

DIV GROUP Ltd, having its registered seat at Samobor, Bobovica 10/A, Croatia, EU VAT identification number:HR 33890755814 represented solely and independently by Tomislav Debeljak, President of the Management Board (hereinafter the **Client**)

and

HYSEA S.R.L. having its registered seat at S. Vendemiano (Treviso, Italy) – Via Palu nr. 34, EU VAT identification number: IT 00767710262, represented solely and independently by ALESSANDRO ZANCHETTA, CEO and Legal Representative of Hysea s.r.l.

(hereinafter the **Contractor**)

Client and Contractor are hereinafter sometimes collectively referred to as the Parties or each individually as the Party

hereby enter into the following

TURNKEY CONTRACT

This Contract is concluded between the Client and the Contractor with regard to the production of workshop documentation, material, delivery, construction, assembly works, testing and commissioning of furniture as set forth in Exhibit 6 for Newbuilding 487 on a turnkey basis.

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DEFINITIONS AND INTERPRETATION

Article 1

- 1.1. In addition to the definitions defined elsewhere in this Contract, the definitions set forth below have the following meaning, unless otherwise derived from the context:

Ship means a Polar Cruise ship marked with the Builder's designation NB487 (Quark Expeditions), which the Builder builds for the Buyer under the Shipbuilding Agreement with the Buyer.

Shipyard means the shipyard BRODOSPLIT JSC, Put Supavla 21, Split, that is, the place where the Works on the Ship are performed.

Price means a fee for the Turnkey Works.

Delivery Date means the day on which the Parties hand over the Works in accordance with Article 9 of the Contract and draw up a Delivery Certificate. The Delivery date is considered to be the day specified in the Delivery Certificate.

The Completion Date is 30.11.2020.

Main schedule means the weekly dynamics of performance of Works approved by the Client.

Documentation means the project documentation which the Client delivers to the Contractor, and which makes the Exhibit 2 to the Contract.

Advance Guarantee means the bank guarantee referred to in Article 12 in the form and content contained under Exhibit 4 to this Contract.

Warranty Guarantee means the bank guarantee referred to in Article 12 in the form and content contained under Exhibit 5 to this Contract.

Builder means BRODOSPLIT JSC, Put Supavla 21, 21000 Split, Republic of Croatia, PIN: 18556905592, who pursuant to a Shipbuilding Agreement builds a ship for the Buyer.

Classification Society means DNV-GL.

Turnkey means the obligation of the Contractor to perform the Works in accordance with the principle of integrity and functionality, that is, to make the necessary project documentation, perform the works and to supply all materials and equipment under this Contract to the extent necessary to satisfy the conditions of functionality and integrity of the Works, including the works and supplies of equipment and materials not expressly mentioned in this Contract but required for the completion of the Works, which in particular includes replacement works, unforeseen works and any surplus works which the Contractor should have foreseen by its calculation of Works and Price and any surplus works, all under

assumption that the scope of the contracted Works has not been changed based on the agreement of the Parties. It is to be understood the Works does not include subsequent works as defined in Article 8 of the Contract.

Delivery Certificate means the certificate to be drawn up and signed by the Parties at delivery pursuant to Article 9 of the Contract.

Final User means Vinson Expeditions Inc, Trist Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Island MH9690, who uses the Ship based on the Charter Agreement with the Buyer.

Buyer means Polaris Exploration Inc having its registered seat at Majuro, Ajeltake Road, Ajeltake Island, Republic of Marshall Islands, who buys the Ship based on the Shipbuilding Agreement with the Builder.

Equipment means all materials and equipment that the Contractor shall install to the Ship during the execution of the Works, which shall be listed in Workshop Documentation.

Equipping Area means the space of the Ship in which the Works are carried out and which is indicated in the document entitled "General Arrangement" forming Exhibit 7 to the Contract.

Business Day means any day except Saturday, Sunday and national or religious holidays which are designated by law as non-working days in the Republic of Croatia.

Works include all works under this Contract which the Contractor is obliged to perform, as well as the materials and equipment required for the preparation, execution and completion of the works in the Equipping Area and the elimination of defects during the warranty period, including replacement works necessary for the completion of the works, as well as all unforeseen and additional works except subsequent works as defined in Article 8 of the Contract.

Specification includes a scope of works, materials and equipment according to which the Contractor is obliged to perform the Works. Draft Material Specification, shall be included under Workshop documentation and shall include, among other, individual weight of each piece of Equipment. Full Material Specification shall be provided before signing Delivery Certificate together with As Built Documentation

Price List contains the technical description, quantities and unit prices for each item of the Works and forms Exhibit 6 to this Contract, and the risk of possible shortcomings of Price List is exclusively borne by the Contractor.

Certificate of Works' completeness means the certificate that the Parties shall draw up and sign in accordance with Article 9 of the Contract, which shall determine the percentage of the Works completed.

- 1.2. The headings in this Contract are for transparency purposes only and have no meaning for the purposes of interpretation of the Contract.
- 1.3. The documents listed below are considered to be an integral part of the Contract and are read and interpreted as such:

Exhibit 1 –Key deadlines/Phases of work execution

Exhibit 2 –Documentation

Exhibit3–Interface list

Exhibit4–Advance Guarantee

Exhibit5–Warranty Guarantee

Exhibit 6- Specification and Price List

Exhibit7–General Arrangement

Exhibit8 –General Terms and Conditions of business with cooperants of the Brodosplit Group

Exhibit 9 – Main Schedule of Works and delivery of workshop documentation (template)

The Contractor undertakes to comply with the abovementioned Exhibits of the Contract and guarantees that its employees and subcontractors shall comply as well.

The Contractor declares that the following Client's and Shipyards safety policies and instructions have been made available to him, that he is aware of them and undertakes to comply with the following security policies and related instructions of the Client and Shipyard:

- a) Regulations for safe work on scaffolds and other surfaces on which work is carried out
 - b) Organizational instructions for the installation and use of energy installations on new buildings
 - c) Organizational instruction for safe work when performing corrosion protection works and other works on ship and other enclosed areas
 - d) Organizational instruction for the labelling and issuing procedure and the work with cables for electric welding, thermal fuses, rubber tubes and gas burners
 - e) Safe operation with open flames
 - f) Instruction for managers for workplace inspection
 - g) Decision on procedure in the event of injury at work
- 1.4. In the event of a conflict between the Contract and its Exhibits, the provisions of the Contract shall prevail. In the event of a conflict between the Exhibits to the Contract, the exhibits shall prevail in order as they are listed above.

SUBJECT OF THE CONTRACT

Article 2

- 2.1. The Parties agree that the Contractor undertakes to perform Works on the Ship in accordance with the Contract, Specification and instructions of the Client.
- 2.2. The Contractor undertakes to notify the Client in writing of any evident defects which he has noticed or should have noticed in the Specification and received documentation and which are important for the quality of performance, otherwise shall be responsible for the damage caused to the Client. If, after having received the notification, the Client insists that the Contractor shall perform the Works with defects, the Contractor shall comply with the Client's request at Client's own responsibility. The Contractor may further elaborate the Specification with the approval of the Client.
- 2.3. The Contractor shall, when preparing for the execution of the Works, monitor and check the quantities, masses, type and quality of the materials procured by the Client, and notify the Client in writing of any defects which he has noticed or should have noticed in quantity, type or quality of the material needed to perform the Works not later than 7 (seven) Business Days to the beginning of the Works, otherwise shall be liable for damage to the Client. The material provided by the Client shall be set out in Exhibit 6 of the Contract.
- 2.4. The risk of loss and damage of the Equipment provided by the Client for the performance of Works, from the moment of take-over of the Equipment until the successful takeover of the Works shall be borne by the Contractor.

WORKSHOP DOCUMENTATION

Article 3

- 3.1. The Contractor agrees to submit the Workshop Documentation consecutively according to the Main Schedule of Works and delivery of workshop documentation, which is contained under Exhibit 9 of this Contract, with final date of delivery on 11.09.2020. Workshop Documentation shall include the Specification of the materials. Workshop Documentation may be delivered in a rolling sequence if previously approved by the Client.
- 3.2. The Workshop Documentation is considered accepted after the inspection and written consent of the Client. The documentation is considered correct and submitted within the deadline of 7 Calendar Days if the Client does not have subsequent justified comments regarding the completeness and content of the Workshop Documentation. In case the Client has strong and proved grounds for objection to the contents of the documentation submitted by the Contractor and/or the same is delivered incomplete, the period until the proper and complete delivery of the documentation, i.e. its updated versions, shall be considered a delay.

RULES, REGULATIONS AND STANDARDS

Article 4

- 4.1. The works must comply with the laws, regulations, classification society rules DNV-GL and norms in every respect, in accordance with the standards of the shipbuilding industry and in accordance with the conditions under which the ship sails.
- 4.2. Laws, regulations, classification society rules and norms include all changes up to the date of signature of the Delivery Certificate.

OBLIGATIONS AND DECLARATIONS OF THE CONTRACTOR AND OBLIGATIONS OF THE CLIENT

Article 5

- 5.1. The Contractor is specifically obliged:
 - a) to perform the Works according to the Contract, Main Schedule and the Specification;
 - b) to submit the Workshop Documentation within the term specified in Article 3.1. of the Contract;
 - c) inform the Client of the total weight of the Equipment within 20 (twenty) calendar days from the signing of the Contract and submit a list of weights for each part of the Equipping Area which includes the weight specification for the final deck covering, panelling, doors, ceiling, fixed and movable furniture, and all other equipment, which is part of the Contractors Scope of Work and Supply which must be approved by the Client;
 - d) to install Equipment that meets the Specification's requirements of the Client, all in accordance with the relevant regulations and standards;
 - e) to submit to the Client the certificates, i.e. evidence of the quality of the Works and the evidence of the quality of the installed Equipment simultaneously with the delivery of the Equipment,, in accordance with relevant regulations and standards (e.g. Classification society certificates, IHM certificates...);
 - f) to perform all necessary activities, including unforeseen works and obligations, which are necessary for the execution of the Contract, irrespective of whether they are specified in the Specification which is included in Exhibit 6 of this Contract, when they prove necessary to ensure the integrity and functionality of the Works or compliance with classification society rules;
 - g) to eliminate and repair within the warranty period any malfunctions, defects or omissions identified during the delivery, as well as those discovered during the warranty period, in accordance with the provisions of the Contract;
 - h) to comply with the health, safety and environmental regulations of the Client's and applicable safety policies;
 - i) to provide the Client with insurance instruments in accordance with the provisions of the Contract;
 - j) to provide all employees with all the necessary tools and means (including, among other things, small consumables) necessary for the timely and quality execution of the

- contracted Works, and adapt all tools to the connections and joints at the Client's premises where the Works are performed;
- k) to keep the tools used for carrying out the Works on the premises of the shipyard, since in case of its loss the Client will not bear the cost of the lost tool;
 - l) to insure until the Delivery the premises where the Works have been completed while the Works are being completed in other unfinished premises;
 - m) to provide transport workers within the Shipyard and coordinate transports and to be responsible for horizontal transport;
 - n) timely, before the Contractor's employees or subcontractor start working, to submit to the Client the work permits, certificates, health certificates and other necessary documentation of his employees and subcontractors for the purpose of creating ID cards;
 - o) to appoint a responsible person - a representative of the Contractor's workers and his subcontractors, who shall take care of the orderly and timely performance of the Works and the conduct of the employees in accordance with the Contract, the applicable laws and the instructions and rules of the Client;
 - p) to appoint a responsible person who is obliged to cooperate with the authorized persons of the Client for the implementation of occupational safety, fire protection and environmental protection measures and, in accordance with the Law on Occupational Safety, designate a person to supervise the implementation of occupational safety measures during the execution of the Works at the Client's premises, which shall be obliged to cooperate with the Client's Occupational Safety, Fire and Protection Service.
 - q) to maintain workplaces neat and clean and remove materials from workplaces, otherwise the Client shall notify in writing the non-compliance to the Contractor; should the non-compliance persist on the following day, the Client shall do the same at the Contractor's expense.

5.2. The Contractor declares and warrants:

- a) that he and his employees and subcontractors and employees of the Contractor's subcontractors possess the necessary licenses, qualifications, experience and ability to perform the Works included in the Contract and to maintain all necessary permits valid during the Contract;
- b) that the Equipment used in the execution of the Contract has all the necessary attestations and certificates, and that the materials that are harmful to human health are not used or are used in accordance to the applicable law;
- c) that the tool used in the execution of the Contract have all the necessary attestations and certificates, and that it shall maintain for the duration of the Contract all necessary certificates and attestations.
- d) to implement on a regular basis and throughout the duration of the Contract all occupational, safety and health measures prescribed by the relevant regulations;
- e) to submit to the Client, on a weekly basis, every Friday by 11.00 hours, a list of workers who shall perform the Works the following week, including information on the name and surname of the employee and his ID number, all for the purpose of controlling working hours and number of employees;



- f) in the case of contracting the execution of the Works or part of the Works with the subcontractors, to ensure that the subcontractors and their employees fulfil all the conditions and obligations stipulated by the Contract and that he shall be responsible for the conduct and the works performed by the subcontractors or their employees, as if they were performed by himself, i.e. his employees, and to compensate the Client for any damage caused by these conducts of works. The Contractor undertakes to provide the Client with an insight into all certificates, licenses and other necessary documentation related to the subcontractors and their employees. In case of further subcontracting, the Contractor shall have the same obligations with respect to subcontractors engaged by subcontractors.

5.3. The Client undertakes:

- a) to assume responsibility for the payment of duly delivered and accepted Works, in accordance with the payment terms defined in the Contract;
- b) timely provide Documentation, energy, lighting, scaffolding and space cleaned from previous works;
- c) if necessary, further educate Contractor's employees about safe operation in the Shipyard;
- d) to create ID cards for the Contractor's employees for the purpose of recording the entry/exit from the Shipyard area, borrowing/returning of the equipment;
- e) if necessary or requested, enable the storage of the Contractor's Equipment within the Shipyard at the first entry of the Equipment into the Shipyard, whereby the responsibility of the Client is limited solely to the orderly storage and he assumes no responsibility for the inspection of the Equipment upon its taking over. The Client's responsibility for proper storage ceases when the Contractor first picks up the Equipment or part of the Equipment and removes it from the warehouse;
- f) to provide means of transport (crane with a driver/crane operator)
- g) to timely provide material for the execution of the Works, which is required to be installed by the Contractor.
- h) to comment and approve or reject the weight list provided by the Contractor within 7 (seven) days of its receipt.
- i) to comment/approve or reject Workshop drawings and documentation within 7 (seven) calendar days of receipt.

SUPERVISION

Article 6

- 6.1. The Client, including the Buyer of the ship and the Final User, as provided by the Shipbuilding Agreement, has the right at its own expense to supervise the production of the Equipment and the execution of the Works during the entire period of production of the Equipment and the execution of the Works and may attend all analyses and tests related to the production of the Equipment and the execution of the Works provided that such supervision



shall not obstruct nor interfere with the regular course of its activities. Such supervision shall be notified in writing at least 7 (seven) calendar days prior to the inspection.

- 6.2 The Contractor shall notify the Client at least 5 (five) Business Days of the start of the Equipment production and of the testing program for the purpose of the Client's timely supervision.
- 6.3. The presence of the Client, the Buyer and the Final User, their objections or acceptance of the relevant raw materials and/or materials and/or works shall not affect the Contractor's liability for safety and quality nor the warranty obligations under the Contract, unless otherwise stated in writing in the inspection report signed by the Client.

DELIVERY DATE

Article 7

- 7.1. The time of execution of the Works will be determined in more detail by the weekly Main Schedule which will be agreed between the Parties and aligned with the deadlines set out in Exhibit 1 to the Contract.
- 7.2. Key deadlines for the execution of the Works pursuant to key stages are defined in Exhibit 1 to the Contract.
- 7.3. The Contractor shall continuously monitor the execution of the planned activities and Works and shall submit weekly reports to the Client (every Monday until 11 am). If, during the execution of the Work, circumstances change for any reason, the Contractor shall, without delay, submit to the Client the revised Main Schedule for review and approval. If the Client accepts the revised Main Schedule, this fact shall not mean that the Client has waived any of its rights under the Contract, and in particular with respect to payment of contractual penalties, damages compensation and/or termination of the Contract, except when it is solely Client's fault or in the event of force majeure. From the moment of acceptance of the revised Main Schedule, if the revision of the latter resulted in a modification of the deadlines set out in Exhibit 9 of this Contract, the deadlines set out in Exhibit 9 shall be calculated exclusively according to the deadlines defined in the revised Main Schedule.
- 7.4. If the Contractor does not comply to the provisions of the Contract and the rules of the profession during the performance of the Works, in a case of planned or technical failures on the part of the Contractor, as a result of which the Works may have defects or not be performed in accordance with the deadlines set by the Contract and the Main Schedule, the Client shall notify the Contractor thereof and set an appropriate deadline, which may not exceed 5 (five) Business Days, in order to adjust his Works to obligations undertaken by the Contract. If the Contractor fails either to justify the non-compliance in writing or to comply with the Client's request by the expiration of the stated deadline, the Client is entitled to terminate the Contract with immediate effect and to claim damages. If it is obvious that the Contractor shall not comply his Works to obligations undertaken by the Contract or that the

Works shall not be completed within the period stipulated by the Contract and in the Main Schedule, the Client shall have the right to perform the Works, in whole or in part, independently or through third parties. The Contractor undertakes to reimburse the Client for all costs necessary for the completion of the Works which he has performed independently or through third party. The Client is entitled to charge the above costs by deducting the amount of costs from a certain invoice, and/or by submitting a separate invoice to the Contractor.

- 7.5. The Contractor undertakes to submit to the Client the workshop documentation and their revised versions for supervision upon the Schedule which is in Exhibit 9 of this Contract or to provide him access to the information system where the same shall be uploaded. In case of delay in delivering workshop documentation according to Article 3.1 of the Contract and/or delay of uploading the updated versions of the workshop documentation, the Contractor shall pay the Client contractual penalty amounting to 0,1% of the Contract Price for each Delayed Business day, and the amount of the contractual penalties shall be due the following day for each Delayed Business day.

The Client is authorized to collect the contractual penalties by deducting the amount of contractual penalties from a certain instalment of the Price, by submitting a separate invoice for the payment of the contractual penalties submitting to the Contractor, all at its own discretion. If the Contractor fails to comply with the Client's warning, i.e. fails to fulfil his obligations under this Article within 5 (five) Business Days after receiving the written warning, the Client is entitled to terminate the Contract.

- 7.6. If circumstances arise that, in opinion of a prudent and diligent person, having the average knowledge and experience characteristics as the Contractor and is performing same business activities, may completely or partially prevent the execution of the Works in accordance with the Contract, the Contractor shall notify the Client without delay, within 5 (five) calendar days. Parties shall define the responsibility (if any) of the happening and promptly solve the circumstances in order to proceed execution of project smoothly in order to have the workshop documentation modified or amended, accordingly.
- 7.7. Notwithstanding the abovementioned regulations, the Contractor has and maintains the right to prove that he is not liable or solely liable for any delay or non-compliance.

ADDITIONAL AND URGENT UNFORSEEN WORKS

Article 8

- 8.1. Works which are not specified in the Contract but still requested by the Client, although they are not necessary for the fulfilment of the Contract, the Contractor shall perform only on the basis of a written Client's instruction, including even the case when the Contractor proposed the performance of these works to the Client who approved them.

- 8.2. The Parties agree that within 7 (seven) Business Days from the receipt of the Client's order, they shall agree whether or not to perform the order (which shall be not unreasonably refused by the Contractor) and on the related price of additional works and on the impact on the deadlines set by the Contract and the Main Schedule and shall make a written annex to the Contract.
- 8.3. The Parties shall negotiate in good faith and shall make every effort to reach an agreement regarding the performance of the order, the change of the Price and/or Delivery Dates affected by the Client's order referred to in Article 8.1. of the Contract. The Price shall be determined by an appropriate correction of the existing unit price from the Price List for a similar type of work. If the Parties agree on the subject but cannot agree on the Price change and/or new deadlines, the Client may require opinion from the expert to set a new Price and/or new delivery dates. If the expert cannot determine the price on the basis of the unit price from the Price List for a similar type of work, the Expert shall determine the new price taking into account the average cost of labor, materials, equipment and machinery that make up the elements of the price of additional work, at the time of issuing the order to the Contractor. Within 7 (seven) Business Days of receipt of the Client's request, the Expert shall determine the new Price and/or delivery date. Upon the determination of the price by the Expert, the Client may waive the order given to the Contractor or require the execution of additional works according to the order. The Contractor is obliged to comply with the Client's order and to perform works that do not exceed 30% (thirty percent) of the scope of the contracted Works.
- 8.4. The Parties undertake to appoint an Expert within 3 (three) Business Days from the expiry of the time limit referred to in paragraph 8.2. of this Article, and if the Parties do not agree on the selection of the Expert, the Client is authorized to appoint an expert of the relevant profession from the list of permanent court experts. The costs of hiring an expert shall be borne in equal parts by the Parties.
- 8.5. During the execution of the Works, only in the cases listed below, there may be a need for emergency unforeseen works, linked to the Contractor's scope of work, to be performed in order to:
- a) prevent danger to life and health of the people, environment, nature and things, caused by extraordinary and unexpected events;
 - b) prevention of damage caused by these events;
 - c) by the orders of the competent public authorities.
- 8.6. In the event of the occurrence of the circumstances referred to in the previous paragraph of this Article, the Contractor shall, without delay or within 24 (twenty-four) hours from the occurrence of such circumstances, inform the Client about the occurrence of these circumstances and the measures taken.
- 8.7. The Contractor shall be entitled to fair remuneration for the execution of emergency unforeseen works which must have been carried out in order to avoid the damage and other adverse consequences referred to in Paragraph 5 of this Article. In the event that due to

these unforeseen emergency works the Price is increased by 15%, the Client shall be authorized to assign the unforeseen work to other Party or unilaterally terminate the Contract by submitting a written notice of termination within 8 (eight) Business Days from the receipt of the Contractor's notice. The Parties shall use their best effort to agree upon terms of such termination, and if agreement is not reached the provision of law shall apply.

DELIVERY

Article 9

- 9.1. It is agreed by the Parties that the Contractor's weekly reports are received on a weekly basis. In accordance with the weekly Main Schedule and reports of the Contractor, a record determining the percentage of completeness shall be made.
- 9.2. It is agreed by the Parties that after reaching the stage of completion of the Works according to the payment dynamics referred to in Article 11 of the Contract, upon a receipt of interim payment certificate, an inspection of the Works shall be as soon as possible performed by the Client, the Buyer, the Final User, the Classification Society and other competent bodies and Certificates of the Works' Completeness shall be drawn up for a part of works on the basis of which instalment payments shall be made. The Certificates of the Works' Completeness shall be delivered by the Contractor on the last day of the month in which the stage of completion of the Works referred to in each instalment has been reached. The interim payment certificates of the Work's Completeness shall be signed and sent by the Client within 3 (three) business days after receipt or shall be deemed approved as well for the purpose of payment as stated in Article 11.
- 9.3. The Contractor's obligations are not considered fulfilled until the Client signs the Delivery Certificate, stating the date on which the Contractor has completed his obligations under the Contract, or has completed the Works in full.
- 9.4. The Delivery Certificate shall be signed by the Parties after the completion of the Sea Acceptance Trial and ascertaining that the Works are correct and fully functional.

PRICE

Article 10

- 10.1. The Price for all Works is contracted and calculated on a Turnkey basis and amounts to 140.000,00 EUR.
- 10.2. The Client shall pay the Price as the total contracted price.
- 10.3. The Price list serves as a base for eventual changes in the scope of work.
- 10.4. Unless otherwise agreed upon in the Contract, it is agreed by the Parties that the Price includes the value of all replacement works, unforeseen works and any additional works needed to be performed on a turnkey basis, not including works from the Article 8. The Parties

agree that the Price shall not change in the event that after the conclusion of the Contract the price of the elements on the basis of which the price was determined changes.

- 10.5. The price is expressed with VAT and any other taxation (customs etc.) cost excluded, which is calculated by the Contractor in accordance with the applicable regulations.

METHOD OF PAYMENT

Article 11

- 11.1 It is agreed by the Parties that the Client shall pay the Price to the Contractor according to the following payment schedule:

1. Instalment: 40% of the Price as advance payment shall be paid after signing the Contract and upon receipt of the Advance Guarantee,
2. Instalment: 40 % of the Price as payment shall be paid upon receipt of the delivery of 100% of Equipment (including furniture) in the Shipyard,
3. Instalment: 10 % of the Price as payment shall be paid upon installation of all the Equipment (furniture) on the Ship,
4. Instalment: 10% of the Price shall be paid upon signing the Final Certificate of the Works' Completeness for a part of works determining 100% of the Works completeness and upon Receipt of the Warranty Guarantee.

- 11.2. The Client shall pay the Contractor the Price, based on the invoices, within 45 Calendar days from the end of Month date and of receipt of a valid and uncontested invoice on the basis of signed Certificate of the Works' Completeness of a part of works and the Delivery Certificate.

- 11.3. It is understood between Parties that in whatever case of delay of payment in part or in full, the Contractor, notwithstanding any other legal right under the Contract or in accordance with applicable law, is entitled to notify the circumstance in writing to the Client and immediately suspend his performance under the Contract until the full payment is credited -via wire bank transfer- to the following Contractor's bank account, if the Client does not perform the payment 15 (fifteen) Business Days after receipt of payment notice.
- It is also understood between Parties that in whatever case of delay of payment -in part or in full- an interest rate of 6 % (six percent) per year on the due amount shall be automatically charged to the Contractor and shall accrue beginning on the scheduled Payment date.

MEANS OF INSURANCE

Article 12

12.1. Advance Guarantee

- 12.1.1. As a security for the repayment of the advance payment, the Contractor undertakes to obtain an unconditional and irrevocable bank guarantee in favor of the Client, issued by a bank acceptable to the Client in full amount of advance payment payable on first written demand indicating in what respect the Contractor is in breach of its obligations

under the Contract. Payments under Advance Guarantee shall be conducted by the bank irrespective of the validity and the effects of the Contract and waiving all rights of objection and defense arising from or being in connection with the Contract by the bank. The Advance Guarantee must be submitted to the Client before he makes the advance payment secured by the Advance Guarantee. The Advance Guarantee must be valid for at least 60 (sixty) Business Days from the Completion Date.

- 12.1.2. In the event of an extension of the Completion Date, the Contractor shall extend or renew the validity of the Advance Guarantee in accordance therewith and submit an extended or renewed Advance Guarantee to the Client no later than 30 (thirty) Business Days before the original Advance Guarantee expires.
- 12.1.3. If the Contractor fails to comply with the provisions of the preceding subparagraph, the Client is authorized to activate the original Advance Guarantee and the amount paid by the bank under the Advance Guarantee shall be deposited into the Client's account as a cash deposit to secure the advance payment.
- 12.1.4. The Advance Guarantee or the cash deposit from the previous subparagraph shall be immediately returned by the Client to the Contractor upon signature of the Delivery Certificate.
- 12.1.5. It is agreed by the Parties that the Client shall not accrue interests on the amount of the deposit referred to in this paragraph, i.e. that the Contractor shall in no case be entitled to interests on the said amount of the deposit.

12.2. Warranty Guarantee

- 12.2.1. As a security for the fulfilment of his obligations for guarantee works defined in Article 15 of the Contract, the Contractor undertakes to obtain, in favor of the Client, an unconditional and irrevocable bank guarantee in the amount of 5% (five per cent) of the Price, issued by a bank acceptable to the Client payable on first written demand indicating in what respect the Contractor is in breach of its warranty obligations under the Contract. Payments under Warranty Guarantee shall be conducted by the bank irrespective of the validity and the effects of the Contract and waiving all rights of objection and defense arising from or being in connection with the Contract by the bank. The Warranty Guarantee must be submitted to the Client in accordance with Article 11 of the Contract, and 30 (thirty) calendar days before the Completion Day.
- 12.2.2. In the event of an extension of the warranty period in accordance with Article 15.6. of the Contract, the Contractor is obliged to extend the validity of the Warranty Guarantee in accordance with such extension and to submit it to the Client no later than 30 (thirty) Business Days before the expiry of the original Warranty Guarantee.

- 12.2.3. If the Contractor fails to comply with the provisions of the preceding subparagraph, the Client shall be authorized to activate the original Warranty Guarantee and the amount paid by the bank under the Warranty Guarantee shall be deposited into the Client's account as a cash deposit to ensure the proper fulfillment of the obligations referred to in Article 15 of the Contract.
- 12.2.4. The Warranty Guarantee or the cash deposit from the previous subparagraph shall be returned by the Client to the Contractor after the expiry of the warranty period.
- 12.2.5. If the Contractor fails to fulfill his guaranty obligations as defined in Article 15 of the Contract, the Client is authorized to activate the Warranty Guarantee or to use the cash deposit.
- 12.2.6. In the event the Client activates the Warranty Guarantee or uses a part or the entire amount of the deposit due to unfulfillment of the guarantee obligations referred to in Article 15 of the Contract, the Contractor undertakes to pay the Client the sum up to the full amount of the deposit within 7 (seven) calendar Days or to submit a new Warranty Guarantee as an assurance of the further orderly fulfillment of guarantee obligations in accordance with the Contract.
- 12.2.7. It is agreed by the Parties that the Client shall not accrue interests on the amount of the deposit referred to in this paragraph, i.e. that the Contractor shall in no case be entitled to interests on the said amount of the deposit.

OWNERSHIP OVER THE EQUIPMENT

Article 13

- 13.1. It is agreed by the Parties that the Client becomes the owner of the Equipment once it is delivered to the Shipyard.

INSURANCE

Article 14

- 14.1. The Contractor shall contract and maintain with a reputable insurer an adequate insurance which covers:
- a) Contractor's Works and Machinery
The Contractor shall insure and maintain insurance that covers Contractor's Works and Machinery (apparatus, machinery, Equipment, means and other items required to perform the Works) against any loss or damage caused any reason, except as provided in paragraph 14.2. of this article. The Contractor shall insure the Contractor's machinery at least for its full value, including its delivery to the Shipyard.
 - b) personal injury and property damage



The Contractor shall insure and maintain insurance that covers responsibility of each Party for loss, damage, death or personal injury that may occur on tangible assets (not related to the Contractor's Works and machinery) or any person (other than the Contractor's employees), occurred for whatever reason other than those mentioned in paragraph 14.2. of this article.

c) Contractor's employees

The Contractor shall insure and maintain liability insurance against claims, damages, losses and expenses arising from an injury, illness or death of any person employed by the Contractor occurred for whatsoever reason other than those specified in paragraph 14.2. of this article.

14.2. The risks being excluded are:

- a) war, hostilities (whether war is declared or not), invasion, action by foreign enemies,
- b) rebellion, terrorism, revolution, mutiny, military or usurped power or civil war in the country,
- c) ammunition, explosive devices, ionizing radiation or radioactive contamination in the country, unless caused by the Contractor's use of such ammunition, explosives, radiation or radioactivity,
- d) airwaves caused by aircrafts or other machines flying at audible or supersonic speeds.

14.3. Unless otherwise provided by the Contract, the insurance policies shall be in effect until the completion of the Works or the signing of the Delivery Certificate or at the latest upon the 31.12.2020.

14.4. Unless otherwise specified by the Contract for a specific policy, the insured amount for each insurance policy for an adverse event shall be at least EUR 3.000.000,00 (three million EUR), and shall also cover damage caused by the Contractor's subcontractors. The insurance must cover the Contractor's gross negligence and the gross negligence and wilful treatment of the persons for whom the Contractor is responsible.

14.5. The Contractor agrees to provide the Client with copies of insurance policies that are in accordance with the terms of the Contract at least 10 (ten) Calendar Days before the start of the Works at the Shipyard, as well as payment certificates for premiums to be paid based on the said policies at the Client's request. If the Contractor does not maintain the insurance pursuant to the Contract or fails to provide evidence of premiums paid and copies of insurance policies to the Client, the Client shall notify the circumstance in writing to the Contractor and specified if he will pay the due premiums and - request recovery of payments made from the Contractor afterwards.

14.6. The Contractor can make material changes to the terms of any insurance without the Client's prior approval if not opposite to the terms defined herein and shall notify the insurer of any relevant changes in the performance of the Works and shall ensure that the insurance policies are renewed and maintained in accordance with this Article.



WARRANTY

Article 15

- 15.1. The Contractor is responsible for the good and timely performance of the Works, their quality and compliance with the Contract and the applicable regulations.
- 15.2. The Contractor's warranty for the Works performed is 1 (one) year. The warranty period runs from the date of signature of the Delivery Certificate. During the warranty period, the Contractor shall, without charge, repair or replace the Equipment or parts of the Equipment on the Ship in respect of which there are defects, or remedy other defects in the performance of the Works. The Contractor shall bear all the costs of repairing and replacing the Equipment or parts of the Equipment and repairing the defects on the Works, including, but not limited to, the costs of transporting the Equipment and travel and accommodation cost of the Contractor's repairer.
- 15.3. The Client has the right to request remedy of defects discovered during the warranty period, no later than the last day of the warranty. Such a request made to the Contractor must contain a detailed description of the defects with pictures and an adequate deadline of at least 30 (thirty) days for their elimination and must be made in writing, except when production and transportation is needed for remedying defects in which case deadline should be 60 (sixty) days.
- 15.4. The Contractor is obliged to start remedying the defects as soon as possible, but not later than 15 (business) Days after receiving the written request described in the previous paragraph.
- 15.5. In the event that the Contractor does not remove the defects observed within the warranty period, within the period determined by the Client or does not start the remedy of defects within the period specified in the previous paragraph of this Article, the Client shall be entitled to correct them through a third party, and the Contractor shall be obliged to compensate him the related costs within 15 (fifteen) Business Days from the date of receipt of a written notice the expenditure effected. If the Contractor fails to cover this expenditure within the stated time, the Client is authorized to use the Warranty Guarantee received in accordance with the Contract.
- 15.6. In the case of minor repairs to the Equipment, the warranty period shall be extended for the period in which the Client has been deprived of using the Equipment. If any part of the Equipment has been replaced or substantially repaired, the warranty period shall start from the beginning for that part of the Equipment exclusively.
- 15.7. If a repair has been made which affects the entire Works, the warranty period for the Works shall be extended for a period of 6 (six) months beginning on the day on which the defects of the Works were remedied, but not less than 12 months nor longer than 18 months after the Delivery date of the Ship.



- 15.8 The Client may challenge the cause of defects in which event the Parties undertake to appoint an Expert within 7 (seven) Business Days from the receipt of the aforementioned notification of the Contractor, and if the Parties do not agree on the selection of the Expert, the Client is authorized to appoint an expert of the relevant profession from the list of permanent court experts. The costs of hiring an expert shall be borne by the Party who was wrong about the cause of defects covered by warrantee.

CONTRACTUAL PENALTIES

Article 16

- 16.1. In case of delay in the execution of the Works relating to deadlines determined by the Exhibit 1 to the Contract, the Contractor shall pay the Client contractual penalties in the amount of 0.2% (zero point two percent) of the Price for each Business Day of delay, which amount of the contractual penalties is due the following day for each Business Day of the delay. The collection of contractual penalties for exceeding the deadlines set out in Exhibit 1 to the Contract in respect of several stages of the Works is not mutually exclusive, that is, an accumulation of contractual penalties is allowed with respect to each phase specified in Exhibit 1 to the Contract.
- 16.2. If the Contractor, due to exclusive and sole Contractor's fact and fault, fails to fulfill his obligation under the Contract, or fails to fulfill them properly, and continues with the breach or non-fulfilment of his obligations up to 10 (twenty Business days) days after receiving a written notice stating the breach, the Contractor has to pay the Client contractual penalty in the amount of EUR 100.000,00 (also by set-off of the amount due by the Client).
- 16.3. The Parties agree that the Client's rights to collect contractual penalties under this Contract shall not be mutually exclusive.
- 16.4. The Client is authorized to collect contractual penalties by notifying the circumstance in writing to the Contractor and then by deducting the amount of contractual penalties from a certain installment of the Price, and/or may submit to the Contractor a separate invoice for the payment of the contractual penalties.

MUTUAL PROTECTION OF CLASSIFIED DATA AND OBLIGATIONS TOWARDS THE BUYER

Article 17

- 17.1. The Contractor undertakes to sell to the Client all spare parts of the Equipment necessary for the proper functioning of the Works in the manner and when required by the Client at any time during the next 2 (two) years.
- 17.2. The Contractor undertakes to make a spare parts list and sell all the above-mentioned spare parts and services to the Client at a fair price determined by the market.

COMMUNICATION AND OFFICIAL NOTIFICATIONS

Article 18

- 18.1. Notifications, as well as any other written communications (hereinafter: **Notification**) that one Party sends to the other pursuant to the Contract shall be in writing, except otherwise agreed upon, sent by registered mail or by e-mail. It shall consider that the delivery has been duly performed if the Notification has been sent to the address and email referred to in paragraph 18.3. of this Article, by any of the above delivery methods. The Notification sent by registered mail shall be deemed to have been duly executed on the day it is received and, in the event that the Notification is returned for whatsoever reason to the sender, on the day the post officer declares -on the envelope or on the letter receipt - the non-delivery and the related reason. The Notification sent by e-mail is considered duly executed at the time of its sending to the proper email address.
- 18.2. In the event that either of the Parties changes the information referred to in paragraph 18.3. of this Article, the other Party must be notified in writing immediately of the change.
- 18.3. The persons authorized to coordinate and supervise the fulfilment of obligations under the Contract and to sign Certificate of Works' Completeness and the Delivery Certificate during the Contract term are:

For coordination and supervision of fulfilment of obligation for the **Client**:

Address: Put Supavla 21, 21000 Split

Contact person: Don Marshall/Martina Radovčić

Cell phone: +385 99 4988 280/+385 99 3911 311

E-mail address: don.marshall@brodosplit.hr/martina.radovic@brodosplit.hr

For signing Certificate of Works' Completeness and the Delivery Certificate for the **Client**:

Address: Put Supavla 21, 21000 Split

Contact person: Tomislav Čorak

Cell phone: +385 98 458 201

E-mail address: Tomislav.corak@brodosplit.hr

For the **Contractor**: HYSEA S.R.L.

Address: Via Palù 34 – 31020 S. Vendemiano TV, Italy

Contact person: DanieleStel / Tamara D'Arsie

Cell phone: +39 344 3482192 / +39 338 5367544

Telephone: +39 0438 1918700 / +39 0438 1918770

E-mail address: daniele.stel@hysea.it; tamara.darsie@hysea.it

- 18.4. If the invoice was not issued on the basis of a Certificate of Works' Completeness and the Delivery Certificate signed by a person authorized under Paragraph 18.3 of this Article and terms set out under Article 9.2 such invoice shall be considered as invalid invoice, the Client

shall dispute such invoice and return the invoice to the Contractor. In case of an invalid invoice, payment obligation will not arise.

In the event that Client does not provide approval and signature within the terms as Article 9.2., Contractor can issue invoice in respect to accrued Interim Works and Client cannot dispute nor reject the invoice.

CONFIDENTIAL INFORMATION

Article 19

- 19.1. The Parties shall keep all the other Party's data of a technical and business nature, which he has access to during the execution of the Works under the Contract, as a business secret and shall not use them for purposes other than for the fulfillment of the Contract. The Contractor undertakes to ensure that his employees, subcontractors and external associates treat confidential information that they learn during the Contract term in accordance with the provisions of this Article.
- 19.2. The Parties undertake not to disclose the other Party's confidential information in any form to third parties and also undertake to ensure that the confidential information is not disclosed or spread by their employees, subcontractors, external associates and others for which they are responsible.
- 19.3. The Parties hereby undertake to keep the Contract and its contents confidential and thereby undertake not to disclose to any unauthorized person or any third party any information related to or connected to the Contract without the prior written consent of the other Party. It is understood the Client is entitled to share its Confidential Information with its affiliates.
- 19.4. The confidentiality obligations shall remain in force even after the termination of the Contract for any reason, for a maximum of 5 (five) years after the termination of the Contract.
- 19.5. The Parties agree that the following information are not considered confidential:
 - a) information already in possession of the other Party and which the Party concerned was not obliged to keep as confidential;
 - b) information published on or after the conclusion of the Contract, whereby the Parties are not responsible for the publication;
 - c) information to be disclosed under applicable laws and at the request of competent authorities;
 - d) developed by one Party through its own activities without the use of confidential information.

HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION

Article 20

- 20.1. The Contractor must, during the execution of the Works, comply with the laws governing labor law issues, including protection at work of employees and environmental issues, as well as any other regulations specifying and elaborating in detail the provisions of the said laws.
- 20.2. The Contractor undertakes to comply with the Client's health, safety and environmental acts referred to in Article 5 of the Contract and guarantees the conduct of its employees and subcontractors and employees of subcontractors in accordance with the above.
- 20.3. The Contractor fully protects the Client against all activities, claims, statements and grounds for prosecutions based on whatsoever reason including damages, reasonable costs and expenses - that may arise because the Contractor or the Contractor's subcontractor, due to their own fact or exclusive fault, did not comply with the provisions of the Contract relating to the health, safety and environment protection, provided that the Client promptly inform the Contractor in writing of any of such claim etc.
- 20.4. The Parties undertake to inform the other Party promptly and in writing of any potential liability, claim or action taken regarding the failure to comply with the provisions of the health, safety and the environment protection. In this case, the Contractor undertakes, at its own expense, to enter into negotiations with its subcontractor/third party for the purpose of settling demands and claims of its subcontractor/third party and/or to recovering all costs and damages suffered by the Client which the Client had to compensate to its subcontractor/third party on the basis of decisions made in litigation, administrative or other proceedings in respect of the same breach and to reimburse all costs incurred by the other Party in the said proceedings.

FORCE MAJEURE

Article 21

- 21.1. The Parties are not liable for non-performance of any obligation under the Contract, if the non-performance is result of events of force majeure - an event beyond the control of the Parties and independent of their will which directly affects the fulfilment of obligations under the Contract and the occurrence of which is not due to negligence of the Party and which could not be predicted, prevented, avoided or eliminated.
- 21.2. The force majeure event includes, but is not limited to, natural disasters, state of war, embargo.
- 21.3. In the event that any of the Parties is obstructed by an event of force majeure in the fulfilment of the Contract, it shall notify the other Party without delay, within 48 (forty-eight) hours at the latest, indicating the cause and possible duration of the force majeure event. The same procedure shall be applied for notification of termination of force majeure events.

- 21.4. In the event of force majeure, the affected Party shall use its best endeavours to recover fulfil its obligations under this Contract.
- 21.5. Should events deemed to be force majeure occur, the time limits set forth in the Contract shall be sought to be adjusted by mutual agreement, but in the event of force majeure events exceeding 30 calendar days, each Party has the right to terminate the Contract by written notice with immediate effect.

COPYRIGHT

Article 22

- 22.1. By signing the Contract, the Contractor transfers to the Client the right to use, change and modify all written documents, tables, drawings, plans, drafts, sketches, acts and other objects, models, samples, images, films, microfilms, and other content visually, audio, mechanically, manually or in any other way recorded on any medium, as well as other documents produced by the Contractor and/or his subcontractors for the execution of the Works, which are considered to be copyright or other related to similar work.
- 22.2. The right to use the copyrighted work assigned to the Client under the Contract means the right to use it in every sense, for the only and limited purpose of the Contract and the works, including without limitation the right to copy and modify the copyrighted work without any specific consent of the Contractor and/or subcontractors hired by him.
- 22.3. By signing the Contract, the Contractor expressly acknowledges and agrees that the Price to be paid by the Client to the Contractor pursuant to the Contract also includes full and fair compensation for the right to use the copyrighted work in accordance with this Article.

ANNEXES AND AMENDMENTS TO THE CONTRACT

Article 23

- 23.1. Any amendments to the Contract and/or its annexes must be made in writing and signed by both Parties.

DURATION AND TERMINATION OF THE CONTRACT

Article 24

- 24.1. This Contract is concluded on a limited period of time, until its realisation.
- 24.2. In the event of termination of this Contract in accordance with the provisions of this Article or applicable law, the Contractor is entitled to the payment of those Works which it has performed up to the moment of termination of the Contract. After the termination of the Contract, the Client and the Contractor shall determine the value of performed Works to be

paid to the Contractor. Delivered Equipment will become the property of the Client and will be put on the disposal of the Client by the Contractor.

GENERAL PROVISIONS

Article 25

- 25.1. Applicable law. This Contract and its interpretation are governed by Swiss law.
- 25.2. Jurisdiction. The Parties undertake to use their best endeavours to resolve any disputes arising out of or in connection with this Contract by mutual agreement. If no amicable settlement can be reached within 30 (thirty) Business Days, all disputes arising out of or in connection with the Contract, including disputes relating to the issues of its proper occurrence, breach or termination, as well as the legal effects that result from it, shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules. The place of arbitration shall be Zurich, Switzerland and the language of the arbitration shall be English.
- 25.3. Subcontractors and transfer. The Contractor shall not transfer the benefits or rights under this Contract without the Client's written consent. Neither the Client nor the Contractor shall transfer the obligations under this Contract without the written consent of the other Party. In the case of subcontracting, the Contractor agrees to bid the subcontractor in their agreement to act in accordance with the terms of this Contract and shall be responsible for the Works performed by the subcontractor as if he had performed them himself, i.e. their responsibility shall be joint and several.
- 25.4. Complete Contract. This Contract, together with all its Exhibits, contains the entire agreement of the Parties with respect to the subject matter of the Contract and supersedes any other agreements, oral or written, that relate to the subject matter of the Contract. Amendments to the Contract shall not bind the Parties unless made in writing.
- 25.5. Partial invalidity. The invalidity or unenforceability of any provision of the Contract shall not affect in any way the validity or enforceability of the remaining provisions and the Parties shall use their best endeavours to amend such provision so as to make it valid and enforceable in accordance with its stated intention, to the extent allowed by law.
- 25.6. Number of copies. This Contract is concluded simultaneously in 2 (two) identical copies, one for each Party.
- 25.7. Entry into force. The Parties agree that the Contract shall be deemed to have been concluded at the time when it is signed by persons authorized to represent the Parties and authenticated by the Parties' stamps (except when the certification of the contract with a stamp is not necessary for the Party which, in the country of its registered office and in regular legal transactions, does not use the seal when entering into contractual relations).



25.8. Terms and Conditions. The General Terms and Conditions of any Party do not apply to the Contract, and for which effect it is not important that the Party objects to the application of such General Terms, nor the fact that the Client accepted the offer of the Contractor, accepted Works from the Contractor or paid to the Contractor part or all of the Price, unless specifically determined differently under this Contract.

25.9. The Parties agree that they are aware of their rights and obligations arising under this Contract and that they accept the same.

For the Client:



Tomislav Debeljak
General Manager

Date: _____

Place: _____

For the Contractor:



Alessandro Zanchetta,
CEO and Legal Representative

Date: 31.08.2020

Place: S. Vendemiano (TV), Italy

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