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GENERAL TERMS AND CONDITIONS OF SUBCONTRACT

1. APPLICABILITY

- 1.1. These General Terms and Conditions of Subcontract ("**General Terms and Conditions**") shall apply to any work performed for UAB „Garant Service“ (hereinafter – the Contractor) by the Subcontractor. By submitting an offer the Subcontractor agrees to be bound by these General Terms and Conditions.

2. SERVICES

- 2.1. The Subcontractor undertakes to properly, timely and correctly provide services in accordance with the Order and the appendices hereto (hereinafter – **the Services**).
- 2.2. The Subcontractor shall, in performing the Services, comply with all international laws, rules, regulations and laws in force in country, where the Services is provided, including but not limited to IMO, Flag Administration, Classification Societies, Original Equipment Manufacturer (OEM).
- 2.3. In each case, detailed scope of the Services, deadlines and other terms shall be agreed by the Parties in the Order. In case of discrepancies between General Terms and Conditions and the Order, the Order shall prevail.
- 2.4. The Subcontractor shall undertake be prepared and available for request and confirmation of the Services seven days per week and twenty-four hours per day (24/7).
- 2.5. The Order of the Services shall be consider as confirmed and become valid upon acceptance by the Subcontractor in writing. The following documents shall be attached to confirmation:
 - 2.5.1. Flag Administration;
 - 2.5.2. Classification societies;
 - 2.5.3. Original Equipment Manufacturer (if necessary);
 - 2.5.4. A copy of third-party liability insurance policy.
- 2.6. The Subcontractor shall provide all Services, materials, goods, spare parts, equipment and all other subjects, required for proper provision of the Services. The Subcontractor shall be responsible for the transporting, storing and protecting of all goods, materials, equipment and other subjects required for the Services.
- 2.7. The Subcontractor is not entitled to perform additional services, provide additional materials which were not agreed upon by the Parties, without prior written approval of the Contractor. The Subcontractor shall take all risks, responsibilities and costs, arising due to the failure to comply with obligation provided in this clause.
- 2.8. The Subcontractor undertakes to immediately notify the Contractor of any unfavorable events, factors or circumstances that may affect the capability of the Subcontractor to perform its obligations hereunder properly or in due time or of due quality or in compliance with other legal or safety requirements.
- 2.9. The Subcontractor shall not subcontract Services to third parties, without prior written approval by the Contractor. The Subcontractor shall in all cases remain liable for the proper performance of all of its obligations under the Agreement with respect to the scope of the Services, and for any acts and omissions of its personnel and Subcontractors.

- 2.10. Should the Contractor promote the Subcontractor to the client, the Subcontractor shall pay to the Contractor 7% commission from total amount of the project in case the client has subcontracted the services directly. The commissions are calculated and paid according to summarizing work results. Subcontractor prepares the report for the Contractor, with the invoice numbers/amounts where commission percent is indicated.

3. ACCEPTANCE OF THE SERVICES

- 3.1. The performance of the Services under the Agreement shall be confirmed by the master of the vessel signing Certificate of Acceptance without reservations. Certificate of acceptance shall be prepared by Contractor and submitted to the subcontractor. The Contractor shall confirm Certificate of Acceptance only after the master's signature and sealed with the vessel's seal.
- 3.2. The Subcontractor shall submit Certificate of Acceptance and documents indicated in the clause 3.3. of the Agreement not later than 3 (three) business days after completion of the Services.
- 3.3. The Subcontractor shall provide the Contractor the following documents confirming completion of the Services:
 - 3.3.1. Certificate of Acceptance according to the form, submitted by the Contractor;
 - 3.3.2. Service report of the performed inspections, replaced and/or installed goods, equipment, repair parts and materials;
 - 3.3.3. Photos and/or videos of the performed Services (upon the request of the Contractor);
 - 3.3.4. Other necessary documents.
- 3.4. If the Subcontractor fails to obtain the Certificate of Acceptance signed by the master of the vessel and the documents indicated in the clause 3.3. of the Agreement within the deadlines provided for in the Agreement, the Contractor may impose contractual penalties in the amount of 100 (one hundred euro) for each day of delay.
- 3.5. If the master of vessel refuses to accept the Services due to defects, including but not limited to certificates with remarks, the Subcontractor shall inform the Contractor immediately. After receiving the Contractor's approval, the Subcontractor shall eliminate such defects/remarks within a reasonable period indicated by the Contractor, without interrupting movement and operations of the vessel.
- 3.6. If the Subcontractor neglects or refuses to remedy defects for which it is responsible and/or provide warranty services, the Contractor may itself or at its own discretion engage third party to remedy such defects. In such a case the Subcontractor shall be liable for all expenses and losses incurred by the Contractor.

4. WARRANTY

- 4.1. The Subcontractor warrants the Services (work quality, quality of the Subcontractor's delivered and installed equipment, material, spare parts and ect).
- 4.2. Warranty period for Services are 6 (six) months after the issuance of Certificate of Acceptance. For all materials, equipment, spare parts submitted and/or installed by the Subcontractor, warranty period shall be applicable according to manufacturer's warranty, but in any case not less than 6 months.

5. PRICES AND PAYMENTS CONDITIONS

- 5.1. The Subcontractor shall provide an invoice within 3 (three) business days from the signing of the Certificate of Acceptance. Should the Subcontractor fails to comply with this obligation – the Contractor shall be entitled to demand from the Subcontractor the penalty in the amount of 0,02 % on the total order for each day of delay.
- 5.2. The Contractor shall pay for the Services based on the Subcontractor's invoice within 45 (forty five) calendar days after acceptance of the invoice.
- 5.3. Unless the Parties agreed otherwise, any deviations and/or other extra, additional expenses, including but not limited to transportation, customs clearance, taxes, fees, duties, of the Price, specified in the Order, shall be confirmed by the Contractor before provision of the Services.

6. OFFSET

- 6.1. Contractor, shall be entitled to deduct from any amounts due or owing by the Contractor to the Subcontractor in connection with the Agreement.

7. LIABILITY OF THE PARTIES

- 7.1. If the Contractor fails to pay the invoice in due time, the Subcontractor shall be entitled to demand from the Contractor the penalty in the amount of 0,02 % on the outstanding amount for each day of delay.
- 7.2. The Subcontractor undertakes to ensure its liability according to this Agreement (third party liability insurance) to a minimum amount of Euro 200 000,00 per case for the entire duration of the Agreement. The Subcontractor undertakes to present to the Contractor a copy of insurance policy and approval form, filled by the Subcontractor and provided in the Annex X, within 5 (five) business days after signing the Agreement and after the extension of the policy. Should the Subcontractor fail to comply with the obligation referred to herein, the Contractor shall be entitled to terminate the Agreement immediately, by a written notice.
- 7.3. If during the validation of the Agreement the insurance period of the insurance contract (professional liability) submitted by the Subcontractor expires, the Subcontractor shall immediately and without being requested to do so, provide the Contractor with a document confirming the renewal of the current or the conclusion of a new, insurance contract (professional liability).
- 7.4. If during the validation of the Agreement or provision of the Services certificates, approvals or other documents, necessary for the performance of the Agreement, expires or become invalid, the Subcontractor shall immediately without being requested to do so, inform the Contractor and/or provide a document confirming the renewal or validation of a new certificates and approvals.

8. EFFECTIVE DATE AND DURATION

- 8.1. The Agreement shall come into effect upon submission of the offer by the subcontractor.
- 8.2. The Contractor shall be entitled at any time to terminate, with immediate effect or withdraw from the Agreement, accordingly, if the Subcontractor fails to perform or performs improperly an obligation or material obligations arising out of this Agreement, or persistently fails to perform, or persistently improperly performs any other kind of an obligation or obligations arising out of this Agreement.
- 8.3. In case of termination of or withdrawal from the Agreement, the Contractor shall be obliged to settle accounts with the Subcontractor for the Services properly rendered until the effective date of such termination or withdrawal, respectively.

- 8.4. The Subcontractor shall only be entitled to terminate the Agreement provided that the Contractor makes a material breach of the Agreement, by giving written notice to the Contractor thirty (30) days in advance.

9. RIGHTS AND OBLIGATIONS OF THE PARTIES

- 9.1. The Subcontractor shall give the Contractor's personnel full opportunity to verify, inspect and test service quality, materials, equipment, certificates, service stations, in order to ensure their compliance with this Agreement, legal acts, regulations, quality and safety requirements.
- 9.2. Under the Contractor's request, the Subcontractor undertakes to provide the Contractor with progress update in the execution of the Services under this Agreement.
- 9.3. The Subcontractor shall ensure that all materials and replacements, spare parts used in connection with the Services shall comply with the requirements of manufacturers and quality standards.
- 9.4. Any intellectual property of the Contractor, including but not limited to certificates and other documents shall be used with the consent of the Contractor and only in respect of execution of this Agreement.
- 9.5. The Subcontractor shall provide the Services in the scope specified in the Agreement and appendices, meet deadlines and timeframe as agreed with the Contractor.
- 9.6. The Subcontractor shall provide and perform high-quality Services, which meet the requirements of the Agreement, general requirements of good professional practice, the legal and safety requirements in a particular jurisdiction and strictly comply with the instructions given by the Contractor.
- 9.7. The Contractor shall pay for the Services provided in accordance with the terms of this Agreement.
- 9.8. The Subcontractor's representatives during stay on the Customer's vessel must comply with the internal regulations, requirements of labor protection and safety applicable on the vessel.

10. REPRESENTATIVES AND NOTICES

- 10.1. For purposes of day-to-day cooperation during the performance of the Agreement, the Parties appoint the responsible contact persons named below. The contact persons are not entitled to amend the Agreement. The Subcontractor shall cooperate on issues related to the implementation of the Agreement with the contact persons of the Contractor.
- 10.2. The Subcontractor's contact person shall be available for the Contractor at all times during the course of the Services.
- 10.3. All notices delivered or to be delivered by either Party to the other Party in connection with this Agreement shall be in writing and shall be sufficiently given if sent by email.

11. FORCE MAJEURE

- 11.1. A Party faced with Force Majeure shall within 5 business days give a written notice to the other party of the occurrence, expected duration and termination of the above circumstances. Failure to notify or late notification deprives the Party of the right to refer to any of the above circumstances as a ground for exemption from liability for failure to fulfill obligations.

- 11.2. The Parties shall take the necessary measures to limit any damage due to Force Majeure. The Parties shall do their best to resume the execution of the Services as soon as possible.
- 11.3. The Party faced with Force Majeure shall not be held in breach of its obligations under the Contract if it has been prevented from fulfilling such obligation by Force Majeure.

12. CONFIDENTIALITY AND NON-COMPETITION

- 12.1. All Confidential Information received by a Party shall be held in complete confidence by such Party and its directors, employees or advisers, and shall not without the prior written consent of the other Party be used for any purpose other than in connection with performance of this Agreement.
- 12.2. The confidentiality obligations shall not include information which (i) has already passed into the public domain otherwise than through breach of this confidentiality obligation; (ii) has been received from an independent third party otherwise than through breach of a confidentiality obligation; or (iii) the receiving Party can demonstrate has been independently developed by that Party prior to disclosure.
- 12.3. The Subcontractor hereby undertakes, without the prior written consent of the Contractor, directly or indirectly, during the term of this Agreement and for a period of 3 years from the termination of this Agreement, for any reason, on his own behalf or on behalf of others, enter into any business agreement with the Contractor's clients.
- 12.4. The Contractor is entitled to impose contractual penalties on the Subcontractor in the event of violation, by the Subcontractor, of its obligation regarding non-competition clause – in the amount generated from last 12 months of contractors projects for each case.

13. DISPUTE RESOLUTION, APPLICABLE LAW AND JURISDICTION

- 13.1. This Agreement shall be governed by the laws of the Republic of Lithuania.
- 13.2. Any dispute, disagreement or claim arising from or related to the Contract or its violation, termination, withdrawal from or validity shall be resolved by the Parties by negotiation. In case of failure to reach an agreement by negotiation, the dispute, disagreement or claim hereof shall be finally settled by the court of the Republic of Lithuania.

SAFETY REQUIREMENTS FOR CONTRACTORS

Klaipeda, Lithuania

The Contractor is responsible for the safety of its personnel and must take all measures required and contractually agreed to ensure that the contracted work can be completed safely. By accepting the order, the contractor also accepts these Safety Requirements and compliance becomes part of his contractual obligations.

In order to assess the state of safety and health of the subcontractor's work, all subcontractors involved in the provision of services must fill out an occupational safety and health questionnaire.

The link to the questionnaire is sent by the responsible Project Manager (or sent paper version of questionnaire).

In the absence of the possibility to fill in the occupational safety and health questionnaire, the person in charge of the subcontractor must provide valid documents confirming the verification of occupational safety and health knowledge (a copy of the coaching log/card, certificates, certificates or other corresponding documents).

RESPONSIBILITIES AND OBLIGATIONS OF THE CONTRACTORS

1. The Contractor is responsible for ensuring compliance with safety and health laws, instructions, electrical safety and fire safety requirements and other documents related to employee or contractor's safety and health at the site.
2. The Contractor must:
 - 2.1. To appoint responsible representative (work supervisors, workers, safety specialists, etc.) for work performance and control;
 - 2.2. To assign only properly trained, instructed, and certified employees for performance of the works;
 - 2.3. To use working tools and equipment strictly according to the instructions;
 - 2.4. The Contractor must provide his personnel with sufficient protective clothing and equipment for their personal safety. The Personal protective equipment shall be used properly and according to safety requirements. The supervisor appointed by the Contractor shall stop persons not wearing the required protective equipment from proceeding with their work;
 - 2.5. All work equipment such as vehicles, machinery, tools, equipment, etc., used for the contract work must comply with valid safety rules and regulations and must be kept in a safe condition;
 - 2.6. Visually inspect the work area and equipment before starting work, ensuring safe conditions and preventing unauthorized access.
 - 2.7. Carefully inspect the working area, remove unnecessary items, which may disturb the work, make sure that the floor is dry, non-slippery, visually check whether local lighting is sufficient.
 - 2.8. Left the work area clean after the work; collect used tools and remove waste;
 - 2.9. After work, check for gas leaks, turn off electrical devices, and ensure no flammable liquids or materials are left behind.
 - 2.10. It is strictly forbidden to work under the influence of alcohol or drugs;

- 2.11. In case of fire, call emergency 112 and follow evacuation plans; Immediately inform supervisor and the client;
- 2.12. Use primary fire extinguishing methods (fire extinguishers, sand, soil) if a fire occurs;
- 2.13. In case of accidents during the trip to/from the work , promptly call for emergency, inform the supervisor, and provide first aid.
- 2.14. Strictly follow safety, fire protection and other signs on site;
- 2.15. Observe safety signs and follow their instructions on-site.