

GENERAL COMMERCIAL TERMS AND CONDITIONS FOR PURCHASE OF GOODS AND SERVICES

Definitions

"Supplier"	shall mean the company contracting to supply the goods and/or perform works in reliance upon these Conditions;
"Purchaser"	shall mean the person placing an order in respect of the Goods and where such person acts as agent of or otherwise for a third party (principal), such person and the principal and the vessel on whose behalf the Goods are ordered jointly and/or severally;
"Goods"	shall mean any and all items ordered by the Purchaser and/or supplied by the Supplier for use on board a vessel or vessels or an offshore oil rig or similar, or incidental to the operation of the aforesaid;
"Contract"	shall mean any agreement between the Supplier and a Purchaser pursuant to which Goods are supplied or are to be supplied

General

1. Unless otherwise expressly agreed in writing the following conditions shall apply to all contracts, orders and deliveries. Any conflicting purchasing conditions (or similar) of the Purchaser shall be deemed to have been rejected by the Supplier unless expressly accepted in writing.

Orders & Deliveries

2a. The Purchaser shall communicate as soon as reasonably practicable to the Supplier his order or orders.

2b. Provided the prevailing circumstances reasonably permit, the Supplier shall supply and deliver to the Purchaser the Goods as ordered at the time and place stipulated by the Purchaser

3a. The Supplier's responsibility for transport of the Goods shall end at the point/warehouse nominated by Purchaser and/or deliver to the custody of the representative/company nominated by Purchase in written. In case the direct delivery to the Vessel ordered, the Goods shall be delivered to nearest point to the ship that the delivery vehicle(s) may, with the necessary authority, reach ("the Point of Delivery"). Transportation of Goods to the Point of Delivery shall be charged at no extra costs to Purchaser unless otherwise agreed between parties in written.

3b. Should the Supplier expressly agree to transport/handle the Goods beyond the Point of Delivery as defined in paragraph 3a the costs of such additional delivery/handling shall be agreed in advance between parties in written, invoiced and payable by the Purchaser. If such costs not agreed in advance it is presumed the Supplier has undertaken such delivery free of charge to Purchaser.

3c. If delivery is requested outside the normal hours of the agreed delivery point, port or port-area or on Saturdays, Sundays or religious or national or legal holidays, no additional costs and/or expenses incidental to such delivery shall be payable by the Purchaser, unless agreed between parties in advance in written.

3d. The Goods shall be deemed delivered on the arrival of the Goods at the stipulated time at the Point of Delivery. The responsibility, cost and risk of unloading the delivery vehicle(s) and delivering to the custody of the Purchaser's nominated representatives and/or on board are for account of the Supplier, unless contrary expressly agreed between parties in written.

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Risk in the Goods (but not property therein) shall, in all respects, pass to the Purchaser upon delivery and signature of relevant receipt confirming the delivery in order.

3e. The Purchaser shall pay to the Supplier any costs or expenses incidental to any waiting period beyond a reasonable time only in case such amount agreed between the parties in written before placement of order.

3f. All orders and receipt notes should be signed by the Purchaser or his authorized representative.

3g. Where the Supplier is ordered to deliver Goods other than to a ship responsibility rests with the Purchaser to ensure that the person responsible for accepting delivery gives a full and proper receipt for the Goods delivered. Signed receipt by that party shall constitute acceptance of delivery by and to the Purchaser.

3h. All delivery dates given by the Supplier are given in good faith but the Supplier will not have any liability to the Purchaser for any delay in delivery caused by 3rd parties.

3i. If the Purchaser fails to collect Goods within 10 working days from being notified that these are ready for delivery, the Supplier reserves the right to charge for storage from the end of that period until the Goods are collected.

Prices

4a. Subject to Condition 4b below, in respect of the Goods supplied by the Supplier, the Supplier shall charge to the Purchaser the prices and on the payment terms which agreed in advance in written, in any case such prices cannot be unilaterally increased by the Supplier unless the terms of such increase agreed expressly in advance between the parties in written.

4b. The Supplier should always send to the Purchaser a list stating the prices of Goods and the period for which such prices are to apply. If such a list has expired and not been renewed, the old prices shall apply.

4c. The prices in the Seller's published price lists do not include packaging, carriage and freight which will be payable in addition.

Quality and Packing

5. The Goods shall be of standard or prime quality as rated at the time and place of delivery. The Goods shall be supplied in the packing customary to the Goods safe transportation, time and place of delivery. The Supplier hereby accepts any and all responsibility for Goods delivered damaged and/or perished due to goods insufficiently or uncustomary packed. At the time of placing his order, the Purchaser shall inform the Supplier of any special packing requirements in view of the destination of the ship and/or Goods. Any additional expenditure incurred in complying with such requirements shall be included into price quotation and fixed in the price payable by the Purchaser for certain order.

Assembling and Instalation.

6a. If by the order of the Purchaser, the Supplier has to perform the installation and or assembling of Goods ("the Works") at place of delivery and/or onboard the ship, same should be performed under expressly ordered requirements of the Purchaser and to the reasonable satisfaction of the Purchaser representatives and/or shipowners' representatives.

6b. The Works shall be performed in accordance with best local practice. Any overtime carried out by the Supplier to complete the works within delivery period shall be for their account, but any overtime carried out at the Purchaser request shall be expressly confirmed by Purchaser in written in advance.

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6c. The Suppliers are responsible for the availability of specified material and equipment at the time required for use in the Vessel, unless otherwise agreed between the parties in written.

6d. Subject to Purchaser's right to object on reasonable grounds, the Suppliers shall have the right to employ sub-contractors to perform any works provided that the Suppliers remain responsible for all of their sub-contractors' performance and actions. In the event of such a sub-contract the Suppliers shall remain liable for the due performance of their obligations under Purchaser's order.

6e. The Suppliers shall be responsible for obtaining and maintaining all necessary approvals and certificates of whatsoever nature relating to the Works as required by the Suppliers' regulatory bodies.

6f. The Seller will have no liability to the Customer or any third party if the Customer does not comply in all respects with the Seller's instructions or if the Goods are used or installed in abnormal or unusual circumstances.

Claims

7. Subject only to Condition 8 below, by taking delivery of the Goods and signing the accompanying receipt-note, the Purchaser shall be deemed to have approved and accepted the Goods in every respect.

8. Any claims with regard to the conformity or quality of the delivered Goods must be notified in writing to the Supplier within the Guarantee Period plus 60(sixty) days from delivery and in the absence of such notification the Purchaser shall be deemed to have approved and accepted the Goods in every respect. Where a claim is made in accordance with the provisions of this paragraph and where such claim is accepted by the Supplier the Purchaser shall be entitled in the Purchaser option to a refund of the price of the affected Goods or supply New Goods as substitute for old one, unless otherwise agreed in writing by the Parties.

9. The Supplier is responsible for any and all defects and/or damages appropriate and/or latent to the Goods delivered, even for such defect that caused to the Goods without fault or negligence of the Supplier. Also Supplier is responsible for any and all defect and/or damage appropriate and/or latent caused to the Goods by insufficient packing of Goods, even if such damage due to insufficient packing was caused when Goods are already delivered to the Purchaser and receipt signed.

10. Any and all damages/compensation shall be in any case not limited to a refund of the price paid to the Supplier for the affected Goods and the Supplier is in all circumstances whatsoever liable for any claim for consequential loss, damage or injury arising out of the supply, or late supply or failure to supply, of any Goods.

11. In case the payment for Goods is made by installments and reasonable claim arisen during this period about the quality of the Goods supplied by the Supplier, Purchaser has rights to suspend unilaterally the further payment for the supply of this relevant Goods unless full amount of damage and compensation calculated and agreed between parties, further Purchaser has right to deduct the amount of the damage from the amount of installments payable to the Supplier.

12. Any complaint by the Purchaser with regard to the Supplier's invoice will be absolutely barred unless lodged in writing by the Purchaser with the Supplier at the Supplier's usual business address within 60 days of delivery of the invoice.

Payment

13a. The Purchaser shall pay, the invoiced amount or amounts at the rate of exchange applicable on the day of payment or, by the express agreement of the Supplier, at a later expressly agreed date after delivery, if such date is not stipulated then within 30(thirty) banking days after delivery.

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13b. Withstanding paragraphs 7 to 12 herein the Purchaser is entitled to withhold payment of any sums after they have become due in the ordinary course for payment by reason of any right of set-off or counterclaim which the Purchaser may have against Supplier.

13c. In the event that timely payment is not made pursuant to paragraph 12a the Supplier shall be entitled to collect interest (calculated from the due date until actual date of payment) from the Purchaser on all overdue or unpaid sums due to the Supplier at a rate of not more than of 6% per annum, unless deduction and/or withhold is made under paragraphs 10 and/or 12b of this agreements, in later case the time for payment and charging of interest continues to count only after all claims are finalized and settled between the parties.

13d. Any and all costs and/or expenses which may be incurred by the Supplier in recovering from the Purchaser any overdue or unpaid sums whether or not formal legal steps (including but not limited to the arrest of a vessel) have been undertaken and for sake of good order to include both internal costs and costs and expenses incurred to external advisers/lawyers instructed for such purpose shall be solely for the Purchasers account.

13e. Good title to the Goods delivered to the Purchaser representative and/or ship shall pass to the Purchaser on delivery and signing of receipt for Goods.

Guarantee.

14. Unless otherwise agreed between parties expressly in written, bellow terms of this paragraph shall apply.

14a. The six months guarantee shall apply to the Works performed by the Supplier and, for the avoidance of doubt, by the sub-contractors to the Purchaser's satisfaction, and Goods supplied by the Supplier and, for the avoidance of doubt, by the sub-contractors, from the date the Goods delivered and receipt signed.

14b. Pursuant to the guarantee, the Contractors shall be responsible for defects in Goods supplied and repairing defects in materials, equipment and workmanship existing at the time of delivery or if later completion of Works, provided always that notice of complaint in respect of such defects should be served in writing by the Purchasers within the terms of paragraphs 8 and 14a.

14c. If the defect has led to damage to the Vessel or any part thereof, the repair obligation shall extend to repair or renewal of the Vessel's part(s) that have been damaged as a direct consequence of the defect.

14d. In case where Suppliers are liable for defects as provided, the Purchaser shall be entitled to have the work and the replacement carried out at any yard or workshop, other than the Suppliers' if, in the reasonable opinion of the Purchaser, such work and the replacements need to be effected promptly and it is not practicable or cost effective for the Purchaser to wait for the Supplier would be able to rectify the damages and/or defects by themselves. The Suppliers have liability in such cases to reimburse the actual costs incurred for such work and the replacements provided.

14e. When the Works and/or Goods are performed by the Suppliers pursuant to paragraphs 14 – 14d, the Suppliers shall guarantee such repairs or renewals on the same terms as paragraphs 14-14d.

Law and Jurisdiction

15. Any disputes arising out of or under or incidental to any agreement entered into on these Conditions and any further agreement resulting there from shall in the first instance be submitted exclusively to the jurisdiction and judgment of the Baltic International Arbitration Court (7 Gertrudes Str., Riga, LV-1010, Latvia) in accordance with its Arbitration Rules, subject to the absolute competence of this court. But the Purchaser only shall have the option to submit the dispute to the jurisdiction of the competent Court at the place of domicile of the Supplier, or the jurisdiction of the Court where a Suppliers' assets is arrested/attached or seized in relation to such dispute.

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16. Agreements which include these Conditions shall be governed and construed in all respects according to the law of the place of the Purchaser, or of any other place accepted by the Purchaser. The United Nations Convention on Contracts for the International Sale of Goods (Vienna UNCITRAL Convention on International Trade Law, also known as the Vienna Treaty) is excluded from application.

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