary license) wars, terrorism, insurrections, general strikes, or any other similar cause (an event of "Force Majeure"). The Party claiming to be affected by a Force Majeure event shall notify the other Party in writing without delay on the intervention and of the cessation of such circumstances.

**Article 17. Service orders and conduct of service personnel**

- 17.1 If the Goods and/ or Services require Supplier to be onboard a vessel under the management of Buyer, Supplier undertakes to take certain actions onboard including, without limitation, the following:
- a. For any Service person(s) going onboard the Supplier shall at its own cost arrange any and all personnel insurance cover. The Supplier expressly indemnifies Buyer and hold Buyer harmless and confirms that Buyer shall be under no liability whatsoever to the Supplier in respect of loss of life, illness, injury or loss of or damage to personal effects, luggage or other property, by reason of having allowed the Service person onboard.
  - b. Sign the Buyer Safety Commitments Card on arrival onboard.
  - c. Enter his personal details in the gangway logbook and comply with all Buyer security requirements.
  - d. Outside the accommodation area, turn off any battery-operated equipment which is not intrinsically safe, such as cell phones and cameras; familiarize itself with the vessel, including but not limited to the alarm signals and the location of muster stations.
  - e. Smoke only in allowed smoking areas.
  - f. Wear proper personal protection equipment including safety shoes, safety helmet, eye and ear protection, gloves and boiler suits as applicable.
  - g. Ensure that one of the Master, Chief Officer or Chief Engineer is aware of and does not prohibit its actions, and obtain from one of them any necessary work permits for work in enclosed spaces, hot work, cold work and work afloat.
- 17.2 The Supplier shall perform the Services in accordance with the Agreement and with the expertise that may be expected from an experienced Supplier and shall comply with all standing rules, codes of conduct and safety regulations, etc., imposed by the Buyer.

- 17.3 The Supplier shall notify the Buyer in writing when the Supplier believes that the Services have been fully and correctly performed. The Buyer shall notify the Supplier within a reasonable period of time whether or not the Services are approved. The Services shall only be considered to have been accepted by the Buyer after the Buyer provides the Supplier with written notification that the Services have been rendered to the Buyer's satisfaction.

#### **Article 18. Business ethics, Anti-bribery and Anti-corruption**

- 18.1 Suppliers and Buyer warrant and represent that they respectively operate strict anti-bribery, anti-corruption, sanctions and anti-money laundering policies ("Respective Policies") across their respective fleets and businesses across the wider group, which apply to all of their employees and to those of the wider group (each respectively known as "Supplier's Group" and "Buyer's Group"). Supplier and Buyer agree that in contemplation of, during and towards the performance of the Agreement, both parties and the respective Supplier's Group and the Buyer's Group will and continue to comply with all the applicable anti-bribery, anti-corruption, sanctions and anti-money laundering laws and regulations, including but not limited to all the sanctions in force at any time following implementation by the United Nations, the United States and/ or the European Union. Supplier and Buyer warrant, represent and undertake that neither party shall enter into any direct or indirect agreement, understanding, arrangement or conduct which purports to or, benefits an entity or an individual that is prohibited pursuant to any of the sanction provisions of the United Nations, the United States and/ or the European Union, or offer, give or agree to give any person, or solicit, accept or agree to accept from any person, either directly or indirectly, anything of value in order to obtain, influence, induce or reward any improper advantage (together the "Conduct Obligations").
- 18.2 Supplier and Buyer agree that both parties shall (i) in the event of any breach immediately report in writing to the other party with details of the nature of the breach of the Conduct Obligations; (ii) ensure and monitor compliance with the Conduct Obligations and their Respective Policies; (iii) make clear, in their dealings with third parties connected to the Agreement, that either party and any related third party is required to act, in accordance with the Conduct Obligations, and (iv) permit the other party to inspect, audit and make copies of any books and records relating to the Agreement and compliance with the Conduct Obligations.
- 18.3 Either party shall have the right to terminate the Agreement with immediate effect if they reasonably believe in good faith that the other party have breached in any material respect any of the requirements set out in this Clause.
- 18.4 For the avoidance of doubt, the Conduct Obligations includes the giving or receiving of Facilitation Payments. For the purposes of this clause, a Facilitation Payment means a payment of money, goods or other thing of material value to any public official or other individual in a similar position of authority or influence in any country for the purpose of expediting or securing the performance of a routine service or action which the public official ordinarily performs. This definition applies even where the payment or other benefit is nominal in amount.
- 18.5 By entering into the Agreement, the Supplier certifies that he/ she/ it is familiar with, and shall fully comply with, the Buyer's Supplier Code of Ethics and Business Conduct and agrees that any violation thereof could result in an immediate termination of the Agreement as described in Article 6.

#### **Article 19. Liabilities and indemnities**

- 19.1 Employees and Sub-Suppliers of Supplier shall work for Supplier's account and risk at all locations and Supplier shall indemnify and hold harmless Buyer and its affiliates for any claims for loss howsoever resulting from any injury to, or death of Supplier's employees or employees of its Sub-Suppliers, except to the extent directly due to gross negligence or willful misconduct by Buyer. Property belonging to Supplier and its Sub-Suppliers is for Supplier's account and risk at all locations and Supplier shall indemnify and hold harmless Buyer and its affiliates for any claims for loss howsoever resulting from any property damage or loss of Supplier or its Sub-Suppliers or suppliers, except to the extent directly due to gross negligence or willful misconduct by Buyer.
- 19.2 Employees of Buyer shall work for Buyer's account and risk at all locations and Buyer shall indemnify and hold harmless Supplier and its affiliates for any claims for loss howsoever resulting from any injury to, or death of Buyer's employees, except to the extent directly due to gross negligence or willful misconduct by Supplier. Property belonging to Buyer is for Buyer's account and risk at all locations and Buyer shall indemnify and hold harmless vendor and its affiliates for any claims for loss how so ever resulting from any property damage or loss of Buyer, except to the extent directly due to gross negligence or willful misconduct by Supplier.
- 19.3 Supplier shall defend, indemnity and hold harmless Buyer against all claims related to any injury or death caused or suffered to Third Party and in respect of loss of, damage to or loss of use of any property of any Third Party as a result of the Agreement and to the extent caused by Supplier, and against all costs incurred in connection with such claims.



- 19.4 Service boats may be placed at the service of Buyer and/ or Supplier or otherwise used for the supply of material or equipment in connection with the work. In such event Supplier shall waive all rights of recourse and claims against the Buyer or owners or operators of said service boats.
- 19.5 Supplier shall indemnify and hold harmless Buyer and the owners or operators of said vessel regarding any loss or damage to property provided by Supplier to said vessel and regardless of any negligence by said indemnified Parties and against all costs of any kind incurred in connection with such claims.

**Article 20. Warranty**

- 20.1 Supplier warrants that the Goods are free of defects in material and workmanship. For all new Goods Supplier shall provide an enhanced product guarantee for 24 months from initial use or 30 months from delivery, whichever occurs first.
- 20.2 Supplier shall as soon as reasonably practicable re-perform deficient Services, and repair or replace all Goods which are or become defective during the period of twenty-four (24) months from putting into service or thirty (30) months from delivery, whichever shall be the shorter, where such defects occur under proper usage are due to faulty design, Supplier's erroneous instructions as to use, erroneous use of data, inadequate or faulty materials or workmanship, or any other breach of Supplier's obligations, express or implied.
- 20.3 Repairs and replacement shall themselves be subject to the foregoing obligations for a further period of twelve (12) months from the date of new delivery, reinstallation or passing of test (if any), whichever is appropriate after repair or replacement.
- 20.4 Transport of Goods and/ or part thereof to and from the Supplier in connection with the remedying of defects for which the Supplier is liable shall be at the risk and expense of the Supplier. Buyer shall follow the Supplier's instructions regarding such transport.
- 20.5 Supplier warrants that the Service provided will have a warranty period of 12 months from the completion of the Service.
- 20.6 Supplier warrants that spare parts and services for any machinery and/or equipment supplied will be available for at least ten (10) years after delivery/ installation onboard any Buyer vessels. Supplier warrants that spare parts and services for main propulsion will be available for the lifetime of the vessel.

**Article 22. Breach by or insolvency of the Supplier**

- 22.1 If the Supplier fails to perform any its obligations pursuant to the Agreement or other agreements ensuing therefrom, or fails to do same properly or in a timely fashion, and, in any case, if:
- the Supplier is declared bankrupt, put into receivership or placed under administration;
  - the Supplier receives or requests a suspension of payment;
  - the Supplier participates in a debt-restructuring scheme, whether or not voluntarily;
  - the Supplier ceases to operate all or a substantial part of its business, transfers it to a third party or liquidates it in another manner;
  - an attachment is levied in such a manner that there are reasonable grounds for doubting whether the Supplier will be able to continue all or part of its business activities (or those relevant to the Buyer), then the Buyer shall be entitled, without any further notice of default and/ or judicial intervention being required, to dissolve all or part of the Agreement, without prejudice to the Buyer's right to claim compensation for all loss or harm, expenses (including related judicial and extrajudicial expenses) and interest expenses it incurs.
- 22.2 Any claims which the Buyer may have or may acquire against the Supplier in the above cases shall immediately be due and payable in full.
- 22.3 Notwithstanding a dissolution of the Agreement as referred to in Article 22.1, the Buyer shall retain all of its rights and the Supplier shall retain all of its obligations as stipulated in these Terms and Conditions or pursuant to the applicable law.
- 22.4 The Buyer shall at all times be entitled to terminate all or part of the Agreement by observing a written term of notice. In such case, the Buyer shall reimburse the Supplier the direct expenses incurred prior to the termination, plus the direct costs relating to the termination of the Agreement

**Article 23. Dispute resolution and governing law**

- 23.1 This Agreement is governed by English law and all disputes arising under or in connection with it shall be referred exclusively to arbitration in London. Arbitration shall be conducted in accordance with one of the following LMAA procedures applicable at the date of the commencement of the arbitration proceedings:
- a. Where the amount claimed by the claiming Party is less than US\$400,000.00, excluding interest, (or such other sum as the parties may agree and subject to paragraph 23.3 below), the reference shall be to a tribunal of three arbitrators and the arbitration shall be conducted in accordance with the LMAA Intermediate Claims Procedure.
  - b. Where the amount claimed by the claiming Party is less than US\$100,000.00, excluding interest (or such other sum as the parties may agree) the reference shall be to a sole arbitrator and the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure.
- 23.2 In any case where the LMAA procedures referred to above do not apply, the reference shall be to three arbitrators in accordance with the LMAA Terms current at the date of commencement of the arbitration proceedings.
- 23.3 The applicability of the United Nations Treaty Convention on Contracts for the International Sale of Goods (Vienna Sales Convention) is expressly excluded.

#### Article 24. Entire Agreement

- 24.1 The Agreement shall not be modified except by written consent of both Parties. Failure of either Party to insist upon strict performance by the other Party of any term or condition or right of the Agreement shall not be deemed or be construed as a waiver. Reference herein to time shall be in local time. Reference to "days" shall unless specified otherwise be reference to "calendar days". Reference to any statute or act of government shall mean and include any regulation issued pursuant thereto and any statutory replacement, modification and re-enactment thereof.
- 24.2 These General Terms and Conditions shall supersede any other terms and conditions referred to, offered or relied on by Supplier whether in negotiations or at any stage in the dealings between the Parties with reference to the Goods and/ or Services to which the Agreement relates.
- 24.3 Without prejudice to the generality of Clause 24.2, Buyer will not be bound by other terms furnished by Supplier in any of its documents unless Supplier specifically proposes in writing separately from such terms that such terms shall apply and Buyer thereafter accepts such proposal in writing.

#### Article 25. Cyber Security

##### 25. Cybersecurity

- 25.1 In this Clause, the following terms shall have the following meaning:

"Cyber Security Incident" means the loss or unauthorised destruction, alteration, disclosure of, access to or control of all or part of the Digital Environment.

"Cyber Security Measures" means technologies, procedures, policies and controls that are in line with Cyber Security Standards.

"Cyber Security Standards" means codes, guidance (from regulatory and advisory bodies, whether mandatory or not), international and national standards, relating to security of network and information systems and security breach and incident reporting requirements, all as amended or updated from time to time.

"Digital Environment" means the operational or information technology systems, networks, any internet-enabled applications, devices and/or data contained within such systems and networks and any other related digital system.

"Product" means the goods (including the Digital Environment integral to the goods) provided in accordance with the terms of this Agreement.

"Relevant Period" means that period beginning on and from the date of the Agreement and ending on the latest of the:

- (a) termination of this Agreement;

- (b) expiry of any warranties provided in respect of the Product; or
  - (c) period contained in any additional service and/or maintenance agreement(s) executed between the Parties in relation to the Product.
- 25.2 The Supplier represents and warrants that the Product shall, throughout the Relevant Period, be free from any vulnerabilities and/or defects that allow the Product to be susceptible to a Cyber Security Incident.
- 25.3 The Supplier shall, throughout the Relevant Period, implement and maintain Cyber Security Measures that are designed to protect the Digital Environment from Cyber Security Incidents.
- 25.4 Each Party shall, during the Relevant Period:
- (a) have in place reasonably appropriate procedures that allow it to respond efficiently and effectively to a Cyber Security Incident;
  - (b) regularly review its Cyber Security Measures to verify: (i) that they comply with the Cyber Security Standards; and (ii) their application in practice;
  - (c) maintain records evidencing the same; and
  - (d) use reasonable endeavours to ensure that any third-party providing services on its behalf in connection with this Agreement complies with the terms of sub-clauses (a) – (c) above.
- 25.5 Each Party shall notify the other in advance of any maintenance, software updates or hardware and equipment installations to be undertaken by them that might reasonably be expected to affect the Digital Environment.
- 25.6 The Customer shall be entitled to review the Cyber Security maintained by the Supplier in respect of the Product, including on-premises inspections and evaluations of the Supplier’s Cyber Security Measures. The Customer shall notify the Supplier in writing at least seven (7) days prior to the start of such a review.
- 25.7 If, at any time, a Party becomes aware of a Cyber Security Incident which affects or is reasonably likely to affect the Product, it shall:
- (a) immediately notify the other Party by phone and email;
  - (b) promptly use best endeavours to mitigate and/or resolve the Cyber Security Incident; and
  - (c) provide any information, including all access logs, that may assist the other Party in mitigating and/or preventing any effects of the Cyber Security Incident as such information becomes available;
- 25.8 Clauses 25.2 to 25.4 and 25.7 shall survive termination of this Agreement .