

## GENERAL TERMS AND CONDITIONS FOR CONTRACTOR PROVISION OF GOODS AND/OR SERVICES

### 1. Definitions

1.1 **“Agreement”** means the contract between Gearbulk and the Contractor constituted by Gearbulk’s Purchase Order (and any other documentation containing contractual terms issued by Gearbulk in connection therewith), together with the General Conditions.

1.2 **“Contractor”** means the entity executing the Purchase Order as supplier or contractor with Gearbulk or its successor(s) in title.

1.3 **“Contractor Group”** means the Contractor, its affiliates participating in the delivery or performance of Goods and/or Services and Subcontractors, and their contractor and subcontractors, and the respective officers, directors, employees, agents, invitees and representatives of the aforementioned companies.

1.4 **“Force Majeure”** means any occurrence which is beyond the control and without the fault or negligence of any party and which by the exercise of reasonable diligence said party is unable to avoid, predict or prevent.

1.5 **“Gearbulk”** means Gearbulk Pool Limited or its successor(s) in title.

1.6 **“Gearbulk Group”** means Gearbulk, its affiliates who are recipients of the Goods and/or Services or part thereof, its or their respective officers, directors, employees, agents and representatives.

1.7 **“General Conditions”** means this private instrument of general terms and conditions applicable to all Purchase Orders executed by Gearbulk and the Contractor to regulate the Contractors’ provision of goods and/or services.

1.8 **“Goods and/or Services”** means all goods to be supplied or procured and/or all work and services to be performed or caused to be performed by Contractor in accordance with the Agreement between Gearbulk and the Contractor.

1.9 **“Price”** means the total compensation due to the Contractor.

1.10 **“Purchase Order”** means a purchase order form or other contract document duly executed by Gearbulk and the Contractor for delivery or performance of the Goods and/or Services.

1.11 **“Site”** means the work site nominated from time to time by Gearbulk such as a shore base, quayside or on-board a certain ship.

1.12 **“Subcontractor”** means any person (excluding employees of Contractor and including agency staff), firm, corporation or any other entity except Gearbulk who has entered into an agreement with the Contractor or its subcontractors for the supply of part or all of the Goods or performance of part or all of the Services.

1.13 **“Third Party”** means any other person than Gearbulk Group or the Contractor Group.

### 2. Entire Agreement

2.1 These General Conditions, the Agreement and any schedules, plans or documents attached or referred to in it constitute the entire contract between Gearbulk and the Contractor and shall supersede any other terms and conditions referred to, offered or

relied on by the Contractor whether in negotiations or at any stage in the dealings between Gearbulk and the Contractor with reference to the Goods and/or Services to which the Agreement relates. No other terms and conditions including those on any quotation or price list supplied by the Contractor shall apply unless specifically stated in the Agreement. In the event of any conflict between the provisions of the Agreement and the General Terms, the Agreement shall prevail.

2.2 Without prejudice to the generality of Clause 2.1, Gearbulk will not be bound by any other terms, (whether bespoke or standard) furnished by the Contractor in any of its documents unless the Contractor specifically proposes in writing separately from such terms that such terms shall apply and Gearbulk thereafter accepts such proposal in writing.

### 3. Performance of the Services and Quality of the Goods and/or Services

3.1 The Contractor shall provide all Goods and/or Services hereunder in a prompt, diligent, skilful and workmanlike manner in accordance with the Agreement, observing any specifications and any other requirements as Gearbulk shall furnish to the Contractor to detail the Goods and/or Services to be performed. The Contractor shall provide all necessary supporting materials and tools including work clothes and safety devices.

3.2 The Contractor shall ensure that its materials, facilities, Goods and/or Services, and equipment that it uses for the provision of Goods and/or Services shall be fit for their intended purpose and be of good quality and workmanship throughout the term of this Agreement. The Contractor shall also provide all Goods and/or Services under management supervision, personnel and labour, materials and equipment (except as provided by Gearbulk as expressly required by the Agreement), consumables, open areas, facilities, storage areas and all other things necessary to perform/provide the Goods and/or perform the Services whether of a temporary or permanent nature, as required by the Agreement.

3.3 The Contractor shall provide the Goods and/or perform the Services in accordance with any reasonable instructions of Gearbulk so that any applicable certificates of compliance or design approval from a certifying agency and/or all necessary drawings and approvals from the authorities can be obtained in due course.

3.4 Contractor shall immediately inspect all materials and equipment furnished by Gearbulk and/or its other contractors before using same. Contractor shall take good care of the all Gearbulk provided items and materials and shall ensure that they are kept in good order and condition. Upon termination of the Agreement, the Contractor shall return all relevant materials and equipment furnished by Gearbulk and its or other contractors in the same condition, normal wear and tear excepted.

3.5 Delivery of the Goods and/or Services is deemed to be completed only when the Goods and/or Services are delivered in their entirety in accordance with the Agreement as evidenced by the Company’s signature on a delivery protocol or completion certificate.

3.6 Any Goods and/or Services shall be supplied and tendered for delivery under the Agreement in strict compliance with the Contractor’s and/or

manufacturer’s specifications, drawings and other technical reference data but subject always to any express specifications or modifications specified in the Agreement. Such Goods and/or Services shall in all circumstances be of satisfactory quality, free from defects and discrepancies in materials or workmanship and reasonably fit for all purposes for which Goods and/or Services of such type are customarily purchased or used. If Gearbulk makes known to the Contractor expressly or by implication any further purpose for which the Goods and/or Services are required, the Goods and/or Services supplied shall also be fit for that purpose.

3.7 Where requested by Gearbulk, and in the event of such request not later than the date of delivery of any Goods and/or Services (or such earlier date as may be agreed), the Contractor shall furnish to Gearbulk “as built” plans and drawings, schematic diagrams, installation instructions, operating manuals and such other documentation concerning the installation, operation and maintenance of the Goods and/or Services as is indicated in the Agreement or, where the same is not so indicated, as is customarily supplied under shipping Goods and/or Services purchase agreements. Receipt by Gearbulk of the aforesaid plans and drawings etc shall be considered as an essential element of delivery of the Goods and/or Services and all references in the General Conditions to “delivery of Goods and/or Services” shall include delivery of the aforesaid plans and drawings etc relating to the same.

3.8 The Contractor shall maintain a stock of any spare parts subject to quick wear and tear.

3.9 Gearbulk shall be entitled to full credit for any such Goods of which Gearbulk accepts delivery but does not use, insofar as such delivered Goods are returned in their original, non-damaged packaging within twelve (12) months of delivery.

3.10 Gearbulk and its clients shall have the right of verifying that all production and supply methods are in accordance with the quality accreditation requirements set out in the Agreement.

3.11 The Contractor acknowledges that all certificates, including approval, class and test certificates, are an integral part of the Goods and/or Services and shall be considered part of the Price.

3.12 If any of the Goods and/or Services, or the packages containing the same do not materially or substantially comply with any term of the Agreement, including quantity, quality, fitness for purpose or description, Gearbulk may reject those Goods and/or Services or any part of them at any time after delivery and before signing the final delivery protocol or completion certificate as per Clause 3.5. Nevertheless, Contractor remains liable if such defects are detected after delivery and signature of the final delivery protocol or completion certificate, pursuant to provisions of the section 19 of these General Conditions.

3.13 The Goods and/or Services shall be delivered DDP (Incoterms 2010) to the destination specified in the Agreement. Other terms of delivery shall be as set forth in writing by the parties.

#### **4. Variations**

4.1 Any variation to the Goods and/or Services shall be authorized in advance in writing by Gearbulk. Prior to instructing or authorising any variation, Gearbulk may reasonably require the Contractor to submit such detailed estimates relating to the proposed variation in Goods and/or Services.

4.2 If the Contractor intends to claim any adjustment to the Price or any adjustment additional to the prices or new time schedules previously determined by Gearbulk, the Contractor shall first obtain Gearbulk's prior written approval. If Contractor has not presented a variation order request without undue delay after Gearbulk has requested such work to be performed, then he loses the right to claim that the work is a variation to the original Goods and/or Services agreed and no adjustment shall be made to Price or delivery time.

#### **5. Price, Invoicing and Payment**

5.1 Gearbulk shall pay the Contractor the Price in consideration of and as full compensation for performance by the Contractor of all its obligations under this Agreement. The Price shall be fixed and unless otherwise specified shall include, but not be limited to, all costs and expenses incurred by the Contractor providing/performing all Goods and/or Services, and complying with the obligations set out in the Agreement.

5.2 Within forty five (45) days after completion of the Contractor's obligations under the Agreement, the Contractor shall issue its final invoice. Claims not included in the final invoice cannot be submitted later by Contractor.

5.3 Invoices in English shall be despatched by Contractor to Gearbulk, showing the Price and Goods and/or Services provided/performed indicating discount applied and addressed as follows:

##### Purchase Orders of Gearbulk Norway AS:

Gearbulk Norway AS  
Damsgaardvegen 165  
5160 Laksevåg  
Norway

##### Purchase Orders of other Gearbulk companies:

Gearbulk Pool Limited  
19<sup>th</sup> Floor Times Plaza Building  
UN Ave. corner Taft Ave  
Ermita, Manila  
Philippines

5.4 Payment shall be made within current month plus sixty (60) days of receipt of the invoice and all necessary documentation for acceptance. Where Gearbulk disputes the invoice or requires additional supporting documentation, Gearbulk shall notify Contractor within thirty (30) days, specifying the dispute and requesting the Contractor to issue a credit note for the unaccepted charge or whole of the invoice as applicable. Gearbulk need to pay only the undisputed part of a disputed invoice. If Contractor disagrees with Gearbulk's decision regarding the disputed item, Contractor shall inform Gearbulk accordingly within thirty (30) days after receipt of Gearbulk's statement. Otherwise, Gearbulk's decision shall be considered as final and agreed to by the Contractor.

#### **6. Taxes**

6.1 The Contractor shall report, settle and pay, hold harmless and indemnify Gearbulk Group against, as the case may be, all taxes and other governmental charges that are levied upon the payments made by Gearbulk to the Contractor, including but not limited to wages, salaries and the Price.

#### **7. Independent Subcontractors**

7.1 The Contractor shall be an independent Contractor and shall have no authority to represent or bind Gearbulk in any way. The Contractor and the employees of the Contractor are not employees, subcontractors or agents of Gearbulk. The Contractor's use of Subcontractors shall not relieve the Contractor from any liability or obligation under this Agreement. The Contractor shall ensure and secure that its obligations under this Agreement apply to and are adhered to by its Subcontractors with at least the same force as such obligations apply to the Contractor. The Contractor shall remain fully liable for any claims Gearbulk may have or acquire against the Contractor's Subcontractors pertaining to the Goods and/or Services and the Contractor shall indemnify and hold harmless Gearbulk for any claims the Contractor's Subcontractors may have or acquire for which Gearbulk would not be liable to Contractor under this Agreement.

#### **8. Health, Safety and Environmental Requirements**

8.1 The Contractor is responsible for the safe supply and performance of the Goods and/or Services, and shall take all measures reasonably necessary or proper to provide safe working conditions and shall give the highest priority to safety to avoid injury to any person and/or damage to any property and the environment. On-board a vessel the Contractor shall comply with any applicable health, safety and environmental legislation and the health, safety and environmental policies, procedures and standards of Gearbulk as may be varied or supplemented from time to time. All costs incurred in complying with this Article shall be for the sole account of the Contractor.

#### **9. Personnel**

9.1 All employees of the Contractor shall be competent to perform the tasks required by the Goods and/or Services. Any employee of the Contractor on-board a Gearbulk vessel deemed by Gearbulk to be objectionable or unqualified shall be removed by the Contractor immediately upon Gearbulk's request and shall be promptly replaced by the Contractor upon Gearbulk's request at no extra cost to Gearbulk.

#### **10. Inspection and control**

10.1 Contractor shall promptly perform all tests and inspections necessary for the Goods and/or Services and shall supply Gearbulk with certified copies of all test records and inspection reports as they become available. Gearbulk may designate representatives who shall have access to the Goods and/or Services. Gearbulk may inspect, test and examine all things provided by the Contractor including, but not limited to, materials and equipment, and all documentation related thereto.

#### **11. Submission of data relating to the performance of the Goods and/or Services**

11.1 The Contractor shall promptly inform Gearbulk of any discrepancies revealed or caused by the Contractor's provision of the Goods and/or performance of the Services. Such discrepancies shall include, but not be limited to, a lack of compliance with existing laws, regulations, codes, standards and Gearbulk's specifications, procedures and policies. The Contractor shall notify Gearbulk promptly whenever incidents occur which might affect Gearbulk.

11.2 The Contractor shall, at Gearbulk's request, furnish Gearbulk with a complete list of major items furnished under this Agreement, including but limited to (when appropriate) model numbers, capacity and rating, serial numbers, vendor or/design data and all other relevant technical information.

11.3 Gearbulk shall have the right of verifying that all production and supply methods are in accordance with the quality accreditation requirements set out in the Purchase Order.

#### **12. Records and audits**

12.1 Gearbulk shall have access at all reasonable times to all personnel, books, records (including data stored on computers), correspondence, instructions, plans, drawings, receipts, vouchers and memoranda of the Contractor pertaining to the Goods and/or Services for any all payments for reimbursable work. Gearbulk may reproduce and retain copies of any of the aforesaid documents.

12.2 The above audit rights shall continue for a period of three (3) years after the date of the relevant invoice and the Contractor shall preserve all documents for the same said period.

12.3 Any amount by which the total payment by Gearbulk to the Contractor exceeds the amount due to the Contractor, as shown by the audit, shall be returned to Gearbulk. If the Contractor disagrees with the results of the audit, the Contractor may have an independent audit conducted, at its own expense, by a third party acceptable to Gearbulk and in accordance with auditing principles acceptable to Gearbulk, such acceptance not to be unreasonably withheld. The findings of such independent audit shall be binding on both Parties.

#### **13. Supplier Code of Conduct**

13.1 Gearbulk is committed to sustainable development and responsible business practice to ensure alignment across the supply chain expects Contractor to adopt similar business practices. These are incorporated in the "Gearbulk Supplier Code of Conduct" is part of the Agreement. Attention is specifically drawn to the Gearbulk requirement that the Contractor will not engage in any form of bribery or corruption. This encompasses the denial of payments, in any form, which can be construed as bribes or inducements outside the normal business relationship. "Gearbulk's Anti Bribery and Corruption Policy" is available on the Gearbulk website.

13.2 Gearbulk reserves the right to perform due diligence checks and/or audits of the Contractor towards requirements in this clause, either directly or via a specialist risk assessment company, prior to appointment of the Contractor and periodically

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thereafter. The Contractor will assist fully with Gearbulk in this process.

13.3 Should the Contractor fail to comply with Gearbulk's principles for "Supplier Code of Conduct", Gearbulk has the right to terminate this Agreement and will not be responsible for any cost or indemnification whatsoever.

### 14. Confidentiality

14.1 Contractor shall unless otherwise required by law, keep secret and confidential all information acquired or developed in the course of providing and/or performing the Goods and/or Services. The Contractor shall also ensure that its employees, agents and Subcontractors keep secret and confidential all such information acquired or developed in the course of providing/performing the Goods and/or Services.

### 15. Assignment and set off

15.1 The Contractor shall not assign its rights, obligations or claims under this Agreement to third parties, including but not limited to Subcontractors, except with the written consent of Gearbulk.

15.2 Gearbulk may set off against any money it owes to the Contractor any money which the Contractor owes or will owe to Gearbulk Group, whether in debt or in damages and whether or not due. The Contractor shall not set off except with the written consent of Gearbulk.

15.3 Gearbulk may assign or novate its rights and obligations under the Agreement to another member of the Gearbulk Group, and to a third party, provided that Gearbulk can demonstrate that the third party has the financial strength required to fulfil Gearbulk's obligations under the Agreement.

### 16. Patents and proprietary rights

16.1 The Contractor shall indemnify and hold harmless Gearbulk Group from and against all claims, proceedings, demands, costs and expenses of whatever nature that may arise or accrue by reason of the infringement or alleged infringement by the Contractor of any patent or other proprietary right in the world during or in connection with the provision/performance of the Goods and/or Services, except where such infringement or alleged infringement has arisen or accrued at Gearbulk's written request. However, the Contractor shall use best efforts to identify and notify Gearbulk immediately of any possible infringement in any written request by Gearbulk.

### 17. Compliance with legislation

17.1 Contractor shall perform this Agreement in compliance with all applicable legislation, rules and regulations. The Contractor shall comply with the conditions of any permits, licenses and clearances relating to the Goods and/or Services whether held by the Contractor or Gearbulk. The Contractor shall comply with all applicable immigration laws and possess of all required work permits.

17.2 The Contractor shall indemnify and hold harmless Gearbulk Group from all claims, fines, penalties and expenses associated therewith arising out of or resulting from violation by the Contractor of the aforementioned legislation, rules and regulations

and the conditions of any permits, licenses and clearances.

### 18. Insurance

18.1 The Contractor shall, at its own cost, maintain in full force and effect throughout the duration of this Agreement whatever insurances which would be reasonable and expected in connection with the provision of Goods and/or Services, which shall, in any case, be not less than that required by any applicable laws or legislation. Where applicable this shall include at least the Workers' Compensation Insurance as required by law and general public liability insurance for death, personal injury and property damage to an amount of not less than US \$2,000,000.00 for any one occurrence.

18.2 The Contractor shall ensure, to the maximum extent permissible by law, that its insurers waive all rights of recourse, including rights of subrogation, against Gearbulk Group and that Gearbulk is included as co-assureds.

18.3 The Contractor shall furnish promptly to Gearbulk upon request reasonable evidence of the insurance coverage set out herein. The Contractor shall also procure an endorsement on all such policies of insurance to the effect that no policy shall be cancelled nor shall any material change be made thereto until expiry of thirty (30) days prior written notice of such cancellation or change given to Gearbulk by the relevant insurer.

### 19. Deficiencies

19.1 The Contractor warrants that all materials and equipment incorporated into or supplied otherwise to Gearbulk as part of the Goods and/or Services is of good quality and standards and free from errors, defects and failures in design, materials and workmanship and conform to the agreed specifications at all times for a guarantee period of twenty four (24) months after the delivery or completion of part or parts of the Goods and/or Services affected. Such twenty four (24) month guarantee period shall apply also from satisfactory completion of any such corrective measures.

19.2 The Contractor shall perform within three (3) days upon written request of Gearbulk all corrective measures which are necessary to conform to the foregoing guarantee.

19.3 The Contractor shall indemnify and hold harmless Gearbulk Group from all claims, fines, penalties and expenses associated therewith arising out of or resulting from any deficiency of materials and/or equipment incorporated into or supplied otherwise to Gearbulk as part of the Goods and/or Services.

19.4 The Contractor shall waive and cause no claim, encumbrance, lien or charge to attach on the Goods and/or Services or any property of Gearbulk Group in connection with this Agreement, including specifically the waiver of any maritime lien and arrest over vessels owned or operated by the Gearbulk Group.

19.5 The Contractor shall indemnify and hold harmless Gearbulk Group from and against all liens, attachments, charges or other encumbrances caused or committed by the Contractor Group, its employees, agents or Subcontractors in connection with this Agreement and all costs damages and

expenses incidental thereto, including without limitation all court and arbitration costs, legal fees and other reasonable expenses.

19.6 Gearbulk may retain out of any payment to be made to the Contractor under this Agreement an amount sufficient to offset such liens, claims, fines, penalties, charges and expenses which Contractor fails to discharge promptly, until such lien, claim fines, penalties, charges and expenses is proven to be invalid by final decision by relevant authority or is satisfied, discharged or settled by the Contractor.

### 20. Force Majeure

20.1 Neither Party shall be responsible for any failure to fulfil any term or condition of the Agreement to the extent that the fulfilment has been delayed or rendered impossible by a Force Majeure Occurrence. If either Party is affected by a Force Majeure Occurrence, relief shall be given only if that Party gives written notice of the same to the other Party immediately after the commencement of the event or circumstances giving rise to the claim.

20.2 As soon as reasonably possible but in any event within ten (10) days of the occurrence of the event or circumstances giving rise to the Force Majeure claim there shall be supplied by the Party seeking relief a detailed report of the place of (and reasons for) the claimed Force Majeure Occurrence and such further information and explanation relating to such event and its consequences including any reports the other party may reasonably require.

20.3 If the affected Party cannot fulfil its Obligations for a continuous period of fifteen (15) days due to Force Majeure. The other Party may terminate the Agreement under Clause 26 of this General Conditions.

### 21. Liabilities and indemnities

21.1 Employees and Subcontractors of the Contractor Group shall work for its account and risk at all locations and the Contractor shall indemnify and hold harmless Gearbulk Group for any claims for loss howsoever resulting from any injury or death of the Contractor Group's employees, unless if caused by proven gross negligence or fault by Gearbulk. Likewise, property belonging to the Contractor Group is for its account and risk at all locations and the Contractor shall indemnify and hold harmless Gearbulk Group for any claims for loss howsoever resulting from any damage or loss of the Contractor Group unless if caused by proven gross negligence or fault by Gearbulk.

21.2 Employees of Gearbulk Group shall work for its account and risk at all locations and Gearbulk shall indemnify and hold harmless the Contractor Group for any claims for loss howsoever resulting from any injury or death of Gearbulk Group's employees, unless if caused by any deficiency of the Good and/or Services provided under the Agreement. Likewise, property belonging to Gearbulk Group is for its account and risk at all locations and Gearbulk shall indemnify and hold harmless the Contractor Group for any claims for loss howsoever resulting from any damage or loss of Gearbulk Group unless if caused by any deficiency of the Good and/or Services provided under the Agreement.

21.3 The Contractor shall defend, indemnify and hold harmless Gearbulk Group against all claims made in respect of any injury or death caused to or suffered

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by any Third Party and in respect of loss of, damage to or loss of use of any property of Third Party as a result of the Agreement and against all costs incurred in connection with such claims, unless if caused by proven gross negligence or fault by Gearbulk.

21.4 For the purposes of this Article, Gearbulk's vessels or vessel on charter to Gearbulk may be placed at the service of Gearbulk and/or the Contractor or otherwise used for the supply of material or equipment in connection with the Agreement. In such event the Contractor shall waive all rights of recourse against the owners or operators of said vessels. The Contractor shall indemnify and hold harmless Gearbulk and the owners or operators of said vessels regarding any loss or damage to property provided by the Contractor and regardless of any negligence by said indemnified parties and against all costs of any kind incurred in connection with such claims.

### 22. Delay in performing the Agreement

22.1 Time is of the essence of the Agreement. Should the rate of progress of delivery or performance of the Goods and/or Services, or any part thereof, at any time (in comparison to the rate equal to the industry's best practise for Goods and/or Services of a similar nature) be too slow to ensure that the Goods and/or Services are completed on the scheduled completion date, or where no completion date is agreed within a reasonable time, Gearbulk may so notify the Contractor who shall thereupon take such steps as are reasonably required by Gearbulk and/or otherwise necessary to expedite the progress accordingly.

22.2 Irrespective of the above, if Contractor should have cause to believe that the delivery of the Goods or Services may be delayed, he shall promptly notify Gearbulk accordingly, and without undue delay furnish to Gearbulk a report in writing describing the reason for delay, estimating the time of delay and propose measures to avoid, recover or limit the delay. If the measures proposed or implemented by Contractor are insufficient to avoid or recover the delay, then Gearbulk may require Contractor to take such other reasonably measures as Gearbulk considers necessary.

22.3 In any event, if the Contractor does not deliver the Goods and/or Services or any part thereof or supply the Goods and/or Services within the agreed time of delivery, Gearbulk may discretionarily either (i) terminate the Agreement under clause 26; or (ii) purchase other Goods and/or Services and/or procure Goods and/or Services of the same or similar description to make good the default, and recover from the Contractor the additional cost of so doing; and (iii) claim as compensation for damages resulting from delay for each day 0.2% of the Price, up to a maximum amount of 5% of the Price, without prejudice to any other contractual remedy.

22.4 The aforementioned liquidated damages are agreed to represent a fair, reasonable and appropriate estimate of the actual damages that Gearbulk will incur and are not intended as a penalty.

### 23. Unsatisfactory performance

23.1 In the event of any failure on the part of the Contractor to perform any part of the provision of Goods and/or Services in accordance with the Agreement, Gearbulk may suspend the performance of any or all parts of the Goods and/or Services and/or give notice of default to the Contractor stating

details of such failure and to require the Contractor to remedy, at no cost to Gearbulk, any such failure in performance, including re-performance of any part of the Goods and/or Services in order to conform with the requirements of the Agreement and all within the period of time specified by Gearbulk taking into account the nature and severity of the default.

23.2 Contractor shall, at no cost to Gearbulk, perform such further inspection or tests on other parts of the Goods and/or Services which Gearbulk may reasonably require in order to ensure that there are no similar parts of the Goods and/or Services that fail to conform to the requirements of this Agreement.

23.3 If the Contractor, after issue of such notice, does not immediately and continuously proceed with action satisfactorily to Gearbulk to remedy such failure, Gearbulk may engage another contractor or undertake the Contractor's responsibilities for such corrective measures and any costs for employing such contractor or carrying out such responsibilities to remedy such failure shall be paid to Gearbulk by the Contractor; or (ii) suspend or terminate the Agreement pursuant to clauses 24 and 26; respectively, in whole or in part, if Gearbulk, under its sole discretion, decides that the corrective measures herein will be prejudicial to its interests. Gearbulk may also claim as compensation for damages resulting from the deficiency or failure for each day 0.5% of the Price, up to a maximum amount of 10% of the Price.

### 24. Suspension

24.1 Gearbulk may require the Contractor to suspend the provision/performance of the Goods and/or Services completely or partially. During the period of such suspension, the Contractor shall properly care for and protect all parts of Goods and/or Services in progress and materials, supplies and equipment the Contractor has on hand for performance of the suspended part of the Goods and/or Services and shall continue to perform all non-suspended parts of the Goods and/or Services.

### 25. Termination for convenience

25.1 Gearbulk may at any time and for any reason terminate this Agreement on thirty (30) days' notice to the Contractor. In the event of termination by Gearbulk, the Goods and/or Services shall be discontinued as provided in the termination notice and Gearbulk shall pay the Contractor for any Goods and/or Services delivered and/or performed. Contractor shall deliver copies of all plans, drawings, specifications and other documents which relates to the Goods and/or Services delivered and/or performed.

### 26. Termination for cause

26.1 Gearbulk is entitled to terminate the Agreement without notice as specifically set out herein and/or where the Contractor gives reasonable evidence that (i) it is providing and/or performing the Goods and/or Services so as to endanger the health of Gearbulk, or any of its employees or equipment and/or, in any other way; or (ii) it has been unable to provide/perform the Goods and/or Services in accordance with the Agreement.

26.2 On the occurrence of any of the above events, the Contractor's title to any of the provided materials, documentation, subcontracts and equipment used for or to be incorporated into the Goods and/or Services

shall be deemed to have passed to Gearbulk and any Gearbulk provided items to be returned.

26.3 In the event of such termination, Gearbulk may claim damages for defects according to applicable law and the Contractor shall be liable to Gearbulk for all costs, losses, damages or other expenses (including but not limited to any additional costs over and above the amount that would have been paid to the Contractor for employing another Contractor to perform the Goods and/or Services) incurred in connection therewith. Contractor's liability for such damages is limited to 100% of the Price.

### 27. Dispute resolution and governing law

27.1 Any dispute between the Parties shall be resolved as follows:

(i) Negotiation: the parties agree to negotiate in good faith to settle any matter or dispute between them. If the parties are unable to resolve the dispute, the Parties shall proceed as set forth below.

(ii) Mediation: any dispute or difference of opinion between the parties shall, in the first instance be referred to an independent mediator for its views, which shall not, however, be legally binding upon the parties. If the parties cannot resolve such dispute mediation, the dispute shall be sent to arbitration, as set out below. (iii) Arbitration: If any claim, difference or dispute between the parties hereto as to any matter arising out of this Agreement cannot be settled by the Parties themselves, the same shall be submitted to, and settled by a single arbitrator appointed by the Contractor and Gearbulk in accordance with the Norwegian Arbitration Act, as amended. If the Contractor and Gearbulk cannot agree upon the single appointment of an arbitrator, the matter shall be settled by three arbitrators, each party appointing one arbitrator and the two arbitrators appointing the third arbitrator who shall also act as chairman. If either of the appointed arbitrators refuses or is incapable of acting, the party who appointed that arbitrator shall appoint a new arbitrator. The reward made by the arbitrator or arbitrators shall be final and binding upon the parties hereto. The place of arbitration shall be Bergen, Norway. The proceedings shall be held in the English language and shall be kept strictly confidential.

27.2 The Parties hereto agree that the validity and interpretation of the Agreement shall be governed by the laws of Norway.

### 28. General Provisions

28.1 This Agreement shall not be modified except by written consent of both Parties. No failure of either Party to insist upon strict performance by the other party of any term or condition or right of this Agreement or the documents attached hereto shall not be deemed or be construed as a waiver.

28.2 Reference herein to time shall be local time. Reference to "days" shall unless specified otherwise be a reference to "calendar days". Reference to any particular statute or act of government shall mean and include any regulation issued pursuant thereto and any statutory replacement, modification and re-enactment thereof.