

Preamble

1. These General Terms are applicable to any sale by all entities belonging to the Marine Jet Power group of companies, hereinafter be referred to as MJP.

2. These general terms shall apply, save as varied by express agreement accepted in writing by both parties.

3. The object(s) to be supplied under these general terms is (are) hereinafter referred to as the Product.

Formation of Contract

4. The Contract, under which MJP undertakes to deliver the Product to the Buyer (Contract) shall be deemed to be the Buyer's purchase order and MJP's express acceptance thereof, and these General Terms and Conditions.

5. Any information and data contained in general product documentation and price lists, are binding only to the extent that they are by reference expressly included in the Contract.

Drawings and Descriptions

6. Any drawing or technical documents related to the Product or its manufacture, or part thereof, shall remain the property of MJP. Such documents may only be used for the purpose for which they were provided. They may only be copied or transferred to third parties with the expressed permission of MJP.

7. MJP shall, no later than at the date of delivery, deliver documentation, drawings and information, if these are the property of MJP, which are necessary for the Buyer to install, operate and maintain the Product. MJP shall not be obliged to provide Buyer with manufacturing drawings of the Product or spare parts.

Delivery, Passing of Risk

8. The delivery shall be Ex works (EXW). EXW or any other trade term, agreed upon by the parties, shall be construed in accordance with the INCOTERMS in force at the formation of the Contract.

9. If, in the case of delivery EXW, MJP at the request of the Buyer, undertakes to send the Product to its destination, the risk will pass no later than when the Product is handed over to the first carrier.

10. Partial shipments shall be permitted unless otherwise agreed.

Time for delivery, Delay

11. The Product shall be delivered at the time stated in the contract (Date of Delivery).

12. If delay in delivery is caused by any of the reasons mentioned in Clause 42-44 inclusive, or by an act or omission on the part of the Buyer, the time for delivery shall be extended by a reasonable period of time.

13. If MJP anticipate that it will not be able to deliver the Product at the time for delivery, MJP shall notify the Buyer thereof in writing, stating the reason, and if possible, the time when delivery can be expected. Should MJP fail to give such notice, the Buyer shall be entitled to compensation for additional costs which could have been avoided had such information been received.

14. If the Product is not delivered at Date of Delivery and this is solely due to MJP and not the Buyer or someone for which the Buyer is responsible or due to force majeure, the Buyer is, after a grace period of 14 days, entitled to liquidated damages. The liquidated damages shall amount to 0,25 per cent of the purchase price for each completed week of delay. The liquidated damages shall not exceed 5 per cent of the purchase price. If only part of the product is delayed the liquidated damages shall be calculated on that part of the purchase price which is attributable to such part of the Product as cannot in consequence of the delay be used as intended by the parties. The liquidated damages become due at the Buyer's demand in writing, but not before delivery has been completed or the Contract is terminated under Clause 15. If the Buyer fails to lodge a claim in writing within three months after Date of Delivery, he has forfeited his right to such damages.

15. Having reached the maximum liquidated damages due to MJP's delay, the Buyer may, if the Product is still not delivered, in writing demand delivery within a final reasonable period which shall be no less than two weeks. If MJP does not deliver within such final period and this is not due to any circumstance for which the Buyer is responsible or due to force majeure, then the Buyer may, by notice in writing to MJP, terminate the Contract in respect of such part of the Product as cannot in consequence of the delay be used as intended by the parties. If the Buyer terminates the Contract, he shall be entitled to compensation for the loss he has suffered as a result of MJP's delay. The total compensation, including the liquidated damages which are payable under Clause 14, shall not exceed 15 per cent of that part of the purchase price which is attributable to the part of the Product in respect of which the Contract is terminated.

16. The only remedies available to the Buyer in case of MJP's failure to deliver shall be liquidated damages and compensation for termination under Clause 14 and 15, unless MJP is guilty of gross negligence. In these General Terms and Conditions gross negligence shall mean an act or omission implying either a failure to pay due regard to serious consequences, which a conscientious supplier

would normally foresee as likely to ensue, or a deliberate disregard of the consequences of such act or omission.

17. The Buyer shall accept delivery at the Date of Delivery. If he fails to do so, he shall nevertheless pay any part of the purchase price which becomes due on delivery. MJP shall arrange storage of the Product at the risk and expense of the Buyer. MJP shall also, if the Buyer so requires, insure the Product at the Buyer's expense.

18. Failure by the Buyer, due to other circumstances than mentioned in Clause 42-44 inclusive, to accept delivery entitles MJP to, by notice in writing, demand that the Buyer to accept delivery within a final reasonable period, which shall be no less than one week. If, for any reason for which MJP is not responsible, the Buyer fails to accept delivery within such period, MJP may by notice in writing terminate the Contract in whole or in part. MJP shall then be entitled to compensation for the loss they have suffered by reason of the Buyer's default.

Prices and Payment

19. The purchase price shall be paid according to what is stipulated in the Contract. Unless otherwise agreed, payment shall be made no later than 30 days after the date of the invoice.

20. Payment shall be deemed to have been made when MJP's account has been fully and irrevocably credited with the amount due.

21. If the Buyer fails to respect the agreed payment dates, MJP shall be entitled to interest from the day on which payment was due. If the Buyer fails to pay by the stipulated date, MJP shall be entitled to interest from the day on which payment was due. The rate of interest shall be 8 percentage points above the reference rate of Sweden Central Bank in force.

22. If the Buyer fails to respect the agreed payment dates, MJP may, after having notified the Buyer in writing, suspend its performance of the Contract until MJP receives payment. If the Buyer has not paid the amount due within three months, MJP may, by notice in writing, terminate the Contract. MJP may also claim compensation for the loss MJP has incurred.

Taxes and duties

23. If the Product is to be transported out of Sweden, the Buyer shall provide MJP with satisfying transport documents, in order for MJP to be able to prove aforementioned transport.

24. If MJP is obliged to pay VAT, due to the Buyer's failure to provide MJP with transport documents as stated in

Clause 23, the Buyer shall reimburse MJP with the corresponding amount.

Retention of Title

25. Until all agreed payments have been received in full, the Product shall remain the property of MJP. The Buyer shall at the request of MJP assist MJP in taking any measures necessary to protect MJP's title to the Product in the country concerned. The retention of title shall not affect the passing of risk under Clause 8-10 inclusive.

Liability for defects

26. Pursuant to the provisions of Clauses 26-41 inclusive, MJP shall, at its own discretion repair or replace defects in the Product (hereinafter termed Defect(s)) resulting from faulty design, materials or workmanship.

27. MJP's liability for Defects in the Product shall be limited to Defects which appear within a period of one 12 months from commissioning/sea trials of the vessel in which the Product is installed or 18 months from the delivery of the Product to the Buyer, whichever comes first.

28. The warranty period shall be reduced proportionately if the daily use of the Product exceeds that which is agreed between the parties. The warranty period shall expire prematurely if the Buyer or any third party changes, modifies or repairs any part of the Product without MJP's prior written consent or if the Buyer fails to immediately take all appropriate measures to minimize the damage and fails to give MJP an opportunity to remedy the Defect.

29. When a Defect in a part of the Product has been remedied, MJP shall be liable for Defects in the repaired or replaced part under the same terms and conditions as those applicable to the original Product for a period of one year.

30. The Buyer shall notify MJP in writing of any Defect which appears. Such notice shall be given within two weeks after the Buyer noticed or should have noticed the Defect and under no circumstances later than two weeks after the expiry of the period given in Clause 27-29 inclusive. The notice shall contain a description of the Defect. Failure by the Buyer to give such notice results in the Buyer losing his right to have the Defect remedied.

31. The Buyer shall, as soon as a disturbance in the Product is noted which might be a Defect, take all reasonable measures to minimize the damage to the Product and shall in that respect comply with all instructions by MJP. Failure to do so will constitute a waiver of right of warranty claim.

32. On receipt of the notice under Clause 30, MJP shall investigate the alleged defect and if it is a Defect at its own discretion, repair or replace the Defective part of the Product without undue delay. If the Buyer has given such notice as mentioned in Clause 30 and no Defect is found for which MJP is liable, MJP shall be entitled to compensation for the costs MJP have incurred as a result of the notice.

33. Repair shall be carried out at the place where the Product is located unless MJP deems it appropriate that the Defective part or the Product is returned to MJP for repair or replacement. MJP has fulfilled its obligations in respect of the Defect when MJP deliver to the Buyer a duly repaired or replaced part.

34. The Buyer shall at his own expense make the Product available to MJP at the location stipulated in Clause 33. The Buyer shall at its own expense arrange for any dismantling and reassembly of equipment other than the Product, to the extent that this is necessary to remedy the Defect. Costs for docking the vessel in which the Product is installed shall be paid by the Buyer.

35. Necessary transport of the Product and/or parts thereof to and from MJP in connection with the remedying of Defects for which MJP is liable shall be at the risk and expense of the Buyer. The Buyer shall follow MJP's instructions regarding such transport.

36. Defective parts which have been replaced shall be made available to MJP and shall be its property.

37. If MJP does not remedy the Defect within a reasonable time, the Buyer may by notice in writing fix a final time for completion of MJP's obligations, which shall be no less than one month. If MJP fails to fulfill its obligations within such final time, the Buyer may itself undertake or employ a third party to undertake necessary remedial works at the risk and expense of MJP. Where successful remedial works have been undertaken by the Buyer or a third party, reimbursement by MJP of reasonable and proven costs incurred by the Buyer shall be in full settlement of MJP's liabilities for the said Defect.

38. If the Defect is not remedied as stipulated in Clause 37 the Buyer is entitled to:

- a)** a reduction of the purchase price in proportion to the reduced value of the Defective part, provided that under no circumstance such reduction of the purchase price exceeds the value of the Defective part, or
- b)** if the Defect is so substantial as to significantly deprive the Buyer of the benefit of the Contract, the Buyer may terminate the Contract by notice in writing to MJP. The Buyer is then entitled to compensation for the loss it has

suffered up to a maximum of 15 per cent of the purchase price.

39. Notwithstanding the provisions of Clauses 26-38, MJP shall not be liable for Defects in any part of the Product for more than 24 months from the beginning of the period given in Clause 27. MJP is not liable for Defects arising out of materials provided, or a design stipulated or specified by the Buyer. MJP is liable only for Defects which appear under the conditions of operation provided for in the Contract and under proper use of the Product. MJP's liability does not cover Defects which are caused by faulty maintenance, or use of Non-OEM spare parts, incorrect installation, assembly, dismantling or faulty repair by the Buyer, or by alterations carried out without MJP's prior written consent. MJP's liability does not cover normal wear and tear, deterioration, misuse or accident. Finally, MJP's warranty does not cover defects that are connected with or caused by the Goods not being compatible with or not functioning with the vessel in which the Product is to be installed, other equipment, software or systems not being supplied by MJP, unless MJP has specifically accepted the responsibility for their interface.

40. MJP shall be liable for personal injury, but shall not be liable for any damage to property, caused by the Product after it has been delivered and whilst it is in the possession of the Buyer. Nor shall MJP be liable for any damage to products manufactured by the Buyer, or to products of which the Buyer's products form a part. If MJP incurs liability towards any third party for such damage to property as described in this Clause, the Buyer shall indemnify, defend and hold MJP harmless.

41. Save as stipulated in Clauses 26-40 MJP shall not be liable for defects. This applies to any loss the defect may cause, including indirect or consequential losses, such as but not limited to commercial or economic losses, loss of production, loss of use, loss of revenue, loss of profit, delay and business interruption and other similar causes or losses, whether direct or indirect. Further, MJP is not liable for loss of time, loss of employment or opportunity to utilize the Product or services supplied, costs of substituted equipment, towage charges, pollution clean-up costs, docking or diving costs, damage to the vessel in which the Product is to be installed, Buyer's property or other assets, demounting or mounting costs or/and costs of sea trials or other tests and inspections. This limitation shall not apply if MJP is guilty of gross negligence, as defined in Clause 16.

Force Majeure

42. Either party shall be entitled to suspend performance of his obligations under the Contract to the extent that such performance is impeded or made unreasonably onerous by any of the following circumstances: industrial

disputes and any other circumstance beyond the control of the parties such as, but not limited to, fire, war, extensive military mobilization, insurrection, requisition, seizure, embargo, government restrictions, epidemics, restrictions in the use of power and defects or delays in deliveries by sub-Contractors caused by any such circumstance referred to in this Clause. A circumstance referred to in this Clause whether occurring prior to or after the formation of the Contract shall give a right to suspension only if its effect on the performance of the Contract could not be foreseen at the time of the formation of the Contract.

43. The party claiming to be affected by Force Majeure shall notify the other party in writing without delay on the intervention and on the cessation of such circumstance. If Force Majeure prevents the Buyer from fulfilling his obligations, it shall compensate MJP for expenses incurred in securing and protecting the Product.

44. Regardless of what might otherwise follow from these General Terms and Conditions, either party shall be entitled to terminate the Contract by notice in writing to the other party if performance of the Contract is suspended under Clause 42-43 inclusive, for more than six months.

Limitation of liability

45. In any event, and whatever the cause of action, MJP's maximum total liability to the Buyer pursuant to and in connection with the Contract including the obligation to pay penalties, liquidated damages and regardless of cause, degree of fault, negligence, breach of contract or otherwise is limited to 15 percent of the purchase price. MJP's liability for personnel injury according to P.40, shall be limited to its insurance coverage.

Hardship

46. The parties agree that in cases where MJP can reasonably show that the continued performance of its contractual duties under the Contract has become excessively onerous due to events beyond its reasonable control which could not reasonably have been expected to have taken into account at the time of the Contract, or which has arisen after the formation of the Contract, the Parties are bound to negotiate alternative contractual terms which reasonably allow for the consequences of the event.

In cases where the Parties are unable within a reasonable time to renegotiate the alternative contractual terms, MJP shall be entitled to terminate the Contract.

Anticipated Non-Performance

47. Notwithstanding other provisions in these General Conditions regarding suspension, each party shall be entitled to suspend the performance of his obligations

under the Contract, where it is clear from the circumstances that the other party will not be able to perform his obligations. A party suspending his performance of the Contract shall forthwith notify the other party thereof in writing.

Modification of Contract

48. The Contract shall be modified and changed only by written agreement signed by both parties.

Disputes and Applicable Law

49. Any dispute, controversy or claim arising out of or in connection with the Contract, or the breach, termination or invalidity thereof, shall be finally settled by arbitration in accordance with the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. The arbitral tribunal shall be composed of three arbitrators. The seat of arbitration shall be Stockholm, Sweden. The language to be used in the arbitral proceedings shall be English. This Contract shall be governed by the substantive law of Sweden.

50. If the amount in dispute does not exceed EUR 100,000, VAT excluded, or in the equivalent amount in the currency of the Contract, the dispute shall be settled by a general court in Sweden.