

GENERAL TERMS & CONDITIONS

DATE: 10th of June, 2024

The following general terms and conditions ("Conditions") shall apply to all services performed by ENCONTORLS UAB ("Contractor") and supersede without restriction all other terms and conditions of any kind. Any printed conditions that appear or are referred to elsewhere, including upon any documents issued by the Customer, shall have no legal effect.

1. DEFINITIONS:

In these Conditions:

"Contractor" means ENCONTROLS UAB;

"Contract" shall mean the written agreement or email exchange (offer+accept) between the Contractor and the Customer concerning Services to be performed by the Contractor, and all appendices, including amendments agreed in writing from time to time;

"Customer" means any person contracting with the Contractor for the provision of Services;

"Equipment" shall mean the Customer's equipment which is subject to repair under the Contract;

"Gross Negligence" shall mean an act or omission implying either a failure to pay due regard to serious consequences, or a deliberate disregard of the consequences of such act or omission;

"In writing" shall mean by document signed by the Parties or sent by letter, fax, or email;

"Parties" shall mean together the Contractor and the Customer; and "Services" means the services described in Clause 2.

"Exchange Basis Service" is a model of Services in which Contractor delivers to the Customer a reconditioned, "good-as-new" equipment and in return takes the old equipment from the Customer.

"Governor Inspection Report Preliminary" is a document from Contractor to a Customer providing a list of spare parts found defected upon disassembly and visual inspection of the governor at the beginning of the governor overhaul Service.

"Governor Inspection Report Final" is a document from Contractor to a Customer providing a list of all spare parts, that need to be replaced during the governor overhaul Service.

"Quotation" is a document from Contractor to a Customer providing the offered price for the Services and Spare parts requested by the Customer and/or described in Inspection reports in the Request for Offer and the proposed period for the completion of the services.

"Pre-Invoice Specification" is a document from Contractor to a Customer providing a full list of Services and Spares, as well as the costs thereof.

"Purchase Order" is a document from a Customer accepting the Offer;

"Time to Return" is a period in the context of Exchange Basis Services, within which the Customer has to send the old equipment to Contractor. The Time to Return starts counting from the date when a reconditioned equipment is delivered to the Customer's site and stops counting when that item has been shipped from.

2. SERVICES:

2.1. Unless otherwise agreed in writing between the Parties, the Contractor's scope of work shall consist of the provision of spares and specialist manpower experienced in the repair of marine and mechanical equipment at sea and ashore, including: fault tracing; remedying of defects; provision and replacement of spare parts; functional checking; assistance at testing; and such other activities as may be provided by the Company from time to time.

2.2. The Contractor may provide the Services or may procure that the Services are provided by a member of its group, or a successor or assignee or subcontractor of the Contractor. Such subcontracting shall not in any way affect the Contractor's obligations under the Contract.

2.3. The provision of Services and/or delivery of Spares shall be at Contractor's facility at Klaipėda, Lithuania, unless otherwise specified in the Offer. Notwithstanding the foregoing, the following Services shall be performed on the Customer's site: Governor installation, Remote-Control System installation and Engine overhaul. Spares shall be considered as delivered to the Buyer from the moment of their handover to the shipper at the Contractor's facility

2.4. Governor overhaul Service includes dismantling of the governor to single parts, cleaning, inspection, Defect Report to the Customer, replacement of defective and/or worn-out parts, assembly, testing on a test stand and final adjustments, all in accordance with the original manufacturer's protocol. The governor is considered fully operational when it has passed all tests on a test stand in accordance with the manufacturer's test specification, in witness whereof Contractor shall deliver to the Customer a test report. Governor installation at the Customer's site is not part of the governor overhaul Service but is considered a separate Service.

3. PRICE:

3.1. Unless otherwise agreed the Contractor shall provide the Customer with an estimate in writing after receiving an initial enquiry from the Customer, but before undertaking any work. The estimate shall not be binding.

3.2. If the Customer at any stage chooses not to proceed, or if the repair work is not carried out or completed due to any other reason than Gross Negligence of the Contractor, Customer shall pay the Contractor for the work performed at the Contractor's current "Service Engineer Rates" published in the Quotation including preparatory work, fault tracing, making the estimate and any documented costs incurred in performing the Services up to and including the date of the notice not to proceed.

3.3. If a lump sum has been agreed and if the Customer chooses not to proceed, then the Contractor shall receive the lump sum, after deduction of costs in relation to the Services which have not been incurred by the Contractor.

4. SPARE PARTS & RETENTION OF TITLE

4.1. Unless otherwise agreed, the Contractor shall only use parts of the original brand or parts of equivalent quality when performing the Services.

4.2. Return policy: The Contractor will not accept any returns that have not been agreed in writing in advance with the Customer. Applicable items allowed to be returned are subject to a 40% re-stocking charge, with all delivery costs to the Customer's account. All items requested to be returned must be forwarded to the Contractor for confirmation of acceptance for return. Under no circumstances may Contractor invoices be withheld for payment by the Customer pending any refund upon return of spares. All returned items must be in their original packaging and unused. No incomplete sets will be accepted. All returns must be made within 30 working days from order. No seals or O-rings are returnable and all machined items or tooling specific to a unit type are not returnable. Note: Credits can take up to 3 months from the date of return.

4.3. Title to spare parts supplied by the Contractor shall not pass to the Customer until the Contractor receives payment in full for the cost of the spares and all Services provided for their installation.

4.4. Until title to the spare parts has passed to the Customer, the Customer shall: (a) store the parts separately from all other goods held by the Customer so that they remain readily identifiable as Contractor property; (b) not remove, deface or obscure any identifying mark or packaging on or relating to the parts; (c) maintain the parts in satisfactory condition and insured against all risks for their full price from the date of delivery.

5. WORKING CONDITIONS

Where the Services are to be carried out at the premises of the Customer, including on board any vessel, the Customer shall ensure that the following conditions are satisfied before the agreed date for the commencement of work:

5.1. The Contractor's personnel shall be granted full access as required and able to start work in accordance with the

agreed time schedule and to work during normal working hours. Provided that the Customer has been given notice in reasonable time, work may be performed outside normal working hours to the extent deemed necessary by the Contractor.

5.2. Before repair work is started the Customer shall inform the Contractor of all relevant safety regulations in force at its premises. The repair work shall not be carried out in unhealthy or dangerous surroundings. All necessary safety and precautionary measures shall have been taken before work is started and shall be maintained at all times.

5.3. The Customer shall make available to the Contractor free of charge and at the proper time on the Customer's premises all necessary cranes, lifting equipment and equipment for transport on its premises, auxiliary tools, machinery, materials and supplies (including fuel, oils, grease and other materials, gas, water, electricity, steam, compressed air, heating and lighting) as well as the measuring and testing instruments of the Customer available on the premises.

5.4. The Customer shall make available to the Contractor free of charge necessary storage facilities, providing protection against theft and deterioration of the tools and repair equipment, and the personal effects of the Company's personnel.

6. TRANSPORT OF EQUIPMENT

6.1. The Contractor shall give appropriate notice in writing to the Customer about the time and means of transport of Equipment from and to the Customer's premises.

6.2. Where the Customer delays taking re-delivery of repaired Equipment, the Contractor may arrange storage thereof at the Customer's risk and cost.

7. TIME FOR COMPLETION

7.1. A time estimated for completion shall be binding only to the extent that this has been expressed as such in writing by the Contractor.

7.2. The Customer shall immediately notify the Contractor if for any reason the Contractor cannot obtain access to carry out the Services at the agreed time. Any agreed time for commencement or completion of the Services shall be extended accordingly.

8. TESTING

Any governor serviced by Contractor is tested "as received" and after assembling it is fully tested and adjusted in workshop on test bench. Scope of the test is check of oil pressure, internal and external leaks, performance of the governor, adjusted as per manufacturers specification and compared with the test "as received". The governor is fully operatable and ready for installation after serviced. After the equipment is shipped to Customer no adjustments should be done without written acknowledge of Contractor or by non-qualified personel. Any opening of covers limits the warranty due high risk of contamination of internal hydraulic system.

9. PAYMENT

9.1. Unless the Parties have agreed on a lump sum price for the Services, payment shall be due on a time-spent basis as shown on the Contractor's "Service Engineer Rates" published from time to time. The Contractor's invoice shall specify the following items separately:

- labour costs
- time and costs for travel, board and subsistence
- transport costs
- costs of spare parts
- costs of other materials and consumables
- waiting time, overtime and additional costs caused by the Customer

- other costs, as applicable.

9.2. When Services are to be carried out on a lump sum basis, the quoted price shall be deemed to include all the work types mentioned in Clause 2. If the Services are delayed due for any cause not being the Company's negligence, the Customer shall compensate the Contractor for:

- waiting time and time spent on abortive or extra journeys

- costs and extra work resulting from the delay, including removing, securing and setting up the Equipment and repair equipment

- additional costs as a result of the Contractor having to keep his repair equipment at the Customer's premises longer than expected

- additional costs for journeys and board and subsistence for the Contractor's personnel

- additional financing costs and costs of insurance

- other documented costs incurred by the Contractor as a result of changes in the repair program

9.3. When the Services are to be carried out on a lump sum basis, 30% of the lump sums shall be paid at the formation of the Contract. The remaining part shall be payable upon completion. Payment shall be made against invoice not later than 30 calendar days after the date of the invoice.

9.4. When the Services are to be carried out on a time - spent basis, payment shall be made against weekly invoices for the duration of the Services and not later than 30 calendar days after the date of the invoice.

9.5. The price for the Services, whether lump sum or time - spent basis, shall be exclusive of any Value Added Tax and any other taxes, duties and dues levied on the invoice in the Customer's country.

9.6. If the Customer fails to pay by the due date described above, the Company shall claim interest from the due date in amount of 0.5% from total amount per each delayed day.

10. LIEN

The Contractor has a right of lien over the Equipment and other property of the Customer in the possession of the Contractor for all sums due and owing and any damage caused by the Customer to the Contractor or its property. If such sums and/or damage are not settled within 45 days of the due date for payment, the Contractor may sell such property as it thinks fit and shall apply the proceeds of sale towards satisfaction of the cost of the sale and outstanding sums and /or damage.

11. INSURANCE

11.1. The risk of loss or damage to Equipment while outside of the Customer's premises for the purpose of repair shall be borne by the Customer, unless such loss or damage is due to the Gross Negligence of the Contractor.

11.2. The Customer shall, at its own expense, insure all the Equipment and its property of every description against insurable risks of physical loss or damage for the duration of the Services to their full replacement value.

12. WARRANTIES & INDEMNITIES

12.1. The Customer warrants that it has full power to enter into an agreement to obtain the Services and to be bound by these Conditions, either to itself or as agent for a principal.

12.2. The Customer hereby indemnifies, and shall keep indemnified, the Contractor from and against all loss, injury, damage or liability sustained, and all fees, costs and expenses incurred by the Contractor resulting from information provided by the Customer to the Contractor which proves to be incorrect and in respect of the Customer's breach of any agreement with the Contractor or the Conditions, including any act, neglect, omission of fault by the Customer, its employees or its agents, and any fault or defect in the Customer's or its principal's or its customer's Equipment or property of any description.

12.3. Conditions for Remote Guidance (only)
No warranty provision will be provided with the guidance issued due to Contractor not carrying out the physical repair and are reliant on the accuracy of the information shared and the competency of the repairer.

13. LIABILITY OF THE CONTRACTOR

13.1. Unless otherwise agreed the Contractor shall only be liable for the Services for a period of six months after a repair was performed. The Contractor's liability for parts provided under the Contract shall only apply to defects which become apparent within 6 (six) months from order.

13.2. The Customer shall without undue delay (and in any event within 5 calendar days of the occurrence) notify the Contractor in writing of any defect which appears in the Services performed or the parts provided by the Contractor. If the Customer fails to give such notice it shall be deemed to have waived its rights in respect of the defect.

13.3. If the Contractor has failed to perform the Services, or if there is a defect in a part which has been provided, the Contractor shall after receipt of a notice issued under Clause 12.2 as soon as reasonably practicable rectify the Services and/or remedy the defect. Notwithstanding to the foregoing, the cost of travel and attendance by the Contractor for such rectification or remedy, and any dry-docking costs, shall always be for the Customer's account.

13.4. The Contractor shall be liable only for damage to the Customer's Equipment, which includes vessels and all other property caused by the Gross Negligence of the Contractor in connection with the Services. The Contractor's liability in respect of such damage shall in every respect, unless otherwise agreed in writing by the Contractor, be limited to the value of the Supplies/Services performed and for which payment has been received by the Contractor. This amount shall be sole and exclusive remedy.

13.5. The cost of all investigative, diagnostic and fault tracing works (including travel, board and subsistence) shall in the first instance to be for the Customer's account unless otherwise agreed in writing.

14. LIMITATION OF LIABILITY

14.1. The Contractor's liability under Clause 13 represents the Customer's sole and exclusive remedy. The Contractor shall have no responsibility for defects or damage due to circumstances for which the Contractor is not responsible, such as operator error or incorrect use of the Equipment, incorrect daily care or faulty maintenance by the Customer, or for normal wear and tear.

14.2. The Contractor shall have no liability for defective work or defective parts provided under the Contract or otherwise in gross negligence, except as stated in Clause 13. This also applies to any loss, foreseeable or unforeseeable which may be caused in connection therewith, such as loss of production, loss of use, re-docking, craneage, contract labour, tugs, demurrage, loss of profit or any other indirect and/or consequential economic loss.

14.3. The Contractor shall have no liability in respect of any verbal instruction intending to vary the Contract unless made in writing and signed by a duly authorized representative of both Parties.

14.4. The Contractor shall have no liability should the provision of the Services not be carried out as a result of any Contractor engineer or representative being denied access to the Customer's premises or Equipment for any reason, or being requested to perform additional tasks, before the Services are completed, without a written request from the Customer and acceptance thereof by the Contractor.

14.5. If the Contractor incurs liability towards any third party for loss or damage arising in connection with performance of the Contract, the Customer shall indemnify, defend and hold the Company harmless to the extent that the value of any claim exceeds the financial limit of the Company's liability as stated in Clause 13.

14.6. If a claim for loss or damage as described in this Clause is made against one of the Parties, it shall forthwith inform the other in writing.

15. FORCE MAJEURE

The Contractor shall not be liable to the Customer, or be deemed to be in breach of any Contract by reason of any delay in performing, or any failure to perform any of the Contractor's obligations in relation to the Services, if the delay or failure was due to any force majeure event but is not limited to: act of God, inclement weather, epidemics, pandemics, explosion, flood, fire or accident; war (declared or undeclared) or threat of war, sabotage, terrorism, piracy, insurrection, civil disturbance or

requisition; acts, restrictions, regulations, prohibitions or measures of any kind on the part of any governmental, parliamentary or local authority; import or export regulations or embargoes; strikes, lock-outs, or other industrial actions or trade disputes (whether involving employees of the Contractor or of a third party); difficulties in obtaining raw materials labour, fuel, parts or machinery; power failure or breakdown in machinery; pests, insects or vermin; and any other cause beyond the Contractor's reasonable control, which makes performance of its obligation impossible.

16. ASSIGNMENT

The Customer may assign the Contract to a third party subject to the consent in writing of the Contractor.

17. CANCELLATION

In the event that the Customer cancels its requirements for the Services at any time, the Contractor may recover from the Customer the full payment due to it by the Customer or such lesser amount as the Contractor in its sole discretion may decide. In the event of:

- any default by the Customer in respect of the Contract
- the Customer having a petition presented for its liquidation or administration (otherwise than a voluntary liquidation for the purpose of amalgamation or reconstruction) or having a receiver appointed over any of its assets or undertakings, or becoming subject to any other insolvency proceedings or process;
- the Customer making any composition with its creditors or ceasing or threatening to cease carrying on business; or
- the Contractor reasonably apprehending that any of the above-mentioned events is likely to occur in relation to the Customer and notifying the Customer accordingly;

then without prejudice to any other right or remedy available to the Contractor, the Contractor may cancel the Services or suspend any further Services without any liability to the Customer. If the Services have been provided but not paid for, the charges in respect of those Services shall become immediately due and payable, notwithstanding any previous agreement or arrangement to the contrary and if the Customer fails to pay the charges the Contractor shall be entitled to exercise all or any of the remedies competent to it pursuant to these Conditions. This Clause 17 shall apply equally against the Customer and any agent, trustee receiver, liquidator or administrator of the Customer.

18. LEGAL

18.1. These Conditions and the Contract shall be governed by the law of The Netherlands and the Parties hereby prorogate the exclusive jurisdiction of the Dutch Courts.

18.2. If any provision of these Conditions is held to be invalid or unenforceable by any judicial or other competent authority, all other remaining provisions of the Conditions shall remain in full force and effect.

ENCONTROLS UAB