
General conditions pertaining to repair work and conversion, including hard standing and bringing into dock (docking) as well as new installations and repair work on ships, barges, boats etc., applicable for the shipyard.**1. Application and definition**

1.1 Unless otherwise agreed in writing, these provisions apply in their entirety, and are included as an integrated element in agreements – apart from new construction contracts – which the shipyard enters into with a party placing an order (hereinafter the orderer) for work on and supply to the vessel included in the agreement or parts of a vessel (hereinafter referred to as the ship) irrespective of vessel type.

1.2 The conditions apply accordingly to all forms of repair, maintenance, installation as well as conversion on inspection, guarantee inspection and guarantee work (also for new constructions at the shipyard) as well as deliveries and services, including hard standing, shifting and laying up.

1.3 Besides the owner of the ship, the orderer may be the designated ship owner or the captain of the ship, or a person or a company representing one of these. By virtue of his/her position an inspector shall be deemed to be authorised to make arrangements with the shipyard on alterations and additional work on behalf of the orderer, unless otherwise agreed in writing.

2. Commencement of work

2.1 Work shall be carried out in the order that has been agreed upon, provided that the ship arrives at the shipyard at the agreed time and in the agreed condition.

2.2 In cases of breakdown or other work of an urgent nature, the shipyard shall be entitled to carry out the work in an order other than that which has been agreed.

2.3 In connection with the agreement on work, the shipyard must be informed as to whether there are irregularities with the bottom of the ship or anything else that is of significance to the shipyard, including, for example, conditions relating to deadrise.

2.4 On arrival, every ship must be free from gas and explosive materials. If it is not possible to fulfil this requirement, the shipyard must be informed, after which it shall steam out the tanks and carry out gas tests etc. at the customer's expense.

3. Regulations regarding safety and order

3.1 While staying at the shipyard, the captain of the ship and the ship's crew shall comply with the instructions outlined by the shipyard when using the ship. Good order must be maintained at the shipyard, and the ship's crew and its captain shall be obliged to follow the instructions laid down by the shipyard within the area of the shipyard. Oil must not be discharged while at the shipyard, and none of the ship's outlets may be used.

4. Stipulations regarding stay at the shipyard

4.1 All work that needs to be carried out on the ship shall be carried out by the shipyard or subcontractors and suppliers approved by the shipyard. However, the ship's crew shall be entitled to carry out work in-board and on the outside of the ship down to the load waterline.

4.2 Shifting shall be carried out by the ship's crew. If assistance from a tug boat is required, it shall be paid as per account rendered.

4.3 Likewise, arrangements made due to winter weather shall also be paid as per account rendered.

5. Extent and performance of work

5.1 Work shall only include elements of work that have been explicitly agreed. An order shall not be binding for the shipyard until the shipyard has confirmed it without being subject to sale. This also applies to alterations and supplementary work.

5.2 If it has been agreed that the work shall comply with laws and regulations stipulated by public authorities or classification

societies, the delivery time and price only apply for the requirements stated on the order confirmation. If the requirements are subsequently altered, the orderer shall accept such reasonable alterations to delivery time and price which the shipyard demands on that occasion.

5.3 It is incumbent on the orderer to make applications to and obtain any required authorisation from relevant public authorities or classification societies for the constructions and works which may be covered by requirements outlined by such public authorities and classification societies, and to inform the shipyard of this. The orderer shall bear all expenses for such classification societies and authorities.

6. Old materials

6.1 Old materials that are replaced with new materials (however excluding heavy machine parts, propellers, propeller shafts and the like) as well as new surplus material shall go to the shipyard free of charge unless otherwise agreed.

6.2 Materials and equipment which belong to the orderer shall at the time when the ship is delivered to the orderer on his/her initiative and at his/her expense be removed from the shipyard area. If these effects are not removed at the latest 30 days after delivery of the ship, the orderer shall be deemed to have abandoned these effects, and from then on they shall belong to the shipyard without payment unless otherwise agreed in writing.

7. Price

7.1 If a fixed price has not been agreed for the work, this shall be paid as services on a time and materials basis in accordance with shipyard practices.

If a price has been agreed for a specified job, work which has not been included in the specification shall be calculated on a time and materials basis in accordance with standard shipyard regulations, unless otherwise agreed. If the agreed alterations involve a reduction in the specified work, the orderer shall be credited a corresponding part of the agreed price.

The shipyard's disbursement to subcontractors will be charged with the addition of 10% of the net invoice amount, unless the order has been included at an agreed price for the work.

The orderer shall compensate the shipyard for extra costs that have been incurred due to delays on the part of the orderer, people working for the orderer or the suppliers.

8. Liability for damage caused by the orderer**8.1 Insurance**

The orderer shall keep the ship (the object) properly insured and have both hull insurance and liability insurance while it is at the shipyard. The shipyard shall not take out any insurance for the ship, the ship's crew, cargo or equipment on board or for other objects which the orderer owns or has at his/her disposal, unless this has been explicitly requested in writing and at his/her expense. However, when circumstances dictate the shipyard reserves the right to take out a supplementary insurance covering any liability it may have for damage to cargo on board on the account of the orderer and in accordance with prior agreement with the orderer.

9. Delivery time and delay

9.1 Unless otherwise agreed, work shall be carried out during the normal working hours at the shipyard without overtime and as quickly as possible, taking into consideration other obligations that the shipyard has taken on at the time of entering into the contract.

9.2 If a specific delivery time has been agreed, it shall be applicable from the day

9.2.1 the parties have reached an agreement on the extent and the implementation of the work,

9.2.2 the orderer has made the ship available at the location and in the condition that has been agreed between the parties.

9.2.3 has also complied with all other arrangements agreed between the parties and

9.2.4 has made any advance payments that have been agreed or, if a collateral has been agreed, provided this collateral. An agreed delivery day shall be deferred corresponding to the number of days which are used until the above-mentioned conditions have been fulfilled.

9.3 If while the work is in process the parties agree on changes or supplementary work, or if the orderer fails to fulfil his/her obligations, the delivery time shall be extended. The day of delivery shall be deferred respectively by a period of time that is equivalent to the deferred period.

9.4 The agreed delivery time or delivery day shall apply with standard reservations for events outside the control of the shipyard, such as, but not confined to war, war-like events, insurrection, civil unrest, legal and illegal strikes, lockouts, sabotage, fires, natural disasters, delayed supply of parts, materials and ancillary materials and services from subcontractors, transport delays, failure in energy supply, demands made by the classification society and the authorities, accidental damage to the ship as well as parts and materials for this prior to delivery, lack of manpower at the shipyard or at its subcontractors, as well as delay or obstructions to delivery as a result of defective casting, scrapping materials, defective workmanship, operational disturbances, fire or other causes which the shipyard could not remedy by using reasonable means. In such cases the shipyard may demand that the delivery day is deferred for an equal number of working days equivalent to the number of days delayed as a result of the situation that arose.

9.5 Under all circumstances the shipyard shall only be liable to pay compensation in connection with delay in completion of work it has been ordered to do, irrespective of whether or not an agreement has been made for a specific delivery time, if the delay is considerable and if the orderer proves that this is due to an error or neglect on the part of the shipyard or its staff, and the shipyard shall moreover under no circumstances be liable to pay damages for consequential loss, loss of time, loss of profit, or other indirect losses which are suffered by the orderer as a result of delay, including delay due to remedying inadequate work.

9.6 In addition to the above-mentioned provisions it is agreed explicitly that the shipyard's liability for the consequences of a delay and any loss for the orderer as a result of this shall be restricted to the payment of a fine which is fixed with regard to the duration of the delay and usual payment for being at the shipyard or (in accordance with the choice of the shipyard) with regard to the size of the contract sum, but, which under no circumstance may exceed 5 % of the size of the contract sum.

9.7 When the shipyard believes that the work is finalised in the condition required by the contract, the orderer shall be informed of this and the shipyard may demand a fixed time for an evaluation of the repair work by both parties. Notice shall be given by the shipyard giving reasonable warning, and the orderer shall be obliged to attend the meeting.

9.8 The orderer shall be obliged to accept the repair work and have the ship delivered immediately after the delivery meeting mentioned, unless the orderer can point out and specify material defects in the repair work. If material defects are present, the orderer shall be obliged to accept repair work and have the ship delivered once satisfactory remedy to any defects has been made.

10. Extent of liability

10.1 The shipyard shall only be liable for damages if it can be proved that the damage is due to error or neglect on the part of the shipyard. For example, it is emphasized that the shipyard is exempt from liability in cases of damage caused by the presence of cargo on board the ship, theft, vandalism, fire, overturning and other damage due to handling, including towing.

10.2 Where the shipyard is liable to pay damages, no compensation for any kind of indirect loss shall be paid. This includes losses in profit, loss of time and the like.

10.3 The shipyard's liability to pay damages shall be limited to and can under no circumstances exceed DKK 15,000,000, write fifteen million Danish kroner for any single claim. A number of claims that can be referred back to the same incident shall be considered in this context to be a single damaging event.

10.4 The ship and the policy holder shall be liable to pay damages for claims for third party injury or third party property which arises while the ship is outside the area of the shipyard. This means that damage during a trial sail, shifting or while the ship is at sea is of no concern to the shipyard, and the policy holder shall be obliged to keep the shipyard indemnified should a claim for compensation arise from a third party.

10.5 Where the shipyard under the terms of these provisions is either exempt from liability or is only liable to pay limited compensation, the ship, the policy holder and others who have rights to the ship shall renounce any demands relating to claim for damages to the shipyard or others and shall be obliged to indemnify the shipyard and others if a claim for compensation should be made against them by a third party.

10.6 The shipyard shall be exempt from liability for damage and delays that come about in connection with force majeure, including war, strikes and similar events which are beyond the control of the shipyard.

11. Complaints

11.1 The shipyard undertakes to remedy faults due to wrong or defective material constructions or the like if a complaint has been filed, see the Danish Sale of Goods Act under complaint regulations. Remedying must be carried out by no other than the shipyard, unless it has been agreed in writing. In such a case, the shipyard's liability for defects shall be limited to the amount the remedy work would have cost at its own shipyard.

11.2 Complaints about work or accounts must be made no later than 30 days after the invoice date. In addition to this the regulations on complaints of the Danish Sale of Goods Act apply, however the deadline for complaint is fixed at 3 months in respect of hidden faults or defects.

12. Payment

12.1 The ship and the policy holder shall be liable for the shipyard's invoice.

13. Quotations

13.1 Quotations are submitted subject to increases in agreed wages, price increases of materials, driving and commodities as well as other increases in cost which are imposed upon the offeror through statutory insurance premiums, general provisions on agreement or public orders, all plus administration fees.

14. Right to retention

The shipyard has right of retention of ships and accessories for its unpaid receivables. If retention of the ship has been more than three months from the day on which payment should have been made, and legal proceedings contesting the shipyard's demand have not been initiated, the shipyard shall, by giving suitable notice in writing to the ship's owner and others holding rights to the ship known to the shipyard, have the right to arrange that it be sold off in a normal safe way.

15. Venue

It is agreed that the venue shall be subject to the Danish rules of law at the Maritime and Commercial Court in Copenhagen, unless the shipyard notifies in writing that it prefers its local venue.