



MARINE SERVICES AND SHIPREPAIR

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## **GENERAL TERMS AND CONDITIONS FOR SHIP REPAIRS**

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### **I. INTRODUCTION**

1.1. These GENERAL TERMS AND CONDITIONS FOR SHIP REPAIRS (hereinafter referred to as the "General Terms and Conditions") become effective as of the date of its adoption, and are applicable to the relations between the Customer and the Contractor if there is a direct reference to them in the Text of the Contract, concluded between the Customer and the Contractor, or in the Contract Offer, confirmed by the Customer in writing. In the event of a conflict between the texts of these General Terms and Conditions and the Contract/Contract Offer, confirmed by the Customer in writing, the relevant Contract/ Contract Offer terms and conditions are applicable.

### **2. BASIC CONCEPTS AND DEFINITIONS USED IN THESE GENERAL TERMS AND CONDITIONS**

2.1. Service Report (including Interim Service Report) – a document that must be signed by the Parties and which certifies the scope, price of Repairs performed by the Contractor and delivered to the Customer, quantities and prices of materials and/or spare parts used by the Contractor in course of works as well as the fact of these materials and works acceptance by the Customer. The said Service Report is the basis for settlement of accounts between the Parties for the executed Repairs.

2.2. Ship Acceptance for Repairs Report / Ship Acceptance for Conversion Report – a document, certifying that the Customer has allowed the Contractor to perform Repairs and that the Contractor has started Repairs in the amount agreed in the Specification.

2.3. Ship Acceptance Report on Completion of Repairs / Ship Acceptance Report on Completion of Conversion – a document, certifying the completion of all Repairs by the Contractor, including the release by the Contractor of the site of Repairs and / or the ship, the absence on the ship of the Contractor's representatives, equipment, instruments, working tools and any other belongings and/or documents of the Contractor. If the Parties don't sign the Ship Acceptance Report on Completion of Repairs / Ship Acceptance Report on Completion of Conversion as a separate document, then the Service Report is recognized as such a document.

2.4. Contract – a written agreement between the Customer and the Contractor, according to which the Contractor undertakes to execute Repairs and handover their results to the Customer, and the Customer undertakes to accept the results of the Repairs and make payment for them. The Contract can also be concluded by sending the Contractor Offer from the Contractor to the Customer with the Customer confirming this Offer in writing and sending it to the Contractor.

2.5. Defect (defects) – drawbacks, non-compliance of the quality of Repairs with the requirements of Repair documentation, as well as deficiencies and non-compliance of the quality of materials, spare parts, equipment provided by the Contractor for performing Repairs.

2.6. Customer – a Shipowner or representative of a Shipowner duly authorized to sign any official documents on behalf of the Shipowner. The ship administration in the person of the Shipmaster or an Agent can act on behalf of the Customer.

2.7. Contractor – a company that is a part of the NORDWEG group, which has undertaken the obligation to carry out Repairs, in the person the Company representative whose authority has been documented.

2.8. As-Built Specification – a part of Repair Documentation, which makes an integral part of the Contract with indication of actual scope of work, executed by the Contractor and its price, as well as actual names, qualities and prices of Contractor's materials used in the course of Repairs, indicated for the Customer to make payment for Repairs.

2.9. Written form (in writing) – means communication between the Parties, exchange of documents, applications, notifications, notices, requirements, claims and other legally significant messages, made in whatever indicated form: via postal letters, courier company, hand delivery, e-mails.

2.10. Contract Offer – a document, prepared by the Contractor based on verbal or written order from the Customer, comprising preliminary technical and financial details about Repairs as well as essential and special terms and conditions associated with a certain type of works. A Contract Offer, confirmed by the Customer in writing is an acceptable form of contractual relations and a reasonable cause to execute Repairs and make payment for them.

2.11. Repairs – a complex of operations and works to restore serviceability and / or operability, maintain the technical condition of the ship, recover resources of the hull, separate parts, units, technical elements, devices, mechanisms of the ship and their components, any other similar types of work, conversion as well as technical maintenance.

2.12. Repair Documentation — a set of documents (including repair technical documents), intended for execution, control and acceptance of Repairs.

2.13. Specification – an integral part of the Contract and Repair Documentation, in which the Parties determine preliminary scope and price of Repairs, as well as the names, quantities and prices of the Contractor's materials used in the course of Repairs.

2.14. Parties – the Contractor and the Customer in the persons of their dully authorized representatives.

### **3. REPAIRS INFORMATION**

3.1. Full information and data contained in the Repair Documentation, the Offer, the Contract, Ship Acceptance Reports, Service Reports, price lists, in electronic or in any other form, are confidential and also are binding only provided that there is a direct reference to the relevant information in the Contract with the date, number and/or other available identifying characteristics of the document.

### **4. DRAWINGS AND DESCRIPTIONS**

4.1. All drawings, descriptions and specifications, other repair documentation, associated with Repairs or their execution and presented by one of the Parties before or after conclusion of the Contract remain the property of the Party that provided them.

4.2. Any drawings, descriptions and specifications, other repair documentation received by one Party cannot be used for purposes other than those for which they were provided, without the consent of the other Party. These data are prohibited to be used, copied, reproduced,

transmitted or disclosed in any other way to any third party without the consent of the Party that provided it.

4.3. The Contractor is not obliged to provide the Customer with the technological, working drawings and documentation developed by him for Repairs, unless otherwise specified by the terms of the Agreement / Contract / Commercial offer.

4.4. The Customer shall provide the Contractor with the ship's technical and / or operational documentation, which is necessary and requested by the Contractor for the Repairs. All risks and adverse consequences associated with the failure to provide such documentation are assigned to the Customer.

## **5. ORDER OF EXECUTION, DELIVERY AND ACCEPTANCE OF REPAIRS**

5.1. Delivery and acceptance of Repairs, unless agreed otherwise, shall be carried out at work sites or on board the ship at the time agreed by the Parties.

5.2. Unless otherwise specifically agreed by the parties, prior to the beginning of Repairs, on its own and at its own expense the Customer shall:

5.2.1. clean, prepare properly the place on the ship for safe execution and performance of Repairs by the Contractor;

5.2.2. conduct periodical instruction of the Contractor's personnel on safety rules when working on board, to fix the results of the instructions in relevant documents;

5.2.3. allow the Contractor to begin Repairs by signing the Ship Acceptance for Repairs Report / Ship Acceptance for Conversion Report by the Customer;

5.2.4. transfer to the Contractor the engineering documentation, Ship Conversion Design, duly considered and approved (confirmed) if necessary by the Classification Society, that conducts technical supervision of ship repair.

5.3. Prior to the beginning of Repairs, the Customer shall give the Contractor the name (names) of its representatives, assigned to control Repairs. The representative(s) shall be duly authorized as follows:

5.3.1. to make decisions necessary for execution of Repairs;

5.3.2. to approve drawings and documentation;

5.3.3. to request from the Contractor and to approve on behalf of the Customer the execution of any additional Repairs;

5.3.4. to reduce and/or cancel separate items of Repairs;

5.3.5. to accept works and sign Service Reports;

5.3.6. to confirm and sign invoices from the Contractor if necessary;

5.4. During the execution of Repairs on the ship, the Customer is obliged to ensure organization and order of works for various contractors, coordinate activities of various contractors participating in the Repairs and other works on the ship. The Contractor shall not be liable for non-fulfillment or increase in the deadlines for the performance of Repairs due to non-fulfillment or improper fulfillment by the Customer of this obligation.

5.5. During the execution of Repairs on the ship, unless otherwise agreed by the Parties, the Customer shall provide the work site with construction (staging) scaffolding (bedding), electrical power, compressed air, steam, water, ventilation and possibility of safety connection to them for the Contractor.

5.6. The Customer in advance (when sending the request to the Contractor) informs the Contractor about the necessity to coordinate / present the planned Repairs to the Classification Society. If during Repairs on the ship, the scope of work (in relation to that established and agreed by the Parties in the Agreement/Contract/Offer/Specification) requires coordination with

the Classification Society, the Contractor shall immediately notify the Customer thereof. The Customer shall submit such changes to the Classification Society for consideration and approval (coordination). For the period of such consideration, the Contractor has the right to suspend Repairs and extend the deadline for Repairs, stipulated by the Contract.

5.7. During the execution of Repairs on the ship, the Contractor is entitled to hand over to the Customer separate quantities (parts) of the performed work. In this case, handover of certain quantities (parts) of the performed work by the Contractor and their acceptance by the Customer are formalized by Interim Service Reports;

5.8. If during Repairs the Contractor requires materials and / or spare parts of the Customer, the Customer shall transfer such materials and / or spare parts to the Contractor no later than the deadlines and at the place established by the Contract. The Contractor has the right to suspend Repairs and extend the period of works if the Customer does not provide materials and / or spare parts in due time and / or in an agreed place. A delay in the provision of materials by the Customer for more than 10 days entitles the Contractor to withdraw from the Contract and to demand payment for the executed part of Repairs and materials of the Contractor.

5.9. Any parts, units, technical elements, devices, mechanisms of the ship dismantled by the Contractor in the course of Repairs are transferred to the Customer. If dismantled parts, units, technical elements, devices, mechanisms of the ship belonging to the Customer prevent the Contractor from executing Repairs, and the Customer does not take measures to remove them from the work site, the Contractor has the right to independently, but at the expense of the Customer, move to a safe place such dismantled parts, units, technical elements, devices, mechanisms of the ship.

5.10. If for the purpose of completing Repairs, it is required to make some tests using the methods and to the extent stipulated in the Contract and / or regulatory documents of the Classification Society, the Contractor shall notify the Customer of the time and place of testing at least 24 before the testing, so that the Customer could ensure the presence of its representative, and, when necessary, a representative of the Classification Society, at the tests. The results of the tests are recorded in the Test Report (Certificate), which is signed by the Parties. If a representative of the Classification Society takes part in the tests, the test results are formalized by the relevant documents of the Classification Society.

5.11. The Contractor shall notify the Customer, at least 24 hours in advance, of the time and place of the acceptance of Repairs (including acceptance of separate quantities (parts) of the work performed) so that the Customer could ensure the presence of its representative and, if necessary, a representative of the Classification Society, at the acceptance of Repairs.

5.12. If the Customer assumes that he will not be able to take part in the acceptance of Repairs (parts of Repairs) at a specified time, he is obligated in advance, but in any case no later than 24 hours before the date of acceptance of Repairs, in accordance with paragraph 5.11 of the General Terms and Conditions, to notify in writing the Contractor about this, indicating the reason and time when he will be able to accept the performed Repairs.

5.13. If technical supervision by the Classification Society is required for providing delivery of performed Repairs (or parts thereof) to the Customer, the Contractor together with the Customer shall:

5.13.1. provide necessary Repair documentation, ship's technical documentation;

5.13.2. prepare the facilities on board the ship where the Repairs were carried out for the necessary surveys by the Classification Society;

5.13.3. ensure the safety of surveys at the facilities on board the ship where the Repairs were carried out;

5.13.4. ensure the presence of personnel responsible for presenting the facilities for surveys.

5.14. If the Customer's representative is not present at the time of Repairs acceptance, about which the Customer was notified as per paragraph 5.11 of the General Terms and Conditions and did not inform the Contractor as per paragraph 5.12 of the General Terms and Conditions, then the scope of Repairs and price for them, indicated in a Service Report, signed by the Contractor, shall be deemed accepted by the Customer without objection and shall be paid in full. The Contractor shall send such a Service Report to the Customer in duplicate within 2 days, and the Customer shall accept and sign this Service Report as unquestionable, and send one signed copy to the Contractor within 2 days from the date of receipt.

5.15. If the acceptance of Repairs shows that the performed work does not comply with the terms of the Contract, the Contractor shall eliminate all defects and shortcomings at its own expense as soon as possible in order to ensure compliance with the provisions and conditions of the Contract. If the defect is significant, the Customer may require re-acceptance of Repairs after elimination of the defects.

5.16. The Customer at its own expense ensures the participation of its representatives, and if necessary, also the representatives of the Classification Society, at the acceptance of Repairs.

5.17. The Contractor shall at its own expense cover the costs associated with the participation of its representatives and the acceptance of Repairs at the production sites and on board the ship, unless otherwise agreed.

5.18. After completion of all Repairs on the ship, the Parties draw up and sign the Ship Acceptance Report on Completion of Repairs / Ship Acceptance Report on Completion of Conversion Works.

## **6. DURATION OF REPAIRS. DELAY IN REPAIRS. LOSSES OF THE PARTIES.**

6.1. If the Parties to the Contract, instead of choosing a specific date for the completion of Repairs, set a period of time during which Repairs must be completed, such a period is calculated from one of the following points, depending on which comes later:

6.1.2. from the date of entry into force of the Contract;

6.1.3. from the date of signing by the Parties of the Ship Acceptance for Repairs Report / Ship Acceptance for Conversion Report;

6.1.4. from the date of payment of all preliminary (advanced) payments stipulated by the Contract and the fulfillment of all other preconditions;

6.2. The Contractor has the right to present to the Customer the result of the executed Repairs ahead of schedule, and the Customer shall accept the early execution of Repairs.

6.3. If the Contractor assumes that he will not be able to carry out Repairs within the prescribed period, he shall notify the Customer immediately and in writing, indicating the reason and the estimated time of completion of Repairs.

6.4. If during the execution of Repairs by the Contractor the Customer intends to carry out any ship operations (bunkering, shifting berth, etc.) or any work that may lead to the forced suspension of Repairs by the Contractor, the Customer shall no less than 24 hours in advance notify the Contractor about such ship operations or work and the estimated time of their completion. The Contractor has the right to suspend Repairs and postpone the term of Repairs for the duration of such ship operations and/or work. If the Customer fails to provide such a notification, the Contractor has the right to claim compensation from the Customer for all

additional costs that he incurred, which could have been avoided upon receipt of this notification.

6.5. If Repairs have not been executed by the Contractor at the time specified by the Contract, the Customer has the right to claim payment of a penalty from the Contractor, which is calculated starting from the date of scheduled completion of Works. The amount of the penalty is 0.05% of the total price of Repairs for each day of delay. The penalty is paid by the Contractor on the basis of the Customer's claim in writing after the Contractor has completed Repairs. The Customer does not have the right to claim payment of a penalty if he has not submitted to the Contractor a claim in writing within 2 (two) months from the date of completion of Repairs.

6.6. If during the execution, amendment or termination of the Contract for any reason, one of the Parties has the right to claim compensation from the other Party, such a claim must be declared in writing within 3 (three) months after, respectively, execution, amendment, termination of the Contract. A Party shall not have the right to claim compensation for losses from the other Party upon expiration of the said period.

6.7. Unless otherwise agreed by the Agreement/Contract of the Parties, the total amount of losses and / or penalty that are subject to compensation to the other Party in connection with the execution, amendment, or termination of the Contract or elimination of defects shall not exceed 20 (twenty) percent of the total price of Repairs. Lost profits are non-refundable.

## **7. COST OF REPAIRS AND PAYMENT**

7.1. The cost of Repairs is agreed by the Parties in the Specification, which is an integral part of the Contract, and covers only type and scope of Repairs specified therein, as well as cost of Contractor's materials, spare parts and other data duly confirmed in writing.

7.2. The Parties understand and accept that in the course of Repairs, it is possible to change the necessary scope of work in relation to how it was established and agreed by the Parties in the Specification (additional work). The Parties has agreed that if the changes in the amount of Repairs leads to an increase in the price of work and / or materials and spare parts, but not more than 10% (ten percent) of the price agreed in the Specification, then coordination with the Customer of the change in the required amount of work is not required. The Contractor indicates the actually performed necessary amount of Repairs and price of materials and / or spare parts in the As-built Specification.

7.3. If the period of Repairs under the Contract exceeds 4 (four) months, and the increase in prices of materials (including changes in currency exchange rates), electricity, fuel, increase of wages of the Contractor's employees, increase of taxes, increase of any other expenses of the Contractor during this period amounts to more than 10% (ten) percent, compared to the prices at the time of concluding the Contract, the Contractor has the right to increase the price of Repairs, respectively. In this case, the Contractor shall send a written notice to the Customer with the reasoning and explanation of the increase of the price of Repairs.

7.4. Within 2 days after receiving a notification from the Contractor about an increase of the price of Repairs, as specified in paragraph 7.3, the Customer shall either confirm the increase of price of Repairs or refuse from such increase. The absence of written confirmation from the Customer within the specified period of time shall be recognized by the Parties as the Customer's consent to increase the price of Repairs. The Customer's written refusal to increase the price of Repairs entitles the Contractor to withdraw from the Contract and demand from the Customer payment for the actually executed amount of work under the Contract.

7.5. Unless otherwise agreed by the Parties, the payment for Repairs shall be made by the Customer as follows:

7.5.1. 30% (thirty percent) of the price of Repairs is paid by the Customer to the Contractor's account within 10 (ten) days after the conclusion of the Contract;

7.5.2. 40% (forty percent) - within 10 (ten) days after the Contractor notifies the Customer of its readiness to deliver the completed Repairs;

7.5.3. 30% (thirty percent), as well as the price of additional Repairs, an increase in the price of Repair Work, alterations and changes as agreed by the Parties to the price of Repairs, if any, is paid within 10 (ten) days after signing the Service Report or Repair Service Report according to paragraph 5.14 of the General Terms and Conditions .

7.6. Payment is made by the Customer by transferring funds to a bank account specified by the Contractor. The Contractor's obligation to pay is recognized by the Parties as fulfilled only after the actual, full and irrevocable transfer of payment to the Contractor's account is made.

7.7. If the Customer does not fulfill a payment obligation to the Contractor within the period established by the Contract, the Contractor has the right to claim payment of the penalty for each day of delay in payment. The interest rate is 0.1% (zero point one tenth of a percent) for each day of delay of the amount of the Customer's payment obligation.

7.8. In the event of a delay in payment of the price of Repairs, the Contractor has the right, after notifying the Customer in writing, to suspend (postpone) Repairs until the Customer completely pays the debt.

7.9. If the Customer does not make payment within 2 (two) months from the period specified in the Contract, the Contractor has the right to refuse from executing the Contract, to terminate the Contract by sending a written notice to the Customer. The Contract in this case shall be deemed terminated after 40 days after the notification is sent to the Customer. In connection with the termination of the Contract, the Contractor has the right to demand from the Customer the payment of the price of the actually executed Repairs and compensation for losses, the amount of which in this case should not exceed the price of the Repairs.

## **8. DEFECTS, DRAWBACKS IN REPAIRS. RESPONSIBILITY**

8.1. The Contractor shall eliminate all defects resulting from drawbacks in the execution of Repairs or the use of materials of inadequate quality, if they were supplied by the Contractor.

8.2. The claims associated with defects in Repairs identified after their acceptance by the Customer can be submitted by the Customer to the Contractor, provided that they were discovered within 6 (six) months from the date of delivery of the result of Repairs under the Service Report.

8.3. After eliminating the defect identified by the Customer, the Contractor is also responsible for eliminating this defect if it arises once again within 6 (six) months after its elimination by the Contractor. For the other parts of Repairs, the period indicated in paragraph 8.2 of the General Terms and Conditions is extended only for a time equal to the period during which the equipment was not operated due to the elimination of the defect by the Contractor.

8.4. The Customer undertakes immediately, but in any case, within a period of not more than 5 (five) days, to notify the Contractor in writing of the discovered defect. The Notice of Defects (Certificate of Defects, other similar document) should contain as detailed description of the defect as possible, in particular:

8.4.1. information on the operating conditions of the ship, hull, separate parts, units, technical elements, devices, ship's mechanisms, equipment, for example, navigation area,

- operation, operating time in various weather conditions (other important actual circumstances);
- 8.4.2. a list of identified drawbacks, malfunctions, defects, failures, etc .;
- 8.4.3. operating hours of units, technical elements, devices, ship's mechanisms, equipment (when applicable);
- 8.4.4. comments on excessive consumption of fuel, oils, process fluids, spare parts, etc. (when applicable);
- 8.4.5. alleged causes of the defect;
- 8.5. The Customer signs the Notice of Defects (Certificate of Defects, other similar document) and sends it to the Contractor. Audio, photo, video materials indicating the occurrence of a defect may be attached to the Notice of Defects by the Customer.
- 8.6. If the detected defect can cause any damage, the Customer shall immediately, but in any case, within no more than 1 (one) day, inform the Contractor about it in writing and follow the Contractor's instructions. The Customer bears all risks associated with causing harm to itself or other persons as a result of failure to notify, untimely notification of the Contractor or non-compliance with its instructions.
- 8.7. Upon receipt of a Notice of Defects (Certificate of Defects, other similar document) within the periods specified in paragraph 8.4 or 8.6 of the General Terms and Conditions, the Contractor shall eliminate the defect as soon as possible, without delay and at its own expense. Elimination of defect of Repairs is carried out at the place where the Repairs were initially executed, unless otherwise agreed by the Parties.
- 8.8. If in the course of the Contractor's work on eliminating the drawbacks of Repairs it becomes clear that the Contractor is not at fault, the Contractor has the right to demand from the Customer payment of the price of the work actually executed by the Contractor and other documented expenses incurred in connection with such work.
- 8.9. Unless otherwise agreed by the Parties, the Customer at its own expense shall carry out the dismantling and reassembly of the parts, units, technical elements, devices, ship's mechanisms, equipment that has not been repaired by the Contractor, if it is necessary to eliminate the defect.
- 8.10. Unless otherwise agreed by the Parties, the necessary transportation of equipment and / or its parts from the territory (to the territory) of the Contractor in connection with the elimination of defects for which the Contractor is responsible is carried out at the expense of the Contractor. During such transportation, the Customer shall comply with the instructions of the Contractor. The Contractor is not responsible for the deterioration of the condition of the repaired equipment and / or its parts and for the appearance of new defects in connection with violations by the Customer of the Contractor's instructions.
- 8.11. Unless otherwise agreed by the Parties, the Customer shall reimburse all additional expenses that the Contractor may incur as a result of eliminating defects in a place other than that specified in the Contract, or, if the destination is not indicated, in a place different from the place of initial Repairs.
- 8.12. Any parts, units, technical elements, ship's mechanisms, the replacement of which was made by the Contractor as a result of the elimination of defects, are the property of the Contractor.
- 8.13. If, within a reasonable period of time, the Contractor does not begin to eliminate the defects, the Customer may, by sending a written notice, establish a reasonable start date for the execution of the Contractor's obligations to eliminate defects. If the Contractor has not started to eliminate defects, the Customer has the right to do it independently or to hire a third



party to fulfill Repairs on defects elimination at the expense of the Contractor. In case of successful completion of the work by the Customer or a third party on elimination of the defects, the Contractor shall reimburse the reasonable and justified expenses of the Customer within 30 (thirty) days, but in any case not more than the initial price of Repairs of the part of the equipment where the defect is found.

8.14. The Contractor shall not be liable for defects resulting from the poor quality of the materials and/or spare parts provided by the Customer, or from deficiencies in the project or technical specification, or from deficiencies in shipboard, operational or other technical documentation that were identified and provided by the Customer. The Contractor shall not be liable for defects resulting from the provision by the Customer of inaccurate information and documentation regarding the resource, operating hours, operating conditions, damage, information about previous Repairs.

8.15. The Contractor is only liable for the defects that were discovered when operating the repaired equipment for its intended purpose in accordance with the instructions of the manufacturer and the Contractor. The Contractor's liability does not extend to those defects that were caused by improper operation, improper installation or deficiencies in Repairs performed by the Customer, or which occurred as a result of modifications made without the prior written consent of the Contractor. The Contractor's liability does not extend to normal wear and tear, scoring or abrasion due to normal use.

8.16. Losses that the Customer may incur in the course of Contractor's work on defects elimination are not subject to compensation.

## **9. CIRCUMSTANCES OF FORCE MAJEURE**

9.1. A Party shall not be held liable for non-fulfillment or partial non-fulfillment of any of its obligations if it proves that the non-fulfillment was a consequence of force majeure circumstances (force majeure), that is, extraordinary, unforeseen and unavoidable circumstances that arose during the fulfillment by the Parties of their obligations under the Contract, which could not reasonably be expected at the conclusion of the Contract, either avoided or overcome, as well as beyond the control of the Parties. In particular, such circumstances include: natural disasters (earthquake, flood, tornado), fire, mass diseases (epidemics, pandemics), strikes, military operations, terrorist acts, sabotage, actions and prohibitions of authorities, sanctions and counter-sanctions, others circumstances beyond the control of the Parties. The Parties shall also recognize Force majeure non-fulfillment (improper performance) of obligations by subcontractors or suppliers employed by the Contractor, if this is caused for them by force majeure circumstances specified above.

9.2. A Party whose fulfillment of obligations is hindered by force majeure circumstances shall, as soon as possible, immediately, but no later than 5 (five) days after the occurrence of the relevant circumstances, notify the other Party of this obstacle and / or the impact of its consequences on the fulfillment of its obligations. The notice should contain as detailed information as possible on the nature of the force majeure circumstances. After the termination of force majeure circumstances, a notice should also be sent.

9.3. The evidence of force majeure circumstances must be carried out by the Chamber of Commerce and Industry or another person, authorized to bear evidence of force majeure circumstances at the location of the Customer and / or the Contractor, respectively.

9.4. In the event of force majeure circumstances or force majeure or their consequences, the date for fulfillment by the Party of its obligations under the Contract is postponed in proportion to the time during which these circumstances and / or their consequences are valid.

9.5. If the circumstances of force majeure that have arisen continue for more than fifteen (15) days, the Parties shall conduct additional negotiations to identify acceptable alternative ways to perform the Contract or the conditions for its termination. If the Parties do not negotiate or do not reach agreement as a result of such negotiations, then either of the Parties shall have the right to declare in writing a refusal to perform the Contract. In this case, the Contract shall be deemed terminated within 5 (five) days after the submission of such a declaration to another Party. In the context of the termination of the Contract:

9.5.1. The Customer shall pay the amount of Repairs actually executed by the Contractor;

9.5.2. The Contractor shall clear the site of Repairs as soon as possible, return the materials and/or spare parts belonging to the Customer and received from him to execute Repairs.

## **10. SUPPOSED NON-FULFILLMENT**

10.1. If a Party fails to perform an obligation stipulated by the Contract, or if there are circumstances that clearly indicate that such performance will not be made within the time period established by the Contract, the Party on which the counter-performance lays is entitled, in its turn, to suspend the performance of its obligation or refuse to perform it and claim damages.

10.2. If the obligation stipulated by the Contract has not been fully fulfilled by a Party, the other Party on which the counter-performance lays is entitled to suspend the performance of its obligation or refuse from performing it to the extent corresponding to the unrepresented performance.

10.3. A Party that suspends the fulfillment of its obligations under the Contract shall immediately notify the other Party in writing.

## **11. INDIRECT LOSSES**

11.1. Unless otherwise stipulated in these General Terms and Conditions, none of the Parties shall be liable to the other Party for the reduction of production, loss of profit, expectation damages, loss of operational characteristics, termination of the Contracts or causing any other indirect losses.

## **12. DISPUTES AND APPLICABLE LAW**

12.1. If the place of registration of the Customer is the Russian Federation, all disputes, disagreements or claims arising in connection with these General Terms and Conditions and Conditions and / or the Contract, as well as the conclusion, execution, alteration, termination, violation or invalidity of the Contract concluded on the basis of the General Terms and Conditions are subject to consideration in the Arbitration Court of the city of St. Petersburg and the Leningrad Region.

12.2. If the place of registration of the Customer is not the Russian Federation, all disputes, disagreements or claims arising in connection with these General Terms and Conditions and / or the Contract, as well as in connection with the conclusion, execution, alteration, termination, violation or invalidity of the Contract concluded on the basis of the General Terms and Conditions shall be considered in the Riga District Arbitration Court in Riga in accordance with its Rules. The dispute is considered by the sole arbitrator on the appointment of the Chairman of the Arbitration Court in a written process in Russian or English.

12.3. The relations of the Parties are regulated by the legislation of the Russian Federation.

12.4. Before filing a claim, the claim procedure must be followed. The term for consideration of a reasoned written claim by each of the Parties is 20 (twenty) days from the date of sending the claim.

### **13. COMMUNICATION BETWEEN THE PARTIES. LEGALLY SIGNIFICANT MESSAGES**

13.1. Communication between the Parties concerning the conclusion, execution and termination of the Contract shall be carried out in writing.

13.2. A Contract between the Parties in writing is recognized as concluded by the exchange of electronic messages via e-mail, allowing to reproduce the contents of the Contract in unaltered form on a physical medium (in particular, on paper). At the same time, the requirement to have a signature is deemed to be fulfilled if any method is used to reliably determine the person who expressed his will to conclude the Contract.

13.3. Unless otherwise expressly indicated in writing by the Customer, when communicating by e-mail, the Parties acknowledge that the information and / or documents come from the Customer and have legal meaning if they are received by the Contractor from the same email address, from which the Contract signed by the Customer or the Contractor's Offer confirmed by the Customer was received.

13.4. The Parties may appoint and notify each other in writing a List of Persons responsible for the execution of the Contract and authorized to enter into contact regarding the execution by the Parties of the Contract.

13.5. Each Party shall notify the other Party immediately in writing:

13.5.1. of making a decision on liquidation;

13.5.2. of making decisions related to reorganization (split-up, spin-out, merger, take-over) or transformation;

13.5.3. of any fact of filing a bankruptcy petition;

13.5.4. of changing domicile;

13.5.5. of changing the address (location);

13.5.6. of changing e-mail;

13.5.7. of changing Bank details for the purposes of settlements under the Contract;

13.5.8. of changing the persons who are entitled without a power of attorney to act on behalf of a Party and bind it;

13.5.9. of any other important circumstance that is relevant for the purposes of concluding, executing, terminating the Contract;

13.6. Each of the Parties bears all risks and adverse consequences associated with non-performance of the obligations specified in clause 13.5 of the General Terms and Conditions.