



CARELL S.A.

SHIPPING & SHIP REPAIRS

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GENERAL CONDITIONS FOR SHIP REPAIRS

1. APPLICATION AND DEFINITIONS

1. The following conditions apply to repair work on ships, lighters, floating cranes, etc, carried out by the "Contractor" (the Shipyard).
2. Repair work is defined as:
 - a) Actual repairs and maintenance work.
 - b) Reconstruction work.
 - c) Installation work.
 - d) Overhaul and work comprised by a guarantee clause and under a)-d) both the execution of such work and docking and undocking , as well as berthing and shifting within the area of the Contractor's yard or to a berth in the harbour as a trial trip.
3. The "Customer" may be the owner himself, the master of the vessel or any other person appointed by the Owner and authorised to act on his behalf.

2. EXTENT AND EXECUTION OF THE WORK

1. No work is to be carried out unless specified in writing. No order shall be binding on the Contractor unless confirmed in writing by the Contractor. This also applies to alterations and extras.
2. Should it be agreed that the work is to conform to laws and regulations passed or adopted by Public Authorities or Classification Societies, the time agreed upon for delivery and the price shall only apply to the demands ruling at the time of confirmation of the order. If the provisions be amended, Clause 3(4) and Clause 6(2) shall apply.
3. It devolves upon the Customer to notify the authorities concerned as required to ensure that the work will be carried out in accordance with the provisions of such authorities. Routine summoning of the surveyors of the Classification Societies and of the Public Authorities for the supervision of tank tests, inspection of machinery, etc, shall however be exempt from this stipulation. The Customer shall defray all expenses payable to such societies and authorities.
4. The work shall be carried out in accordance with the Contractor's usual practice. However, the Contractor shall be bound to comply with the Customer's reasonable requests concerning materials and the execution of the work to the extent to which these requests come within the scope of the work covered by the agreement. The purpose of drawings, illustrations, or photos is to illustrate only and shall not be binding detail with respect to the execution. Likewise, data relating to measurements, weights and volumes shall be considered approximate.
5. The contractor shall be bound to carry out the work competently and with the use of good materials.
6. At the option of the Contractor, sub-contractors may be employed for the execution of the work.
7. If the materials specified cannot be procured in due time either party shall be entitle to claim that further agreement be made specifying the necessary alterations of the specifications.





8. The Contractor alone shall be responsible for co-ordination of protective and safety measures, as well as regulations within the area of the Contractor's yard and on board the vessel while lying at the Contractor's yard. Should the Contractor perform work on the vessel outside the area of the Contractor's yard, the responsibility for the aforementioned co-ordination shall devolve upon the Customer.

9. The Customer's personnel and guests shall carefully observe the protective and safety measures as well as regulations of the Contractor's yard, including "Regulations providing for CO2 fire extinguishing plant in ships under construction, on trial or undergoing repair at a Greek yard" and observe the instruct his personnel and guests with respect to the aforementioned regulations and instruction, and is responsible to the Contractor for such personnel observing these regulations and instructions.

10. Apart from the crew, the Customer shall not be entitled to employ any workers other than those of the Contractor, unless special permission has been given by the Contractor. However, the Contractor shall always be given a written account of the nature, scope and time of the work which the Customer wishes the crew to execute. However, the crew is not allowed to carry out any work requiring docking or hauling up on a slip.

11. The Customer shall see to it that supplies ordered by the Customer to be delivered within the area of the Contractor's yard comply with Greek rules and regulations in force, and furthermore any special demands regulations applying to the Contractor's yard with respect to marking, packing , obligatory declaration of dangerous contents and ingredients hazardous to health ,etc.

12. Bunkering and pumping of oil or water oil must only take place with the Contractor's permission and in accordance with the Contractor's instructions in this respect. By pumping is understood pumping to and from the vessel, as well as pumping between the vessel's tanks any other pumping aboard the vessel.

13. All bunkering and pumping takes place at the responsibility of the Customer. Unless where other liability follows from legal provisions or a convention, the Customer shall indemnify the Contractor for all damage and costs in connection with oil and chemical spillages from the vessel, where acts have been performed in contravention of the Contractor's instructions or in other respects negligently by the Customer or his personnel.

14. Cleaning of the vessel's tanks within the area of the Contractor's yard with chemicals, emulsifying agents or in any other way mast only be performed subject to the Contractor's approval.

3. TIME AGREED UPON FOR DELIVERY

1. Unless otherwise agreed, the work shall be carried out within the Contractor's regular working hours, without working overtime , and as quickly as possible, due regular being paid to other engagements already entered into by the Contractor on the conclusion of the contract (sea also Clause 4).

2. If a fixed period time has been stipulated for delivery, this period shall not commence to be effective until the day when the parties have agreed upon the execution of the work, and any stipulated payment in advance (or guarantee) has been made.

3. The Customer shall see to it that the vessel is available to the Contractor at the time, place, and in the condition agreed upon between the parties and such that the work can be commenced at once upon agreed delivery from the Customer and can proceed without interruption until completion. The period stipulated for delivery shall not begin to be effective until the Customer has discharged the aforementioned obligations, and should delays of the aforementioned nature occur during the execution of the work, the Contractor shall be entitled to suspend the work until such obligations are discharged. In that event, the period stipulated for delivery shall be extended correspondingly .



4. Should the parties, while the work is in progress, agree any alterations or extras, the period stipulated for delivery shall be extended or delivery be postponed to a later date, as the case may be, by the period required for the preparation and execution of these works.

5. The stipulated time of delivery shall be subject to usual "force majeure" it shall be considered "force majeure" if, after the conclusion of the contract, delivery is prevented or delayed owing to circumstances or events which the Contractor could not reasonably be expected to anticipate on the conclusion of the contract, such as - but not limited to - such unforeseeable events in or outside Greece as war or warlike events, military call-up, mobilisation, civil commotion, like, lockout, strikes, compulsory shortening of working hours prohibition of import or export delay in delivery of parts materials auxiliary materials, goods supplied or services rendered by sub-contractors transport hindrances, energy supply failures, accidental damage to the vessel and parts and materials therefor before delivery, Contractor's or sub-contractors' shortage of labour, acts of God, hindrances caused by ice, storm or other events or result of events beyond the Contractor's control. As "force majeure" shall also be considered delays or anything that hinders delivery in consequence of defects in casting, scrapping of materials, mishaps in manufacturing, regulations in operation, Fire or other causes which the Contractor could not remedy any reasonable means.

6. In case of "force majeure", the Contractor shall be entitled to claim extension of the period stipulated for delivery by the same number of working days as were lost owing to the event in question.

7. The right to claim extension of the period stipulated for delivery is acquired even if the event causing the delay in delivery does not occur until the stipulated period has been exceeded. Such extension, however, does not rule out responsibility for such delay in delivery as may have taken place before the occurrence of the subsequent event.

8. If a fixed date of delivery has been agreed upon, the above conditions shall apply correspondingly.

9. Where circumstances occur which, in the opinion of the Contractor, will cause in delivery, the Contractor shall without delay notify the Customer here of, stating the cause of the delay and whether, in the opinion of the Contractor, it must be attributed to "force majeure". As far as it is practicable, the Contractor shall also state the probable duration of the delay. The conditions contained in this sub-clause shall also apply in case no fixed time for delivery or date of delivery has been stipulated.

10. If any person or persons in the service of the Customer assist in the execution of the work, the Contractor shall not be responsible for any delay cause delivery or indirectly by any such person or persons.

11. If a contract stipulates a definite time of delivery or a fixed date of delivery, while no special agreement has been made as to the consequences of delay, as delay shall not result in other consequences to the Contractor than payment of a penalty fixed with due regard to the length of the delay and the amount of the contract. Such penalty shall never exceed xxxxx of the contract price. If the delay is caused by circumstances for which the Contractor cannot be held responsible under Cause 3 hereof, or where the responsibility is assessed under Cause 12, no penalty shall be payable in any case.

4. DOCKING

Docking agreements shall be subject to the provision that the dock has not in the meantime become occupied by another absolutely necessary docking. The Contractor shall be entitled to give priority of docking to disabled vessels in distress. These provisions shall also apply to vessels to be hauled up on a slip.



5. OLD MATERIALS

1. All materials replaced in the course of repairs - with the exception of heavy machinery part, propellers, propeller shafts, etc. - as well as new surplus materials - shall be the property of the Contractor, free of charge, unless otherwise agreed.
2. Material and equipment that are the property of the Customer, shall at the same time as the vessel is handed over to the Customer be removed from the area of the Contractor's yard at the initiative and the expense of the Customer. Should these objects not be removed at the latest 30 days after handing over the vessel, it is deemed as if the Customer has renounced his rights to the objects, which shall become the property of the Contractor, free of charge, unless otherwise agreed.

6. PRICE

1. If the parties have not agreed upon a fixed price for the work, this is carried out to running account in accordance with the Contractor's usual practice.
2. Any extra job carried out on board it is understood that the Customer is aware of the final cost of the particular item, if not, has to ask for price before job commencement.
3. If a price for a specified job has been agreed upon, any work not included in the specification shall be charged for in accordance with the Contractor's usual rules for work carried out to running account, unless otherwise agreed. Should the specified job be reduced in consequence of any alterations agreed upon, the Customer shall be credited with an equivalent part of the contract price.
4. 10% shall be added to the cost of materials supplied or services rendered by sub-contractors, unless such materials or services are included in the contract price.
5. The Customer shall indemnify the Contractor for any extra cost accruing as a result of delay from the Customer, his personnel or supplies.

7. PAYMENT

Unless otherwise agreed in writing, the following conditions shall apply:

1. During the execution of the work, the Contractor shall be entitled to claim payment on account of an amount covering **80%** of the estimated value, without commitment, of the work performed up to the time in question and Payment will be in full before ship sail unless otherwise mutually agreed before the work order or contract initiation.
2. The Contractor shall be entitled to detain the vessel until payment has been made. Should a dispute arise as to the amount to be paid, the Customer shall be entitled to demand adequate banker's guarantee or other security for the amount in dispute, against payment to the Contractor of the amount claimed. Amount which has been agreed has to be paid in full at the moment of dispute without delay and not to retain. In that case, the Contractor cannot refuse delivery of the vessel. Should the Contractor refuse to furnish a guarantee for the part of the account under dispute, the Customer shall be entitled to claim delivery of the vessel against payment of the amount on which the parties agree and adequate banker's guarantee or other security for the payment of the disputed part of the account. The guarantee furnished by the Customer shall be submitted to the Contractor for approval. In the event of a guarantee being furnished, the Customer shall be liable to demand arbitration within three months of the issuance of the guarantee. If the Customer fails to do so, the guarantee shall be released to the benefit of the Contractor, and if the guarantee has been furnished by the Contractor. If the Customer brings an action, the Tribunal of Arbitration shall decide how the cost shall be divided between the parties.



3. Disputes on counterclaims not recognized by the Contractor shall be settled in accordance with the provisions given in Clause 7(2) hereof.

4. For work carried out according to a quotation accepted by the Customer, the due date for payment shall be date on which the vessel is handed over to the Customer. For work carried out to running account, the due date for payment shall be the 15th day following the date of the account.

5. When credit facilities are offered by Contractor to the Customer and payments agreed are not effected as per the agreed terms, all pre-agreed payment conditions shall lapse and be null and void. All outstanding amounts shall become due immediately.

6. Contractor shall be entitled to demand full payment before ship's sail if feels that agreed payments are uncertain

8. HEADING OVER, TRANSFER OF RISK

Unless otherwise agreed, the following provisions shall apply:

1. The vessel shall be handed over moored and be fetched by the Customer without any charge for the Contractor at the Contractor's quay, in the dock of the Contractor's yard, or at a quay used by the Contractor.

2. Except as provided for in Clause 9 (2), the Contractor shall bear the risk for the repair work and for materials purchased therefor, until the vessel is handed over to the Customer. If repair jobs agreed upon separately are not finished at the same time, the Contractor may hand over successively.

3. The question of ownership in the repair work and/or materials purchased therefor shall be settled in accordance with the principles of Greek law in this respect.

9. TRIALS

1. The Contractor shall be entitled to make the trials which he deems necessary to ascertain that the order has been executed in accordance with the contract. The Contractor is entitled to make use of the vessel's fuel etc. free of charge for the purpose of the trials. The Contractor shall give the Customer reasonable notice of the nature and time of such trials, and -if the Contractor so requests- the Customer shall be represented when such trials are made.

2. During trials the Customer shall bear the sole risk and responsibility for the vessel, its machinery, equipment, and any damage caused by the vessel, Likewise, the Customer bears the risk for repair work except damage thereto, which is caused by the Contractor's errors or negligence.

3. During trials the Customer shall man the vessel according to rules and regulations, free of charge for the Contractor. However, the Contractor shall be entitled to have his own crew operate the machinery.

4. The Contractor's representative shall be entitled, in due time before and after the trials, to make all examinations, measurements or observations on board, which the Contractor deems necessary for a satisfactory execution and control of the trials, and they shall also have access to all details on any previous trials. If The Customer does not allow Contractor's representative been on board during trials, in no occasion Contractor be held responsible for any defect.



5. When the Contractor finds that the order has been executed in accordance with the contract, the Customer shall be notified in this respect, and the Contractor may then claim that a time be fixed for an inspection by both parties of the repair works. The Contractor shall convince the Customer with reasonable notice, and the Customer shall participate in the meeting.

6. At the handing-over meeting any defects in the work shall be entered in a minute book to be signed by both parties, and handing over shall not take place until the defects stated in the book have been remedied.

7. When the defects mentioned in sub-clause 6 herein before having been adequately remedied, the Customer shall be bound to accept the repair work and have the ship handed over. At the request of the Contractor the Customer shall sign a final in the respect. The provisions in sub-clause (5) herein before shall likewise apply to this meeting.

10. DRAWINGS

Drawing, foundry patterns, data on weights and volumes, information regarding price, etc. prepared or procured by the Contractor, are the property of the Contractor. The Customer must not use this material to the Contractor's interests. This shall also apply to drawing etc. supplied under the contract. The Contractor must not make the Customer's drawings, patterns, etc. available to any third party without the Customer's consent.

11. REMEDYING

1 Subject to the provisions mentioned below the Contractor shall be bound to remedy any defects in the repair work that are due to demonstrable faults in material, the execution of the work or construction.

2. Remediating comprises only defects ascertained and reported within three (3) months of handing over day, and in such case only work executed by the Contractor and materials supplied by the Contractor or his sub-contractors and no any other consequential damages (including constructions prepared by the Contractor or procured by him from any other person than the Customer or his advisers).

3. In the event that the Contractor makes replacement of, or performs repairs to part of the order, a new remediating period shall commence for such part, subject to the provisions in sub-clause(2) herein before. This provision shall not apply to the other parts of the order, for which the remediating period is only extended by the period the vessel could not be used as a result of the defects mentioned sub-clause (1) herein before. However, the obligation to repair shall not apply to any part of (or the entire) repair work in excess of 3 months from the commencement of the original remediating period.

4. For individual parts in or materials for the repair work not manufactured by the Contractor, the same remediating obligation shall apply as for the Contractor's own services. To the extend to which a more extensive remediating obligation exists for sub-contractors, the Contractor can assign his rights vis-à-vis the sub-contractor to the Customer.

5. Where the Contractor receives a complain in due time from the Customer, of. Clause 14, about a defect comprised by the remediating obligation, the Contractor shall-free of charge and without delay - arrange for repair or replacement of the materials in question or for execution of work required to remedy the defect. To do so it is a condition that the Customer makes the vessel, or the part thereof to be remedied, freely available to the Contractor in the period required for the remediating job.



6. The Customer shall be entitled to have the remedying work carried out at another yard. If so, the Contractor's liability shall be limited to the price of the remedying job as executed at his own yard, and it shall never exceed the actual direct cost.

7. When the Contractor replace defective parts, the original parts shall become the Contractor's property, free of charge.

8. Remedying does not comprise ordinary wear and tear, not accidents, damage, errors or the like that are the result of incorrect handling or overloading of the vessel. The remedying obligation shall further cease if the Customer disregards the instructions of the Contractor or his sub-contractors with regard to trials, operation, maintenance, etc.

9. The same provisions shall apply to remedying jobs as to the original work, except with respect to what follows Clause 11(3).

12. SCOPE OF LIABILITY

1. In addition to what follows from Clause 11 above, the Contractor shall not be liable for any damage occurring with the Customer, including damage to the vessel and/or her equipment and/or cargo or objects on board the vessel, irrespective of whether they belong to the Customer or any other person(s), unless it is substantiated that the damage is attributable to the Contractor's negligence, or even willfully done.

2. It is expressly agreed that the Contractor shall under no circumstances incur any liability for damages for loss of profit, loss of time, trading loss, or any other form of indirect loss (consequential loss/damages).

3. The Customer shall, if necessary, defer to a claim for compensation of damage to the property of a third party.

4. To the extent to which the Contractor may become subject to liability in connection with the use which the Customer might have of the repair job and/or the repaired vessel, the Customer shall indemnify the Contractor for the liability the Contractor might incur, and which exceeds the limits agreed upon here. The Customer is bound to let himself be sued at the same court of law that deals with claim for compensation against the Contractor concerning the repair work in question.

13. INSURANCE

The Customer shall keep the vessel (the subject matter) adequately insured, hull insurance as well as third party liability insurance during her stay at the Contractor's yard. The Contractor shall not take out any insurance covering the vessel, her crew, cargo or equipment on board or any other things whatsoever owned by, or being at the disposal of the Customer, except at the Customer's express request in writing, and in such case for the Customer's account. Under special circumstances, however, the Contractor reserves the right to take out, for the Customer's account and subject to agreement with the Customer, an additional insurance covering the Contractor's liability, if any, for damage to cargo on board the vessel.

14. COMPLAINTS

1. Complaints regarding materials or work which, in the opinion of the Customer, does not conform to the contract shall always be immediately upon discovery of the defect.



2. The Customer's failure to do so before the vessel is delivered from the Contractor shall have the effect of releasing the Contractor from any liability whatsoever in respect of the work performed, always provided, however, that claims in respect of hidden defects in materials or work which the Customer could not, or ought not to have discovered prior to delivery, must be made within three (3) months of delivery, cf. also Clause 12.

3. All complaints shall be made in writing and be specified.

15. DISPUTE

1. In the event of any dispute between the parties here to as to any matter arising out of or relating to this Contract or any stipulation herein or with respect there to which cannot be settled by the parties themselves forthwith, such dispute shall be resolved in Piraeus Greek court, Greece in accordance with the Laws of Greece as same is in force from time to time.

Contract shall be constructed and governed in accordance the Greek Law.

In case of conflict between the Yard and Owner's General Conditions the Yard's ones will prevail.

If the project assigned to the contractor automatically these conditions are in valid and accepted by the Customer.