

**BRODOSPLIT****BRODOGRAĐEVNA INDUSTRIJA SPLIT DIONIČKO DRUŠTVO**

PUT SUPAVLA 21, 21000 SPLIT, HRVATSKA

Tel: +385 21 382617 Fax: +385 21 382648

Reg. No: 18556905592

VAT No: HR18556905592

Mail: uprava@brodosplit.hr**VITERLEF MANAGEMENT LTD.**

P.O. BOX 3159, ROAD TOWN

TORTOLA

BRITISH VIRGIN ISLANDS

VAT No: HR97295577163

Re. No.: 97295577163

Invoice No :13 /1233/335448

Date: 4 .4 .2022 Time: 16:28:44

Internal number : U 77821

Contract: NB 491

Due date: 19.4 .2022

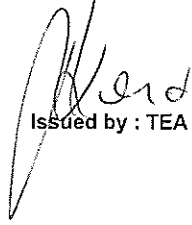
Date of delivery: 4 .4 .2022

10M00491

Pos	Description	QTY	Unit	Price/HRK	Value/EUR	Value/HRK
*1	PAYMENT FOR MATERIAL IN ACCORDANCE WITH CONTRACT CLAUSE 6.3 "PARTIES CHOICE TO TRANSFER THE PURCHASE OF ITEMS OF OWNER'S SUPPLY TO CONTRACTOR FOR MARCH 2022	1,000		876.439,55	115.765,87	876.439,55
<i>Total :</i>					115.765,87	876.439,55
Total VAT:					0,00	0,00
Total value:					115.765,87	876.439,55

USLUGA OSLOBOĐENA PDV-a PREMA ČL.47 ZAKONA O PDV-u

*USLUGA OSLOBOĐENA PDV-a PREMA ČL.47 ZAKONA O PDV-u

Payment: **BANK ACCOUNT**Note: **APPROVED BY: TOMISLAV ČORAK**
Issued by : TEA JERKOVIĆ

Payment of the monthly instalment in accordance with the Contract NB 491 for completion of One Tanker for Chemicals and Oil Products of 45,000,00 dwt

Monthly instalment for March 2022

No	Item	EUR
1	Payment for material in accordance with Contract clause 6.3 "Parties Choice to Transfer the Purchase of Items of Owner's Supply to Contractor"	115.765,87

SUB TOTAL 115.765,87

No	Item	Amount (without VAT)	Currency	Date of offer	Exchange rate (ECB on date of offer)	EUR	Price correction	Total EUR
1	Payment for material in accordance with Contract clause 6.3 "Parties Choice to Transfer the Purchase of Items of Owner's Supply to Contractor"							115.765,87
1.1	In invoice for 2022-01 items were on the list under "Committed to production 2021-11" by mistake.	-1.749,44	HRK	28.2.2022	7,5655	-231,24	0,00%	-231,24
1.2	NB491 Zn galvanizing material - calculation Mar 2022	435,60	EUR	28.3.2022	1,0000	435,60	3,50%	450,85
1.3	BIS offer No 24/2022 cases, washers	325,50	USD	31.3.2022	1,1101	293,22	0,00%	293,22
1.4	Committed to production 2022-02 (Small item lists, issued from stock, not invoiced in earlier monthly invoices)	363.555,92	HRK	31.3.2022	7,5740	48.000,52	0,00%	48.000,52
1.5	Committed to production 2022-03 (Small item lists, issued from stock, not invoiced in earlier monthly invoices)	345.584,74	HRK	31.3.2022	7,5740	45.627,77	0,00%	45.627,77
1.6	DIV Offer No. 201984/21 SFI 263 bolts	22.676,58	USD	31.3.2022	1,1101	20.427,51	3,50%	21.142,47
1.7	Kamban 2022-01	3.652,77	HRK	31.3.2022	7,5740	482,28	0,00%	482,28

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TORTOLA

BRITISH VIRGIN ISLANDS

VAT No: HR97295577163

Re. No.: 97295577163

Invoice No :12 /1233/335448

Date: 4 .4 .2022 Time: 16:26:44

Internal number : U 77820

Contract: NB 491

Due date: 19.4 .2022

Date of delivery: 4 .4 .2022

10M00491

Pos	Description	QTY	Unit	Price/HRK	Value/EUR	Value/HRK
*1	PAYMENT IN ACCORDANCE WITH CONTRACT CLAUSE 9 OF THE CONTRACT NB 491 FOR COMPLETION OF ONE TANKER FOR CHEMICALS AND OIL PRODUCTS OF 45,000DWT 9.2.3.OF THE CONTRACT FOR MONTHLY WORK PROGRESS PERFORMED IN MARCH 2022	1,000		4.334.599,35	572.542,24	4.334.599,35

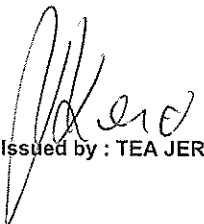
Total : 572.542,24 4.334.599,35

Total VAT: 0,00 0,00

Total value: 572.542,24 4.334.599,35

USLUGA OSLOBOĐENA PDV-a PREMA ČL.47 ZAKONA O PDV-u

*USLUGA OSLOBOĐENA PDV-a PREMA ČL.47 ZAKONA O PDV-u

Payment: **BANK ACCOUNT**Note: **APPROVED BY: TOMISLAV ČORAK**

Issued by : TEA JERKOVIĆ

Registered at: Commercial Court Split

Bank: ZAGREBAČKA BANKA D.D.

IBAN: HR562360001102362264

Bank: ZAGREBAČKA BANKA D.D.

Swift: ZBAHR2X

Share capital: 535.466.220,00

Board: TOMISLAV DEBELJAK

Payment of the monthly instalment in accordance with the Contract NB 491 for completion of One Tanker for Chemicals and Oil Products of 45.000,00 dwt

Monthly instalment for March 2022

No	Item	EUR
1	Payment in accordance with Contract clause 9.2.3 for monthly work progress	556.442,24

2	Payment for modification in accordance with Contract clause 12 "MODIFICATIONS".	16.100,00
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SUB TOTAL 572.542,24

2 **Payment for modification in accordance with Contract clause 12 "MODIFICATIONS".**

2.1 CCO-3: Shafting connection holes machining on board

2.2 CCO-5: Construction change additional work in WBT 2P

EUR	31.3.2022	1,0000	13.600,00	0,00%	13.600,00
EUR	31.3.2022	1,0000	2.500,00	0,00%	2.500,00
					16.100,00

CONTRACT NB 491

**FOR COMPLETION OF
ONE 45,000 DWT TANKER FOR CHEMICALS AND OIL
PRODUCTS**

**“Onega Gulf”
Flag Belize
IMO No. 9373773
Ex–SevmashHullNo. 98088
Ex-Hrvatska BrodogradnjaTrogirHullNo. NB339
DNV GL Classification Society**

Between

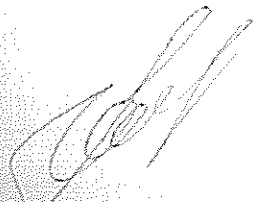
**Viterlef Management Ltd.
Road Town, Tortola, British Virgin Islands**

and

Brodosplit JSC

Split, Croatia

12th of March, 2021



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THIS CONTRACT is made and entered into by and between

Viterlef Management Ltd., a company organized and existing under the laws of the British Virgin Islands, having its registered office at P.O. Box 3159, Road Town, Tortola, British Virgin Islands (VAT in Croatia No: HR97295577163) (hereinafter referred to as the "Owner"); and

Brodosplit JSC, a company organized and existing under the laws of Croatia, having its registered office at Put Supavla21, 21000 Split, Croatia (VAT No: HR18556905592) (hereinafter referred to as the "Contractor").

WHEREAS:

- (a) The Owner is the owner of an uncompleted tanker for chemicals and oil products, IMO No. 93733773, of about 45000 dwt, known as "Onega Gulf" (the "Vessel"), presently situated at Brodotrogir d.d. shipyard in Trogir, Croatia.
- (b) The Vessel has been partly constructed by the Sevmash Shipyard in the Russian Federation and then by Hrvatska Brodogradnja Trogir d.o.o., Croatia ("HBT"), but it has not been completed.
- (c) The status of the uncompleted i.e. outstanding Vessel construction works is stated in the Completion Specification.
- (d) In consideration of the mutual covenants herein contained, the parties hereto agree as follows.

1. DEFINITIONS

In this Contract, the following terms shall have the following meanings:

"Banking Days" shall mean days when commercial banks are open for business in Russia, Croatia, the British Virgin Islands and the US.

"Classification Society" means DNV GL.

"Completion Specification" means the technical specification detailing the Contractor's Scope of Supply, which shall be prepared by the Contractor following the signing of this Contract and be incorporated into the Contract as Enclosure No.1.

"Confidential Information" shall mean any and all financial, technical, marketing, commercial, legal or other information of whatever nature (whether written, oral or in any other form) which is, will be or has been, either directly or indirectly, disclosed by a party (or any of its representatives) to the other party (or any of its representatives) as a consequence of entering into and/or performing this Contract, and information that a party has been able to conclude by the reception of such information.

"Contract" means this Contract including its Enclosures.

"Contract Price" means the total price as it reflected in the Clause 8 for the Contractor's Scope of Supply per Clause5.

"Contractor's Materials" means all materials and equipment to be supplied by the Contractor for completion of Vessel's construction as listed in the List of Contractor's Materials enclosed hereto as EnclosureNo.6.

"Contractor's Scope of Supply" means all material, equipment and documentation to be supplied by the Contractor as listed in the List of Contractor's Materials, documentation and works to be performed by the Contractor in accordance with the terms of this Contract.

"Delivery Date of the Owner's Vessel" means the actual date of delivery of the Vessel to the Contractor's shipyard as confirmed by the Protocol of Delivery in accordance with Clause 14.1.

"Delivery Date of the Owner's material, equipment and documentation" means the actual dates when the last of the following will be delivered to the Contractor's shipyard in a quantity reasonably sufficient to allow the commencement and timely completion of the Contractor's work on the vessel or on the workshop:

- (i) all ordered and/or purchased material and equipment delivered to or produced by HBT;
- (ii) all existing technical documentation including but not limited to all documentation approved by the Classification Society
and
- (iii) all applications signed by the Owner and, when applicable, Class Society. The fact of delivery of all above mentioned shall be confirmed by the Protocols of Delivery of material, equipment and documentation and signed by the parties of this Contract.

"Flag State" means the flag of Belize.

"Guarantee Engineer" has the meaning set out in Clause 17.7.

"Guarantee Period" has the meaning set out in Clause 17.1.

"HBT" means the shipyard Hrvatska Brodogradnja Trogir d.o.o.

"Improvements" has the meaning set out in Clause 21.1.

"Maker" means a supplier of equipment to the Vessel.

"Original Specification" means the technical documentation according to which the Vessel was built and partly equipped by the Sevmash Shipyard, included herein as Enclosure 2 and consisting of (i) P-668 Contract Specification Kleven Design KD-TCOP 45000, (ii) General Arrangement Plan P668-0-6138, (iii) classification drawings made for Hull No. 329, (iv) 2011-01-20 list of equipment, and (v) Weights March - P668 (087, 088).

"Owner's Supplies" means all material and equipment (i) purchased by the Owner and installed on the Vessel, or (ii) remaining to be purchased by the Owner and/or installed on the Vessel by the Contractor as further detailed in the lists to be drawn up by the parties as per Clause 3.9. and (iii) all materials and equipment necessary to complete the Vessel in accordance with the terms of this Contract, except the materials listed in List of Contractor's Materials.

"Permissible Delay" means any event and/or delay that entitle the Contractor pursuant to postpone the Delivery Date under this Contract. The Contractor is obliged to notify the Owner of the occurrence of such an event and/or delay in writing and no later than five working days after the occurrence of such an event. The dated of commissioning, sea trials and the vessel's re-delivery shall be adjusted in accordance with such Permissible delay, if any.

"Prior Art" has the meaning set out in Clause 21.1.

"Project Manager" means the person appointed by the Contractor in accordance with Clause 0.

"Reasonable Expenses" has the meaning set out in Clause 15.2.

"Redelivery Date" has the meaning set out in Clause 14.1.1.

“**Representative(s)**” means representative(s) engaged by the Owner in accordance with Clause 11 of this Contract.

“**Scrubber Equipment**” has the meaning set out in Clause 4.2.3.

“**Scrubber Option**” has the meaning set out in Clause 4.2.1.

“**Sevmash Shipyard**” means the shipyard in Severodvinsk, Arkhangelskaya oblast, Russia where initial construction of the Vessel was performed.

“**Vessel**” means the unfinished Tanker for Chemicals and Oil Products ex- Sevmash Hull No. 98088, IMO No. 9373773, the M/T Omega Gulf, owned by the Owner.

2. ENCLOSURES

2.1 The following enclosures are incorporated by reference into this Contract:

Enclosure 1: Completion Specification;

Enclosure 2: Original Specification;

Enclosure 3: Procedure of the parties' coordination and communication;

Enclosure 4: Protocol on Guarantee Procedure.

Enclosure 5: List of Contractor's Materials.

Enclosure 6: Contractor's Pricelist.

Enclosure 7: Draft of Contractor's Bank and/ or Swiss insurance company performance guarantee according to the Clause 9.2.3.

Enclosure 8: Draft of Contractor's Bank and/ or Swiss insurance company refund guarantees according to the Clause 9.2.4.

Enclosure 9: Copies of the insurance policies according to the Clause 18.



Or other Enclosures to be added as may be mutually agreed.

2.2 In case of discrepancies or contradictions between this Contract and its Enclosures listed above, this Contract shall prevail. In the event of a conflict between the Enclosures, the order of preference shall follow the numbering set forth above.

3. PREAMBLE

3.1 The Vessel is a sister-ship to the vessel ex-Sevmash Hull No. 98087, IMO No. 9336464, the M/T Dvina Gulf, completed at HBT as Hull No. 329. The Vessel has been partly built-in accordance with the Original Specification at Sevmash Shipyard for another party, and partly completed at HBT in accordance with a shipbuilding contract entered into between the Owner and HBT on 23 June 2016. The Owner intends to terminate the existing shipbuilding contract with HBT due to excessive delay with completing the Vessel. The Owner has received an offer from the Contractor for final completion of the Vessel. The Owner and the Contractor have agreed to enter into this Contract for the purpose of recording their agreement relating to the completion of the Vessel by the Contractor, and redelivery to the Owner all in accordance with the terms of this Contract.

3.2 The Owner has full title and ownership to the Vessel and is entitled to enter into this Contract for final completion of the Vessel.

- 3.3 The Parties hereby declare that the Contractor shall complete the building of the Vessel in accordance with the requirements of the Original Specification, the requirements of the Classification Society, the specification of the Completion, Change order List and in accordance with the provisions of this Contract. The Vessel shall be certified in accordance with Clause 7 hereof. The Contractor shall warrant and be responsible for the all Vessel completion works that it has obliged to perform and in accordance with provisions, terms and conditions of this Contract. Any Contractor's work necessary to repair or adjust the Vessel or its components as constructed and/or installed and/or ordered prior to Vessel's delivery to the Contractor, as well as Contractor's work and expenses which may be necessary due to changes (if any) in Vessel's design provided by the Owner that may be required in order to satisfy the rules, regulations, convention and requirements as per Clause 7.1.1, herein below shall be treated as modification in line with Clause 12 hereof.
- 3.4 The Contractor is not responsible for the design of the Vessel or any work done on or in the Vessel prior to delivery of the Vessel to the Contractor, nor for materials and equipment supplied or ordered by the Owner within the scope of Owner's Supply, which remains Owner's liability.
- 3.5 The Owner shall at its own cost, time and risk supply to the Contractor's shipyard all materials and equipment were ordered prior to delivery of the Vessel to the Contractor.
- 3.6 The Contractor shall provide the Owner with full its technical assistance in ordering materials and equipment that are still not ordered and are necessary for the Vessel completion in accordance with Clause 6.2.2.
- 3.7 The Owner has provided the following documents to the Contractor prior to the signing of this Contract:
1. The Original Specification;
 2. The General Arrangement plan;
 3. Classification drawings according to which the Vessel has been built and partly equipped;
 4. Change Order List;
 5. Equipment maker's list;
 6. Order Purchase List and Plan;
 7. Owner Progress report;
 8. Activity List and Plan;
 9. The pipe manufacturer's report upgrade with SFI installation on the Vessel;
 10. Painting procedures including application procedures for cargo tanks and coating technical file of seawater ballast tanks according to PSPC resolution requirements; and
 11. A list of all the Owner's Supplies already purchased by the Owner.
- 3.8 Immediately following the Delivery Date, the parties shall perform a joint inspection of the Vessel. Within one (1) month following the completion of such joint inspection, the Contractor shall prepare the Completion Specification based on the results of such joint inspection and the documents provided by the Owner as per Clause 3.7 above.
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- 3.9 As soon as practically possible following the signing of this Contract, the parties shall perform a joint inventory of the Owner's Supplies in HBT warehouse before sending supplies to the Contractor's warehouse and in the Contractor's warehouse after the delivery, and prepare the following documents:
1. A list of material which has already been purchased by the Owner, delivered to HBT and Contractor's warehouse, but not yet installed on the Vessel (such as e.g. C-materials from black and stainless steel, flanges, pipes, elbows, gaskets, fixing material for mechanical work, fixing material for electrical work, paint material, black and stainless steel pipes, including welded and non-welded, plastic, welding material, etc.). When inventory for items No 1 shall be made, such items to be immediately loaded on the track or other transport mean for transportation to Contractor's shipyard.
 2. A list of equipment which has already been purchased by the Owner, delivered to HBT and Contractor's warehouse, but not yet installed on the Vessel. When inventory for items No 2 shall be made, such items to be immediately loaded on the track or other transport mean for transportation to Contractor's shipyard.
 3. A list of equipment which has been purchased by the Owner and installed on the Vessel.
 4. A list of material and equipment which have been ordered by the Owner but not yet delivered from the relevant supplier/maker to the Contractor and not yet installed on the Vessel. The Owner shall notify the Producers / Suppliers of such ordered materials of the new Builder/ Contractor of the Vessel.
 5. A list of material and equipment which remain to be purchased and delivered by the Owner and installed on the Vessel by the Contractor.
- 3.10 All the Contractor's additional costs, which will be associated with such an inventory at the HBT shipyard warehouse, will be reimbursed by the Owner additionally in accordance with the actual costs of the Contractor and upon the Contractor's invoices.
- 3.11 In addition to the above, the Owner shall as soon as practically possible following the signing of this Contract, prepare a list of all drawings, certificates, all performed applications protocols, equipment manuals, installation instructions and all other available documentation pertaining to the Vessel. This list shall be continuously updated by the Contractor and be made available to the Owner immediately upon request.
- 3.12 For the avoidance of doubt, the Contractor acknowledges and confirms that all documents comprising the Completion Specification and Exhibits thereto, as well as any other technical documentation that may be developed by the Contractor under this Contract, are the property of the Owner and shall be delivered by the Contractor to the Owner at any time at the Owner's request and in any event at the Vessel's Redelivery Date.
- 3.13 As soon as possible following the preparation of the documents listed under Clause 3.5. (1) to (5) and 3.6. above, the Contractor shall also prepare the following documents, which shall constitute Exhibits to the Completion Specification:
1. Master Plan with a specified Redelivery Date for the Vessel;
 2. Detailed Activity List and Plan on the basis of the Master Plan and the Completion Specification;
 3. A Purchase List Plan;
 4. Painting Procedures; and



5. Updated testing program in relation to the Owner's Supplies.

3.14 The Contractor shall, on a monthly basis, update each of the documents listed above (except for items 4 and 5) in the Clause 3.13 and immediately provide the Owner and the Owner's Representative(s) with such updated versions.

4. GENERAL

4.1 DESCRIPTION OF THE VESSEL

4.1.1 The Vessel is a tanker for chemicals and oil products of 45,000 dwt with the following principal particulars and dimensions:

- Length, overall 182.72 meters (not exceeding 600 feet);
- Length, between perpendiculars 175.22 meters;
- Breadth, moulded 32.2 meters;
- Depth, moulded 18.35 meters;
- Designed loaded draught, moulded 11.7 meters;
- Scantling draught, moulded 12.5 meters;
- Main engine MAN B&W 6S60 MC;
- Design deadweight, guaranteed 40,750 metric tons in seawater specific gravity 1.025;
- Scantling deadweight, guaranteed 45,000 metric tons;
- Integral cargo tank capacity 52,200 m³;
- Deck cargo tank capacity 614m³;
- Grand total cargo tank capacity 53,020 m³ (100%).

4.1.2 The details of the aforementioned particulars as well as the definitions and method of measurements and calculations are as described in the Original Specification.

4.1.3 The Contractor's Scope of Supply shall be performed in accordance with good shipbuilding standard and practice for this type of vessel and shall fulfil the IACS-standard for general shipyard works. The Vessel shall during its completion period at the Contractor's shipyard bear the Contractor's Hull No. 491.

4.2 SCRUBBER OPTION

4.2.1 The Contractor grants the Owner an option to require that the Contractor installs an exhaust gas cleaning system on the Vessel (the "**Scrubber Option**") at a fixed turn-key price of USD 1,000,000 (say US dollars one million only) which includes all work related to drawings, engineering, installation, approval by the Classification Society etc. but excluding docking costs (if any).

4.2.2 The Scrubber Option shall be declared by the Owner no later than 2(two) months from the Delivery Date of the Vessel. If the Owner declares the Scrubber Option, the Contractor the Re-Delivery date shall be postponed for [one hundred twenty (120)] calendar days.

4.2.3 If the Owner declares the Scrubber Option, the Owner shall deliver the documentation for the scrubber within 2 (two) months from the Scrubber Option declaration. The Owner shall purchase the exhaust gas cleaning system (the "**Scrubber Equipment**") and deliver it to the Contractor no later than 9 (nine) months after the Delivery Date. The technical specification for the Scrubber Equipment shall be technically approved by the Contractor.

4.3 DESIGN LIABILITY

The Contractor shall in no circumstances be liable for the Vessel's design or for the Vessel's performance, including deadweight, speed, fuel consumption or cubic capacity.

4.4 SUBCONTRACTING

The Contractor may subcontract portions of the construction work to properly equipped and well-reputed subcontractors. Notwithstanding any such subcontracting, the Contractor shall at all times remain fully responsible for the performance of its obligations under this Contract.

5. THE CONTRACTOR'S SCOPE OF SUPPLY

The Contractor is obliged to deliver, and the Owner shall receive the Vessel from the Contractor on the Redelivery Date duly completed in accordance with the requirements of this Contract, the Classification society requirements, the Original Specification and the Completion Specification, fully ready for operations in all respects (save as regards certificates etc. that relate to the Vessel's crew and commercial management). The Contractor's Scope of Supply includes the following:

1. All work described in the Completion Specification necessary to complete the Vessel as per the Original Specification, the requirements of the Classification Society, subject to Clause 12 the works agreed in Change order List, all in accordance with the other provisions of this Contract;
2. Obtaining class documents and certificates for the Vessel, except the ones referred in Clause 7.2.3
3. All the Classifications Society's expenses related to the supervision of the Contractor's Scope of Supply with the exception of approvals and certificates referred to in Clause 7.2.3.;
4. Adjustment of the workshop drawings and obtaining all necessary approvals and certificates relating to the Contractor's Scope of Supply as required by the rules and regulations applicable to the Vessel;
6. All work that should repair or adjustment works to correct or make good or redo the works done on the Vessel prior to Delivery to the Contractor subject to Clause 12;
7. A sufficient storage capacity for receiving and responsible storage of the Owner's supplies, including outdoor and indoor storage, including equipment sensitive to excessive moisture and dust, dirt, including in the customs control regime
8. Preparation, anticorrosive and painting works for the Vessel, including ballast tanks, cargo and slop tanks, as more fully described in Appendix 1 ("Painting Procedures", "Application procedures for cargo tanks") to the Original Specification. The ballast tanks painting system must be applied in accordance with the requirements of the PSPC resolution and approved by the Classification Society. A Dry-docking paint procedure shall be issued by the Contractor and then provided to the Owner and Jotun, as the paint maker company, for their consideration and acceptance and this Dry-docking paint procedure must be officially approved and signed by the Contractor, the Owner and the Jotun in a one (1) week before the vessel's going to a dry dock.
9. Issuing a coating technical file at the latest at the Redelivery Date;
10. Temporary cathode protection for the entire duration of the Contract;
11. Insurance of the Vessel from its delivery to the Contractor's shipyard during the time of building, outfitting and trials until the day of the Vessel redelivery to the Owner;
12. Commissioning of the Vessel's systems and equipment within Testing Programme. The cost of the service engineer's attendance and costs of special tools & equipment

and special materials for commissioning shall be for the account of the Owner. The cost of fuel, oils, lubricates, electricity and other consumables required for the commissioning shall be for the Contractor account. If the untimely completion of commissioning is due to the reasons attributable to the Contractor's faults, all additional costs for additional commissioning time, additional visits of the service engineers, other related costs and expenses (such as tickets, mobilisation, accommodation, etc.) shall be borne by the Contractor. If the untimely completion of commissioning is due for the equipment hidden defects and/or unprofessional actions of the equipment Maker, all additional costs for additional commissioning time, additional visits of the service engineers, other related costs and expenses (such as tickets, mobilisation, accommodation, etc.) shall be borne by the Owner.

13. All the dry-docking procedures and technologies, including the vessel towing and related costs, except the relevant docking costs reflected in the Clause 4.2.1. and excluding any docking expenses that may arise out of necessity to extend or repeat the dry-docking due to hidden defects of the work effected or hidden defects of materials ordered prior to Delivery of the Vessel to the Contractor.
14. All the port authority's formalities and activities concerning this Contract implementation and related costs.
15. Sea trial of the Vessel, tests and trials of its equipment and related costs;
16. All the Croatian Register of Shipping formalities and activities concerning dry-docking procedures and an approved sea trial program and related costs;
17. Mooring and unmooring and related cost;
18. Preparing and issuing of the full set of workshop documentation and related costs;
19. Auxiliary materials and equipment necessary to perform the Contractor's Scope of Supply (these materials and equipment shall be removed from the Vessel at the time of redelivery and will belong to the Contractor);

6. THE OWNER'S SCOPE OF SUPPLY

6.1 General

- 6.1.1 The Owner shall, at its own cost and expense, bring the Vessel to the Contractor's shipyard.
- 6.1.2 The Vessel shall be registered by the Owner at the Owner's cost and expense under the laws of the Flag State at the time of the Vessel's redelivery, with the Contractor providing all necessary cooperation and assistance.

6.2 The Owner's Supplies

- 6.2.1 The Owner shall, at its own cost and expense, deliver to the Contractor all materials and equipment necessary to complete the Vessel except Contractor's materials as listed in List of Contractor's Materials (the "Owner's Supplies"). The same shall be in good condition ready for installation in or on the Vessel and shall be provided in time to meet the completion schedule of the Vessel. The Contractor shall render the Owner all necessary technical and other assistance in order to ensure that the Owner's Supplies can be delivered to the Contractor in time to meet the completion schedule of the Vessel.

- 6.2.2 The Owner and the Contractor shall as soon as practically possible after signing of this Contract agree on a plan for the delivery of not ordered or not delivered Owner's Supplies or in accordance with the issued and approved Master Plan and Activity List and Plan. The Contractor shall provide to the Owner with three technically approved and production and

delivery accepted time offers for materials and equipment not yet ordered but necessary to complete the Vessel in accordance with the Original and Completion Specifications, in time to enable the Owner to order such material in line with Master Plan. It shall thereafter be Owner's responsibility to order and timely supply such materials and equipment.

6.2.3 In order to facilitate installation by the Contractor of the Owner's Supplies in or on the Vessel, the Owner shall timely furnish the Contractor with necessary specifications, plans, drawings, instruction books, manuals, test reports and certificates reasonably required by the Contractor. The Contractor shall be responsible for storing and handling the Owner's Supplies after delivery thereof to the Contractor, and shall, at its own cost and expense, install them in or on the Vessel, provided always that the Contractor shall not be responsible for the quality, efficiency and/or performance of any of the Owner's Supplies have been ordered and delivered prior the signing this Contract and except to the extent that any deficiencies or shortcomings in the same are attributable to the improper handling or installation by the Contractor.

6.2.4 In a case, if some of the Owner's Supplies have been found to be technically unsuitable or in improper condition for installation, the Contractor shall promptly inform the Owner, and the parties shall jointly inspect such item. The Contractor is obliged to prove to the Owner that such equipment does not meet the technical specification and technical requirements or/ and parameters, or technically and/or physically cannot be installed on the vessel. If the Owner disagrees that the concerned Owner's Supply item is unsuitable or in improper condition for installation and insists on the installation of such item, the Builder shall install such item, but it will not be responsible for the consequences, which shall be borne by the Owner. In case that the Parties agree that the item is unsuitable or in improper condition for installation, the Contractor shall inform the Owner in writing and agree on possible repair or adjustment and obtain approval for such repairs from the representatives of the Manufacturer / Supplier of this equipment. A detailed cost calculation of the requested repair or adjustment (number of working hours, cost of a working hour, cost of materials, etc.) shall be provided to the Owner. In this case, the Owner shall reimburse the Contractor for agreed costs and expenses incurred by the Contractor in such repair or adjustment.

6.2.5 Due to construction process in accordance with shipbuilding practice, some missing material (elements) can be detected only in later assembling stage. In case that the Contractor detects such missing materials it shall promptly advise the Owner and supply technically approved offers for such materials in line with paragraph 6.2.2. above to enable the Owner to order such materials. The Contractor shall take due and sufficient care to try to determine that any critical materials, components, assemblies and parts/pieces of equipment are missing in order to avoid possible postponement of the vessel's re-delivery date. In case if such missed materials or equipment was not determined, but affect the outfitting and testing critical path causing a delay in Re-delivery Date, the new schedule will be presented by the Contractor to the Owner, and the Re-delivery date shall be postponed accordingly, without penalties to the Contractor.

6.2.6 Should the Owner fail to supply technical documentation that is in Owner's Scope of Supply or should technical documentation supplied by the Owner contain errors, be incomplete or require clarification or interpretation in order to be implemented by the Contractor, the Owner shall within the fifteen (15) days from the date when so advised by the Contractor in the written about necessity to provide the complete documentation or corrections or interpretation or clarification, provide such required corrections or missing data or clarification or interpretation. Should the Owner fail to do so within the fifteen (15) days, the Contractor shall be entitled to apply its own correction, interpretation, clarification and/or missing data and such Contractor's interpretation shall be submitted to the Owner for the mutual discussion and approval.

6.2.7 In case if any delays caused by delay in delivery of Owner's supply in accordance with Clause 6.2.1. or events stated in paragraphs 6.2.3, 6.2.4., 6.2.5. and 6.2.6. which would be acknowledged by the parties in writing, and/or, in case of dispute, by determination of

Independent Surveyor or Arbitration in accordance with Clause 21 hereunder as delays that critically affected the workflow of the completion of the vessel and caused a corresponding delay in the date of re-delivery of the vessel then such delays shall represent Permissible Delays entitling the Contractor to postpone the Re-delivery Date without penalty. In this case, the Owner shall pay to the Contractor a compensation for costs in the amount of 4000,00 EUR per each day of Permissible Delay as defined in this Clause. It is agreed between the Parties that in case that the Independent Surveyor and/or Arbitration determine that delay in Buyer's Supply has not critically affected the workflow of the completion of the Vessel and caused a corresponding delay in Re-delivery, the delay of the Buyer's Supply shall not represent a Permissible Delay and the Owner shall not be obliged to pay compensation for costs to the Contractor as provided hereinabove.

- 6.2.8 If the Owner's supply has been manufactured and delivered to the Contractor in accordance with a technically approved offer provided by the Contractor, but such the Owner's supply has been later found by the parties as being technically unsuitable partly or completely for installation on or in the vessel, since it was made in accordance with the Contractor's wrong technical calculations, then, in this case, the Contractor is obliged to make a technical recalculation of all the necessary technical data, to make sure that the calculations are correct, immediately request a new offer from the Manufacturer / Supplier and submit the updated offer to the Owner for approval and purchasing and new delivery.
- 6.2.9 Delays in Re-delivery Date caused by the occurrence described under sub-clause 6.2.8. above shall not be considered as permissible delays and shall be subject to Liquidated Damages under Clause 15.1. In this case, the Contractor shall bear all costs related to the redelivery of the respective supplies.
- 6.2.10 It is understood that all Owner's Supplies shall remain on board the Vessel when the Vessel is redelivered to the Owner.



6.3 Parties Choice to Transfer the Purchase of Items of Owner's Supply to Contractor

6.3.1 The Parties may agree in time sufficient to effect the timely purchase and delivery of materials and equipment that are not yet ordered, but are within Owner's scope of supply that such items will be purchased by the Contractor instead of the Owner. Parties' agreement specifying such materials and equipment that are shifted from the Owner's Supply to Contractor's Materials must be in writing. In such the Contractor shall be responsible for the delivery of those materials and equipment which shall be covered by the Contractor's warranty.

6.3.2 The Contractor shall be entitled to payment of the price for such materials and equipment shifted from Owner's Supply to Contractor's Scope of Supply per cost increased for 3,5 %.

6.3.3 The price for materials and equipment ordered by the Contractor instead of the Owner pursuant to preceding paragraphs shall be calculated in Contractor's monthly invoices for the months when payments have been effected by the Contractor to suppliers and shall be paid by the Owner in line with Clause 9.3.1.

7. CLASSIFICATION

7.1 CLASS, RULES AND REGULATIONS

7.1.1 The Vessel, including its machinery and equipment, shall be completed in compliance with the rules of the Classification Society for the following notations:

- DNV +1A1, Tanker for chemicals and oil products, ESP, EO
- NAUT-OC, NAUTICUS, PLUS -1, OPP-F, VCS-2, CCO
- integral cargo tanks: a2, b3, c3, v3, f2, T4-II A / II B, T-mon. str 0.1, k, HL (1,5)
- deck cargo tanks: a3, b3, c3, v3, f2, str 0.1, ss, T4 IIA/IIB, HL (1,5)
- PSPC, BWS-T
- ship to be built for in-water-survey (without notation)

7.1.2 The foregoing list shall be interpreted as the nearest matching rules and notations of the Classification Society, to the extent that the Classification Society does not support the exact items in the list.

7.1.3 The Vessel, including its machinery and equipment, shall also be completed to comply with the rules, regulations, conventions and requirements of the Classification Society, the Flag State and other regulatory bodies as described in the Original Specification in force and ratified as at the date of this Contract or published as at the date of this Contract and due to come in force before Redelivery Date.

7.1.4 Upon successful completion of the trials, the Vessel shall be provided with the applicable interim Classification Certificates and, as soon as possible but latest six months thereafter

permanent certificates issued by the Classification Society, as well as with all the other certificates and documents as mentioned in the Original Specification.

- 7.1.5 The Classification Society, in charge with the supervision of the Vessel, shall be the only duly authorized to estimate and decide whether the Vessel is in conformity with the Classification Society's Regulations and Rules.
- 7.1.6 The Contractor shall try to obtain an Energy Efficiency Design Index (EEDI) certificate from the Classification Society on the basis of the sea trial results and corresponding calculations.
- 7.1.7 The Owner shall be furnished promptly with copies of the correspondence between the Contractor, the Classification Society and/or the Flag State. The Classification Society and the Flag State shall at all times be allowed to communicate directly with the Owner; however, the Contractor's representative shall always be included in such communication.

7.2 RESPONSIBILITIES OF THE PARTIES

- 7.2.1 The Contractor shall be responsible for obtaining all necessary approvals and certificates relating to the Contractor's Scope of Supply. The Owner shall provide any assistance that may be reasonably required in this respect.
- 7.2.2 The Contractor shall ensure that any preliminary certificates issued by the Classification Society on redelivery of the Vessel, in particular the Final Stability Booklet, shall be replaced with final certificates within the timeframe required by the Classification Society. For this purpose, the Contractor shall confirm in writing to the Owner seven (7) calendar days prior to the date of the Vessel's redelivery that (i) there are no circumstances or outstanding issues that could impede the process of issuing approvals or final certificates for the Vessel by the Classification Society or any applicable regulatory bodies, and that (ii) all such documentation, approvals and certificates will be made available to the Owner on the date of the Vessel's redelivery.
- 7.2.3 The Owner shall provide approvals and certificates relating to the Vessel and its machinery, equipment and fittings already installed on the Vessel by Sevmash Shipyard and/or HBT. The Contractor shall provide any assistance that may be reasonably required in this respect.
- 7.2.4 The Contractor shall, at its own cost and expense, arrange with the Classification Society to assign a representative or representatives to the Contractor's shipyard as a surveyor(s) for the supervision of the Contractor's Scope of Supply.

8. CONTRACT PRICE

- 8.1 In consideration of the Contractor's Scope of Supply under this Contract, the Contract Price amounts to EUR 8,900,000 (Euro eight million nine hundred thousand and 00 cents only) (the "Contract Price").
- 8.2 The Contract Price does not include:
- (a) Modifications as per Clause 12;
 - (b) Any costs related to Scrubber Option under sub-clause 4.2.1.;
- 8.3 The Contract Price is a fixed and final turn-key price covering all work required to fulfil the Contractor's Scope of Supply as per the Contract. Accordingly, the Contract Price is not subject to escalation, price increase, currency adjustment or the like of any nature whatsoever and for whatever reason save as explicitly provided for in Clause 4.2.1 and Clause 12 and other provisions of this Contract.
- 8.4 An adjustment of the Contract Price as per Clause 8.3 above shall affect the next following scheduled payment after such adjustment's determination.
- 8.5 The Contractor confirms that it has agreed to the above fixed and final turn-key Contract Price, despite the fact that it has not had the opportunity to make a detailed inspection of the Vessel and its current status of completion prior to agreeing to the Contract Price.

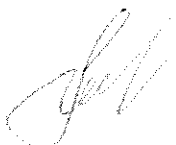
9. PAYMENTS

9.1 CURRENCY OF PAYMENT

The currency of payment shall be Euro. The Parties may agree on the payment of Contract Price or a part thereof in a currency other than EUR, however, applying the exchange rate valid on the date of such payment. The Contractor will provide invoices in Euros; however, the Contractor confirms that he has a multiple currency Bank account and the Owner shall be entitled to make payment either in Euros or in US Dollars, at his choice. In case of payment in US Dollars, in accordance with the exchange rate of the Central Bank of the European Union on the date of payment. The main currency of the contract remains Euro.

9.2 TERMS OF PAYMENT

- 9.2.1 The Contract Price for the Vessel completion shall be due and payable by the Owner to the Contractor in several monthly payments during performance of the Contractor's Scope of Supply, and one (1) final redelivery payment for the Vessel on the conditions as hereinafter set forth, provided always that any payment which shall be paid for the Vessel shall under no circumstances become due and payable unless the Vessel is insured in accordance with Clause 18 of this Contract.
- 9.2.2 Latest within 5 (five) days from the date of receipt by the Owner of the Refund Guarantee and Performance Guarantee referred to under sub-clause 9.2.4. and 9.2.5. hereunder, the Owner shall pay the Contractor an advance of the Contract Price in amount of EUR 890,000 (EURO eight hundred and ninety thousand and 00 euro cents only) upon the Contractor's relevant invoice (the "Advance Payment").
- 9.2.3 The Owner shall pay the sum of EUR 7,120,000 (Euro seven million one hundred and twenty thousand and 00 euro cents only) which represents ninety per cent (80%) of the Contract Price, in monthly instalments. The amount of each such monthly instalment shall be determined in correlation to the monthly progress of the completion of the Contractor's Scope of Supply. The starting point for assessing such monthly progress shall be the first



independent surveyor on the percentage of work performed in a specific reporting month, then the decision on such a dispute is referred to arbitration consideration in accordance with the terms of this contract specified in Clause 21.3. hereof. In such case the Owner has obligation to pay the undisputed amount of the invoice and for the remaining part the parties shall immediately refer the dispute to the Independent Surveyor.

9.2.9 If at any moment the accumulated value of Contractor's effected work, as calculated by the Builder but disputed and/or unpaid by the Owner exceeds the amount of Advance Payment the Contractor shall be entitled to suspend all the works. The independent surveyor's or arbitration decision on disputed/ unpaid percentage shall than reflect on the consequences of such suspension: if the Contractor had not the right to suspend the works, then Contractor shall pay Liquidated Damages for delay of the Vessel caused thereby. If the Contractor was entitled to suspend all the works, than the Owner shall pay to the Contractor liquidated damages of EUR 4,000 (four thousand EURO and 0/0 euro cents only) for each day of rightful suspension as provided for in Clause 19.6 hereunder.

9.2.10 The Owner shall pay the sum of EUR 890,000 (EURO eight hundred ninety thousand and 00 cents only), which represents the remaining ten per cent (10%) of the Contract Price, at the Redelivery Date, adjusted in accordance with provisions of this Contract.

9.3 METHOD OF PAYMENT

9.3.1 The Contractor shall send the invoice to the Owner by email and verify that the Owner has received such an invoice for the monthly payment. The Owner shall confirm to the Contractor that this invoice was received immediately. The Invoice to be considered as validly received by Owner's representative in Brodosplit.

Payments will be invoiced as described above and paid by bank wire transfer within fifteen (15) calendar days of receipt of the invoice by the Owner.

Included on the Contractor's invoices shall be:

- (a) reference to this Contract, the relevant payment number and any adjustment(s) as per Clause 8.4,
- (b) the Contractor's bank's name, address and SWIFT number, and
- (c) the IBAN account number and the nominal account holder's name and address.

9.3.2 The Owner will use its reasonable efforts to expedite each payment and complete it as soon as possible after receipt of each invoice

9.3.3 Any commissions of the Beneficiary's bank and Local banks of Contractor's country (except Owner's local bank, if any) shall be paid by the Contractor.

9.3.4 The final redelivery invoice of the Contract Price is presentable to the Owner against presentation of a signed copy of the Protocol of Redelivery and Acceptance of the Vessel as

described in Clause 14 hereof by the Owner's Representative at the place of the redelivery of the Vessel.

9.4 TITLE TO THE VESSEL

9.4.1 Title to the Vessel, including all her certificates, drawings and other technical documentation shall remain at all times with the Owner. The Contractor shall not be entitled to exercise a lien on the Vessel or on any such documentation.

9.5 TITLE TO OWNER'S SUPPLIES

9.5.1 Title to the Owner's Supplies shall remain at all times with the Owner. The Contractor shall not be entitled to exercise a lien on the Owner's Supplies.

10. MAKERS LIST

10.1 As soon as practically possible following signing of this Contract, and when the parties have completed the inventory of the existing Owner's Supplies as per Clause 3.9., the Owner and the Contractor shall agree on a list of additional Owner's Supplies required to be purchased by the Owner in order to complete the Vessel, as well as the plan for delivery of such additional Owner's Supplies to the Contractor's shipyard, all based on the workshop drawings provided by the Owner and/or issued by the Contractor.

10.2 Following completion of the list of additional Owner's Supplies as per Clause 10.1 above, the parties shall agree on a Makers List for such additional Owner's Supplies.

10.3 All remaining Owner's Supplies required for completion of the Vessel shall be selected by the Owner in cooperation with the Contractor on the basis of not less than three quotations collected by and technically approved by the Contractor.

10.4 The Owner may request that the Contractor collect a quotation from a supplier who is not on the Makers List, in which case the Contractor shall collect, and technically approve such quotation from the Maker proposed by the Owner.

10.5 The Contractor shall provide the Owner with quotations collected from the Makers on the Makers List at least one (1) week before the planned placing of the relevant order. The Owner shall notify the Contractor of its selection of the Maker within five (5) calendar days following receipt from the Contractor of the relevant quotations.

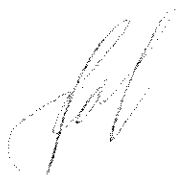
11. SUPERVISION AND WORK COORDINATION

11.1 OWNER'S REPRESENTATIVES

11.1.1 The Owner, at its own expense, shall have the right to appoint and make known to the Contractor it is duly authorized Representative(s) which shall have the right to enter in the premises of the Contractor at all times during working hours to inspect the Vessel, her equipment and all accessories and work in progress wherever such work is being done or material stored (including the premises of subcontractors), however always with the presence of the Contractor's Project Manager. Any omission or defects in materials and/or workmanship, or any other issue affecting the Contractor's performance of its obligations under this Contract, shall be pointed out by such Representative(s) to Contractor's Project Manager at the earliest opportunity, but latest within three (3) days and if well-founded, shall be corrected by the Contractor in accordance with the Original Specification and the Completion Specification, provided that claims of the Representative(s) are justifiable in accordance with this Contract and shall not be contradictory to it. The supervision thus exercised on behalf of the Owner shall not alter or diminish the responsibility of the Contractor with regard to quality of the Vessel as provided for elsewhere in this Contract.

Any dispute arising in respect of any alleged omission or defect may be referred by either party to arbitration in accordance with Clause 21 hereof.

- 11.1.2 When and if such Representative(s) shall have been appointed by the Owner in accordance with the foregoing, the Contractor shall submit plans and drawings created or adjusted by the Contractor, to the designated Representative(s) unless otherwise agreed upon between the parties. Such Representative(s) shall, within ten (10) calendar days after receipt thereof, return to the Contractor one (1) copy of such plans and drawings with his approval or comments written thereon, if any. Approval by such Representative(s) of such plans and drawings duly submitted to him shall be deemed to be the approval by the Owner for all purposes of this Contract, provided always that such approval shall not be construed as a waiver by the Owner of any of the Contractor's obligations to complete the Vessel in accordance with the Original Specification, the Completion Specification and this Contract.
- 11.1.3 In the event that the Owner or his Representative(s) shall fail to return the above mentioned plans and drawings to the Contractor within the time limit as hereinabove provided, such plans and drawings shall be deemed to have been automatically approved without comment, provided always that such approval shall not be construed as a waiver by the Owner of any of the Contractor's obligations to complete the Vessel in accordance with the Original Specification, the Completion Specification and this Contract.
- 11.1.4 The necessary inspection of the completion works shall be carried out by the Classification Society, other regulatory bodies and/or the inspection team of the Contractor and its subcontractors throughout the entire period of the completion works, in order to ensure that the completion works are duly performed in accordance with this Contract, the Original Specification and the Completion Specification. Failure of the appropriate Representative to be present at such tests and inspections after reasonable prior written notice of such tests or inspections have been given by the Contractor to the Owner shall be deemed to be a waiver of the Owner's right to be present.
- 11.1.5 The Representative(s) engaged by the Owner under this Contract shall at all times be deemed to be employees, agents or contractors of the Owner, and the Contractor shall have no liability whatsoever for any such persons.
- 11.1.6 The Owner's authorized Representative(s), whose name and duties are to be made known in advance, shall observe the work rules and safety measures prevailing at the Contractor and its subcontractors' premises. The Owner may entrust the inspection to firms or persons outside its organization subject to Contractor's prior approval, such approval not to be unreasonably withheld.
- 11.1.7 The Contractor has the right to request the Owner to replace any Representative who is reasonably deemed unsuitable and unsatisfactory (and upon not less than one month's notice) for the proper progress of the Works. The Owner shall investigate the situation, and if the Owner considers that such Contractor's request is justified, the Owner shall effect such replacement as soon as convenient.



11.2 RESPONSIBILITY OF THE CONTRACTOR

- 11.2.1 The Contractor shall appoint a project manager acceptable to the Owner to be the daily and regular working point of contact for the Owner with the Contractor and to act as the Contractor's lead coordinator of its work under this Contract (the "Project Manager").
- 11.2.2 The Contractor shall similarly include the Owner in the distribution of its normal testing, inspection and subcontractor quality control reports.
- 11.2.3 The Contractor shall promptly provide the Owner's Representative(s) with all such information as he or they may reasonably request in connection with the completion of the Vessel.
- 11.2.4 The Contractor shall provide the Owner's Representative(s) free of charge with suitably furnished office space, and such other reasonable facilities as may be necessary to enable the Owner's Representative(s) to carry out his or their work under this Contract, at or in the immediate vicinity of the Contractor's shipyard, including air conditioning, heating, WC, shower, washing facilities, kitchenette, parking spaces, telephone, fax, e-mail, and broadband internet access with minimum 10Mbit/s with LAN cabling minimum CAT5E. The Owner shall remunerate the Contractor for telephone and fax costs on a monthly basis. The Contractor shall be responsible for cleaning the foregoing office spaces at its cost.

11.3 THE PARTIES' COORDINATION AND COMMUNICATION

When performing their respective obligations under the Contract, the parties undertake to duly coordinate their actions and communicate with each other, as set out in detail in Enclosure No. 3 to this Contract. The Contractor shall promptly confirm receipt of any and all communications from the Owner, including but not limited to any inspection remarks.

12. MODIFICATIONS

12.1 GENERAL

- 12.1.1 The Parties agreed that all Modification offers and costs should be calculated on the basis of the Contractor's price list for the works attached as an Enclosure No 6 to the Contract with a discount of twenty-one percent (21 %) applicable to all prices listed therein in favour of the Owner.
- 12.1.2 Materials for the Modifications shall be at the market cost. Contractor shall be entitled to offer its own material on stock, and the Owner shall be entitled to choose between Contractor's material and materials from the market.
- 12.1.3 Modifications are divided into two main groups: mandatory modifications and optional modifications.
- 12.1.4 Mandatory modifications are such modifications that shall be implemented by the Contractor during the Vessel building and completion in relation to the Vessel, her systems, equipment, materials and documentation, in order that the Vessel shall comply in all respects with the rules, regulations, requirements of the Classification Society, Flag Administration, national and international administrations and other authorities regulating a safety vessel operation, which came in force after the date of sign this Contract up to the date of the Vessel's re-delivery to the Owner, as provided for under Clause 12.3 hereunder.
- 12.1.5 The necessity for mandatory Modifications shall be monitored by the Contactor on an ongoing and timely basis and in collaboration with the Classification Society and on the

relevant Classification Society resources available on the Internet and/or other open and/or accessible sources.

- 12.1.6 In case of postponement of the Vessel Redelivery Date resulting from such mandatory Modifications only and nothing else and which shall be agreed by the parties in writing, and/or, in case of dispute, by determination of Independent Surveyor or Arbitration in accordance with Clause 21 hereunder as critically affecting the workflow of the completion of the vessel and causing a corresponding postponement in the date of re-delivery of the Vessel then the Owner shall pay to the Contractor a compensation for costs in the amount of 4000,00 (four thousand) EUR per each day of such extension as defined herein, starting from the date following the date of re-delivery of the vessel officially announced by the Contractor, including all the permissible delays plus thirty (30) calendar days as the grace period.
- 12.1.7 It is agreed between the Parties that in case that the parties determined and agreed on their own without involving an Independent Surveyor and/or Arbitration or the Independent Surveyor and/or Arbitration determine that the agreed mandatory Modification(s) have not critically affected the workflow of the completion of the Vessel and/ or didn't caused a corresponding postponement of Re-delivery and/ or the postponement is not a consequence of the mandatory modification's implementation and/ or in the case the Contractor has not provided a reasonably necessary work resource and/ or spent working time more than was offered and agreed or reasonable necessary for such mandatory modification's implementation, the Owner shall not be obliged to pay any compensation for costs to the Contractor as provided herein above.
- 12.1.8 Modifications other than mandatory may be agreed and approved by the parties during the vessel building and completion in writing providing that the parties shall have agreed and approved such Modification in all respects, including commercial terms of related implementation and the effect such Modification shall have on the Vessel Re-delivery Date as provided for in Clause 12.1.,12.2. and 12.4. hereunder.
- 12.1.9 In case of postponement of the Vessel Redelivery Date resulting from such agreed optional Modifications only and nothing else and which shall be agreed by the parties in writing, and/or, in case of dispute, by determination of Independent Surveyor or Arbitration in accordance with Clause 21 hereunder as critically affecting the workflow of the completion of the Vessel and causing a corresponding postponement in the date of re-delivery of the Vessel then the Owner shall pay to the Contractor a compensation for costs in the amount of 4000,00 (four thousand) EUR per each day of such extension as defined hereunder, starting from the date following the date of re-delivery of the Vessel officially announced by the Contractor, including all the permissible delays.
- 12.1.10 In case that the parties determined and agreed on their own without involving an Independent Surveyor and/or Arbitration or the Independent Surveyor and/or Arbitration determine that the agreed optional Modification(s) have not critically affected the workflow of the completion of the Vessel and/ or didn't caused a corresponding delay in Re-delivery and/ or the existing delay is not a consequence of the optional modification's implementation and/ or in the case the Contractor has not provided a reasonably necessary work resource and/ or spent a working time more than was offered and agreed or reasonable necessary for such optional modification's implementation the Owner shall not be obliged to pay any compensation for costs to the Contractor as provided herein above.
- 12.1.11 Upon receipt of the Contractor's or the Owner's request for optional Modification or upon notification of a need for mandatory Modification, the Contractor shall provide the Owner with its offer for modification, within time prescribed in this clause 12:
- (a) - All relevant comprehensive information on the need of implementation of a mandatory modification,

- (b) - A comprehensive commercial offer, which shall contain an appropriate list of works and services and their cost and time of execution, a list of materials, equipment and their cost and delivery time, any other related costs and time costs;
- (c) - In case of a possible or calculated postponement of the date of re-delivery of the vessel or "critical affect on the workflow of the completion of the vessel", such postponement or critical effect shall also be stated in the offer and focused as very important information;

12.1.12 The Contractor shall provide a reasonably required amount of work resources for the implementation of the agreed modification/s in accordance with the offer and time frame approved by the parties.

12.1.13 It is also agreed between the Parties that the expression "critically affecting the workflow of the completion of the vessel" used in the text of this Contract shall be interpreted as an impact affecting the timely working progress in accordance with the existing Master Plan, Completion Specification and actual Activity plan and causing the postponement of the Vessel's completion, which the Contractor could not reasonably prevent by deploying resources reasonably required to perform the works.

12.2 REPAIRS AND ADJUSTMENTS

12.2.1 The Contractor shall make every possible effort in accordance with good standard shipbuilding practice to identify the need for repairs to the Vessel, or adjustments to her machinery, equipment or outfitting installed prior to delivery of the Vessel to the Contractor. In such case, the Contractor shall forthwith inform in written the Owner of the discovered need for repair or adjustment (as the case may be) and submit a proposal in writing to the Owner detailing the cost for performing such repair or adjustment and the effect on the Vessel's Redelivery Date (if any) and other terms of the Contract or Original or Completion Specification. The Contractor shall use reasonable efforts to mitigate any effect on the Contract Price and/or Redelivery Date resulting from such repair/adjustment.

12.2.2 On the basis of such proposal by the Contractor, the Owner shall within seven (7) calendar days after receipt thereof inform the Contractor in writing if it wishes to proceed with the notified repair/adjustment on the terms set out in the Contractor's notice. If the Owner wishes to proceed and implement the repair/adjustment the parties shall sign a written change order which specifies any adjustments to the Contract Price and/or the Redelivery Date resulting there from.

12.2.3 For the avoidance of doubt, the Contractor acknowledges and confirms that any inspection and testing performed by the Contractor in order to determine the need for repair or adjustment as per Clause 12.2.1 above shall not give rise to any increased Contract Price.

12.3 THE OWNER'S REQUEST FOR MODIFICATION

12.3.1 The Owner may by written notice to the Contractor request modifications to the Original Specification and/or the Completion Specification, and the Contractor may agree to such modifications provided that such modifications or an accumulation of such modifications will not adversely affect the Contractor's planning or programme of the Vessel or in relation to other vessel or vessels in the Contractor's reasonable judgment. In such case, the Contractor shall propose any resulting cost and construction schedule and other terms of the Contract impact to the Owner for such modifications within ten (10) calendar days after having received such notice. The Contractor shall use its reasonable efforts to mitigate any effect on the Contract Price and/or Redelivery Date resulting from such modification request.

12.3.2 On the basis of such proposal by the Contractor, the Owner shall within seven (7) calendar days after receipt thereof inform the Contractor in writing if it wishes to proceed with the requested modification on the terms set out in the Contractor's notice. If the Owner wishes



to proceed and implement the requested change the parties shall sign a written change order which specifies any adjustments to the Contract Price and/or the Redelivery Date resulting there from.

12.4 MANDATORY MODIFICATION

12.4.1 In the event that after the date of this Contract any changes are made to the rules and regulations under which the Contractor's Scope of Supply shall be performed pursuant to Clause 7.1, or if new mandatory rules enter into force, the Contractor shall as soon as possible notify the Owner thereof and shall be obliged, except as otherwise agreed, to implement such changes subject to adjustment (if any) of the Contract Price and/or the Redelivery Date and/or other terms of the Contract. This provision shall apply also to repairs, changes or adjustments to be performed by the Contractor if such repairs, changes and adjustment result from changes in Vessel's design required for the Vessel to comply with rules, regulations, conventions and requirements of the Classification Society, Flag State and other regulatory bodies, applicable in accordance with Clause 7.1.3.

12.4.2 The parties are obliged to use their best efforts to reach a mutual agreement on the adjustment (if any) of the Contract Price and/or the Return Date, or on the impact on any other term of the Contract as a result of such a necessary change within seven (7) days from the date, when the Contractor notified the Owner.

12.4.3 If the parties cannot reach an agreement on the adjustment (if any) of the Contract Price and/or the Redelivery Date or impact on any other term of the Contract resulting from such required change within seven (7) days from the date when the Contractor has communicated to the Owner the effect of the required change to the Contract Price, Re-delivery Terms and other terms of this Contract, the Contractor shall proceed with the required change, and the impact of the required change to Contract Price, Re-Delivery Date and other terms of this Contract shall be determined by the Independent surveyor company in accordance with Clause 21.

12.4.4 Should the Contractor complete its Scope of Supply prior to agreement or determination by the Independent surveyor in line with Clause 21 on relevant adjustment of the Contract Price and/or Redelivery Date or any other term of the Contract or Specification, as condition for redelivery of the Vessel the Owner shall supply the Contractor with a bank guarantee for the amount of disputed and/or unpaid modification costs.

12.4.5 The Contractor shall use its best efforts to mitigate any unfavourable impact on the Contract Price and/or the Redelivery Date resulting from such required change.

12.4.6 If during clarifications and/or negotiations of Modifications under Clauses 12.1, 12.2 and 12.3, or during determination of the dispute by the Independent surveyor under Clause 12.3. and 21.2 any of the Contractor's work on the Vessel or a part thereof has been reasonably suspended as a direct consequence thereof, Re-delivery Date of the Vessel shall be automatically postponed for the time of such suspension, notwithstanding whether the modifications shall be finally agreed or not.

12.5 CONTRACTOR'S MODIFICATIONS

If during the outfitting works, the Contractor discovers that some modification(s) in the Original Specification could represent a better solution, the Contractor shall make to the Owner a corresponding proposal in writing.

12.6 SUBSTITUTION OF MATERIALS

In the event that any of the materials or equipment required under the Original Specification, the Completion Specification and/or the terms of this Contract cannot be produced in time to meet the Redelivery Date, or are short in supply, the Contractor and the Owner shall try



their best to find a way to use other materials so as to not adversely affect the characteristics of the Vessel and that she remains capable of meeting the requirements of the Classification Society and all other relevant rules and regulations.

13. TRIALS AND ACCEPTANCE

13.1 SEA TRIALS

- 13.1.1 The sea trial shall start when the Vessel is reasonably completed as provided in the Original Specification and the Completion Specification. The Contractor shall notify the Owner and all relevant Makers at least three (3) months in advance of the preliminary date of the sea trial of the Vessel. Such preliminary date shall be further confirmed by the Contractor thirty (30) calendar days in advance of the sea trial. The notice shall specify the place from which the Vessel will commence her sea trial, and the date upon which the sea trial is expected to take place.
- 13.1.2 The Contractor shall ensure that the vessel, all her systems, assemblies, machinery and equipment have been tested and commissioned completely and in accordance with the requirements of the testing and commissioning programs and without any open remarks and claims and are ready for sea trials in all respects and including to avoid any additional costs and loss of time for repeated sea trials and/or possible interruption of sea trial. The Sea trial program shall be officially approved by the Classification society.
- 13.1.3 Notwithstanding anything contained in Clause 13.1.2., if the Contractor may decide to perform any trials when necessary in accordance with its construction and/or testing program or testing needs, providing however that, should the sea trials be repeated or additional costs of service engineers occur due to such decision to effect sea trials prior to commissioning, such additional costs to be borne by the Contractor.
- 13.1.4 The Contractor shall notify the Owner and all relevant Makers of the final date for the sea trial seven (7) calendar days in advance of the sea trial via email. The notice to the Owner shall be accompanied by a confirmation of the Classification Society on the Vessel's readiness for the sea trial.
- 13.1.5 The Contractor shall timely notify and timely request the attendance of all the service and commissioning engineers and prepare all necessary conditions for commissioning and testing as required by the Original or/and Completion Specification and Testing Programme and Commission Schedule.
- 13.1.6 The Owner shall have its Representative(s) onboard the Vessel to witness the sea trial. Failure to attend the sea trial by the Owner's Representative(s) shall be deemed to be a waiver by the Owner of its right to have its Representative(s) on board of the Vessel at the sea trial, and the Contractor may conduct the sea trial without the attendance of the Representative(s), and with the presence of the representative(s) of the Classification Society only. In such case, the Owner shall be obliged to accept the Vessel on the basis of a certificate of the Contractor confirmed by the Classification Society's surveyor that the Vessel, upon the sea trial, was found to conform to this Contract, the Original Specification and the Completion Specification, provided that all deficiencies, corrections and Classification Society's observations and comments have been corrected to the satisfaction of the Classification Society and the Owner.

13.2 WEATHER CONDITIONS

- 13.2.1 The sea trial shall be carried out under the weather conditions as set out in the Original Specification. In the event of unfavourable weather on the date specified for the sea trial, the same shall take place on the first available day thereafter that the weather condition permits. It is agreed that, if during the sea trial of the Vessel, the weather should suddenly become so unfavourable that orderly conduct of the sea trial can no longer be continued, the sea trial
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shall be discontinued and postponed until the first favourable day next following, unless the Owner and the Classification Society shall assent in writing to acceptance of the Vessel on the basis of the sea trial already made before such discontinuance occurred.

13.2.2 Any delay of the sea trial caused by such unfavourable weather conditions shall be deemed as a permissible delay in the Redelivery Date of the Vessel.

13.3 HOW CONDUCTED

13.3.1 The Vessel shall run the sea trial in the manner as specified in the Original Specification and the Completion Specification.

13.3.2 All expenses in connection with the sea trial are to be for account of the Contractor, except the costs of the service and commissioning engineers for Owner's Supply which are for the account of the Owner. The Contractor shall provide, at its own expense, the necessary crew to comply with conditions of safe navigation and safe conduct of the sea trial as required by the rules and relevant provisions of the Contract, Classification society, the original Specification and the Completion Specification.

13.3.3 The Contractor shall submit a detailed sea trial programme to the Owner at least thirty (30) calendar days before the planned sea trial of the Vessel. The program and course of the sea trial shall be agreed between the Contractor and the Owner and shall be approved by the Classification Society in accordance with the Original Specification as soon as possible, but at least seven (7) calendar days before the commencement of such sea trial. The Contractor shall provide the Owner's Representative(s) with a detailed report on the results of the sea trial in accordance with the approved program within seven (7) calendar days following the date of the sea trial's completion.

13.3.4 The Contractor shall supply, at its own entire cost and expense, the Vessel with fresh water and other stores necessary to conduct the sea trials, as set forth in the Original Specification. The necessary seawater ballast to bring the Vessel to the trial load draft shall be supplied and paid for by the Contractor. The fuel oil shall be in accordance with the engine manufacturer's specifications, unless otherwise mutually agreed by the parties. The amount and the initial feed-in of necessary lubricants, hydraulic oils, greases and preservative chemicals into various systems shall be decided and made by the Contractor at its expense. The supplier of lubricating oil, hydraulic oil, greases and preservative chemicals to be delivered to the Vessel shall be agreed between the Contractor and the Owner and shall be purchased by the Contractor in accordance with such agreement. The quantum remaining on board the Vessel after the sea trial shall be paid for by the Owner to the Contractor on redelivery of the Vessel in accordance with Clause 13.7 of this Contract.

13.3.5 However, notwithstanding anything to the contrary contained in previous paragraphs of this Clause 13, should the sea trial be and repeated or delayed due to deficiency or hidden malfunctioning or other problem with Owner's Supply which were not possible to identify and/or prevent during the testing and commissioning performed in accordance with good standard shipbuilding practice or which are attributable to Vessel's design the cost of the repeated or prolonged sea trial shall be borne by the Owner, and the time lost thereby shall constitute a Permissible Delay.

13.3.6 In case such malfunction appears during sea trials causing interruption or need for repetition, the parties shall perform a joint survey, together with the Independent Surveyor, and establish the cause of malfunctioning and responsibility for it. In case the parties cannot agree on the reason or responsibility for the malfunctioning, the issue shall be resolved in accordance with Clause 21 hereunder.

13.4 CONTRACTOR'S TRIALS

- 13.4.1 The Contractor may, subject to the prior written consent of the Owner, which consent shall not be unreasonably withheld or delayed, conduct, at the Contractor's entire cost and expenses, preliminary sea trials of the Vessel, at which the Owner's Representative(s) shall be entitled to attend.
- 13.4.2 During these trials, as well as during various tests and official sea trials, the Contractor shall observe all manufacturers' recommendations and instructions for the first commissioning, starting and operation of the Vessel's engines, machineries and equipment, so that proper running-in conditions are ensured, and abnormal stressing, overloading and wrong operation is entirely avoided.
- 13.4.3 It is understood that the Vessel's equipment shall be in operation only when it is required for the various testing and trial purposes. At all other times, power and other services shall be supplied to the Vessel from shore, with the Vessel's equipment being isolated.

13.5 METHOD OF ACCEPTANCE OR REJECTION

- 13.5.1 Within ten (10) calendar days after the completion of the official trials and the Owner's receipt of the sea trial report and results which shall be approved by the Classification Society, the Owner shall give notice to the Contractor whether it accepts the Vessel, subject to eventual required corrections, alterations, reinforcements and overhauling, etc. as may be found necessary according to the requirements of the Classification Society, the Original Specification and the Completion Specification, including any agreed modifications as per Clause 12, or reject the Vessel.
- 13.5.2 The Contractor shall effect any subject to eventual required corrections, alterations, reinforcements and overhauling, etc. as may be found necessary according to the requirements of the Classification Society and the Owner if the corrections, alterations, reinforcements and overhauling etc. is requested with respect to the Classification Society requirements, the Original Specification and the Completion Specification, including any agreed modifications as per Clause 12.
- 13.5.3 The Contractor shall likewise effect any eventual required corrections, alterations, reinforcements and overhauling, etc. as may be found necessary according to the requirements of the Classification Society also if the corrections, alterations, reinforcements and overhauling etc. are requested with respect to the works done before or after the Vessel was delivered to the Contractor. If any of the above mentioned possible and necessary corrections, alterations, reinforcements and overhauls, etc., relate to the period of construction of the vessel before delivery to the Contractor's shipyard, then all costs are borne by the Owner. If any of the above possible and necessary corrections, alterations, reinforcements and overhauls, etc., relate to Contractor's Scope of Work construction of the vessel after delivery to the Contractor's shipyard, then all costs are borne by the Contractor. Delay in Re-delivery caused thereby shall be considered as a permissible delay

The Contractor is responsible for redelivering of all the equipment installed or provided on the deck of the Vessel at the moment of her delivery to the Contractor's shipyard.

- 13.5.4 Always subject to previous paragraphs of this Clause 13.5. if the Owner rejects the Vessel, it shall at the same time advise the Contractor of the details in which the Vessel does not comply with the requirements of this Contract, the rules and regulations of the Classification Society, the Original Specification and the Completion Specification, including any agreed modifications as per Clause 12. The Contractor may, thereupon, make such changes or alterations as may be necessary and a further new sea trial shall be held within a reasonable time. If the Owner is not satisfied after such further new sea trial, it shall within a further period of seven (7) calendar days advise the Contractor of the details in which the Vessel does not comply with the requirements of this Contract, the rules and regulations of the

Classification Society, the Original Specification and the Completion Specification, including agreed modifications as per Clause 12. The Contractor may, within the earliest possible time, hold a third trial after making such alterations as may be necessary.

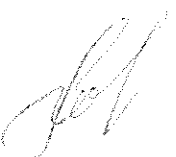
- 13.5.5 If the Owner is still not satisfied, it may definitely reject the Vessel within fourteen (14) calendar days after the completion of such further tests and trials and advise the Contractor of the details in which the Vessel does not comply with the requirements of this Contract, the rules and regulations of the Classification Society, the Original Specification and the Completion Specification, including any agreed modifications as per Clause 12. If the Owner fails to notify the Contractor of its acceptance or rejection of the Vessel within the fourteen (14) calendar day period provided for herein, the Owner shall be deemed to have accepted the Vessel.
- 13.5.6 Nothing contained in this Clause shall preclude the Contractor from exercising any and all rights which the Contractor has, if the Contractor disagrees with the Owner's rejection of the Vessel or any reasons given for such rejection, including Independent surveyor determination or (if applicable) arbitration provided for in Clause 21 hereof.
- 13.5.7 However, minor or insubstantial items related to matters discovered at or after sea trials and relating to the Contractor's genuine inability to complete the same prior to redelivery due to lack of replacement parts and/or delay in delivery of the required items or parts shall not constitute the reason of rejection of the Vessel and/or non-acceptance of the Vessel. In that case, the Contractor shall have the obligation to correct and/or remedy such minor or insubstantial items as soon as practically possible after the redelivery of the Vessel. This is not applicable if the Vessel cannot be normally operational without this being first corrected or if such item affects the Vessel's class, seaworthiness or/ and operational safety.
- 13.5.8 In the event that, as a result of tests carried out during the trials, corrections or modifications were required and applied thereon in connection with problems and differences of substantial importance, the same tests shall be repeated on the Vessel prior to the redelivery.
- 13.5.9 Any dispute between the Contractor and the Owner as to the conformity or non-conformity of the Vessel to the requirements of this Contract, the rules and regulations of the Classification Society, the Original Specification and the Completion Specification, including any agreed modifications as per Clause 12, shall be settled by arbitration in accordance with Clause 21 of this Contract.

13.6 EFFECT OF ACCEPTANCE

Acceptance of the Vessel as above provided shall be final and binding so far as conformity of the Vessel to this Contract, the rules and regulations of the Classification Society, the Original Specification and the Completion Specification, including any agreed modifications as per Clause 12, is concerned and shall preclude the Owner from refusing formal redelivery of the Vessel as hereinafter provided, provided that the Contractor complies with all other procedural requirements for redelivery as provided in Clause 14 hereof. However, the Owner's acceptance of the Vessel shall not affect the Owner's rights under Clause 16.2 hereof.

13.7 SURPLUS CONSUMABLE STORES

- 13.7.1 Any unbreached lubricating oils, hydraulic oils, greases and preservative chemicals or other consumable stores furnished and paid for by the Contractor for a sea trial, remaining on board the Vessel at the time of redelivery and acceptance of the Vessel by the Owner, shall



be bought by the Owner from the Contractor at the Contractor's documented net purchase price.

- 13.7.2 The Contractor shall upon the Owner's respective request provide all necessary assistance in purchasing the necessary fuel oil and other consumables for the Vessel to enable the Vessel to leave Croatian waters to the intended first bunkering port.

14. DELIVERY AND REDELIVERY

14.1 DELIVERY OF THE VESSEL

- 14.1.1 It is planned that the Vessel shall be delivered by the Owner to the Contractor's shipyard no later than 6 (six) months following signing of this Contract. A Protocol of Delivery shall be signed by the parties hereto confirming the actual date and time of delivery of the Vessel to the Contractor.

- 14.1.2 In case that the Vessel will be delivered later than six (6) months from the date of this Contract, the Contractor and the Owner shall be entitled to re-negotiate the Contract price in accordance with the terms of changed market conditions as well as the Re-delivery Date due to change in its programmes and capacities, as well as the changed actual completion condition of the vessel. If the Vessel has not been delivered to the Contractor's shipyard at the latest six (6) months from the date of this Contract and the parties cannot find mutual agreement on re-negotiated price or new Re-delivery date, each Parties shall be entitled to terminate this Contract without any penalty.

14.2 REDELIVERY OF THE VESSEL

- 14.2.1 The Vessel shall be redelivered by the Contractor to the Owner at the Contractor's shipyard safely afloat along quayside in ten (10) calendar months after the Delivery Date, after correction of all non-conformities pointed out at inspections and after completion of the sea trials and acceptance by the Owner in accordance with the terms of this Contract (the "Redelivery Date"). However, if the Contractor within thirty (30) calendar days following the Delivery Date notifies the Owner in writing that it has to prepare and issue its own complete set of workshop documentation, drawings and other technical documentation relating to the completion of the Vessel, the Contractor shall be entitled to extend the aforementioned Redelivery Date by four (4) months.

- 14.2.2 In the event of delays in redelivery of the Vessel by the Contractor due to causes which, under the terms of this Contract, permit extensions of the time for re-delivery, the aforementioned Redelivery Date shall be extended accordingly.

- 14.2.3 The Contractor shall have the option to redeliver the Vessel earlier than provided hereinabove, subject to a prior written notice to the Owner of the intended early Redelivery Date as per Clause 14.3 below.

14.3 HOW EFFECTED

- 14.3.1 The Contractor shall give preliminary redelivery notices three (3) and two (2) months prior to redelivery and a definite redelivery notice one (1) month before redelivery, in each case specifying the date on which the Vessel shall be redelivered.

- 14.3.2 The parties shall prior to redelivery perform a final visual and superficial joint inspection confirming that all remaining unfinished works have been completed. After such inspection is completed, the Owner and the Contractor shall confirm in writing that the Vessel is ready for the redelivery.

- 14.3.3 Provided that the Contractor and the Owner have fulfilled all of their obligations stipulated in this Contract, the redelivery of the Vessel shall be effected forthwith by the concurrent

delivery by each of the parties hereto to the other of the Protocol of Redelivery and Acceptance, acknowledging redelivery of the Vessel by the Contractor and acceptance thereof by the Owner, which protocol shall be prepared in duplicate and signed by each of the parties hereto.

14.4 DOCUMENTS

Upon redelivery and acceptance of the Vessel, the Contractor shall deliver to the Owner the following documents, at no additional cost, which shall accompany the PROTOCOL OF REDELIVERY AND ACCEPTANCE:

- (a) PROTOCOL OF SEA TRIALS of the Vessel made pursuant to this Contract, the rules and regulations of the Classification Society, the Original Specification the Completion Specification including any agreed modifications as per Clause 12.
- (b) PROTOCOL OF INVENTORY of the equipment of the Vessel, including spare parts and the like.
- (c) PROTOCOL OF STORES OF CONSUMABLE NATURE referred to in Clause 13.7 hereof.
- (d) ALL CERTIFICATES required to be furnished upon redelivery of the Vessel pursuant to this Contract and customary shipbuilding practice, including the Builder's certificate.

It is agreed that if, through no fault on the part of the Contractor, the final classification certificates and/or other certificates are not available at the time of redelivery of the Vessel, provisional certificates shall be accepted by the Owner, provided that the Contractor shall furnish the Owner with the formal certificates as promptly as possible after such certificates have been issued, but in any event prior to the expiry of the provisional certificates.

Application for the registry of the Vessel shall be arranged by the Owner at its expense, but the Contractor shall at no additional cost to the Owner provide the Owner with such additional documents as may be reasonably required for the purpose of registration of the Vessel in the Owner's intended registry.

- (d) DECLARATION OF WARRANTY of the Contractor that the Vessel is redelivered to the Owner free and clear of any liens, charges, claims, mortgages or other encumbrances upon the Owner's title thereto resulting from Contractor's Scope of Supply or attributable to Contractor, and in particular that the Vessel is absolutely free of all burdens in the nature of imposts, taxes or charges imposed by relevant governmental authorities, as well as of all liabilities of the Contractor to its subcontractors, employees and crew, and of the liabilities arising from the operation of the Vessel in the sea trial, or otherwise, prior to redelivery.
- (e) DRAWINGS AND PLANS pertaining to the Vessel.
- (f) COMMERCIAL INVOICE.
- (g) POWERS OF ATTORNEY, if required.
- (h) Such other documentation as may be reasonably required by the Owner, including manuals (instructions) for the Vessel's systems, components and mechanisms, provided that the Owner notifies the Contractor of any such other documents not later than thirty (30) calendar days prior to the Redelivery Date.



The PROTOCOL OF DELIVERY AND ACCEPTANCE, the BUILDER'S CERTIFICATE and the POWERS OF ATTORNEY shall be notarized and legalized by apostil.

14.5 TITLE AND RISK

Title to the Vessel shall at all times during her completion rest with the Owner only; it being expressly understood that until redelivery is effected, risk of loss of the Vessel and her machinery, equipment and outfitting shall be with the Contractor. For the period from the Delivery Date until the Redelivery Date the Contractor shall insure the Vessel with all of the Owner's Supplies delivered to the Contractor for the value as stated in Clause 18 at its own expense, and provide the Owner with the insurance certificate. The choice of an insurance company is subject to the Owner's approval, which shall not be unreasonably withheld.

14.6 REMOVAL OF THE VESSEL

14.6.1 The Owner shall remove the Vessel from the Contractor's shipyard within thirty (30) calendar days after redelivery and acceptance thereof is effected.

14.6.2 If the Owner does not remove the Vessel within the aforesaid thirty (30) calendar days for reasons other than governmental restrictions, ice conditions or force majeure events as provided for in Clause 16 of this Contract, the Owner shall pay the Contractor reasonable mooring charges for the Vessel.

15. DELAYED REDELIVERY

15.1 LIQUIDATED DAMAGES

15.1.1 In the event that redelivery of the Vessel is delayed beyond the Redelivery Date, as extended by Permissible Delays if any, and even if the vessel was not in fact re-delivered to the Owner in case of termination this Contract, the Contractor accepts liability for liquidated damages in the sums as follows:

15.1.2 No adjustment shall be made, and the Contract Price shall remain unchanged for the first thirty (30) calendar days of delay in redelivery beyond the Redelivery Date, as extended by Permissible Delays, ending as of twelve hours midnight of the thirtieth (30th) calendar day of delay.

15.1.3 If the redelivery of the Vessel is delayed more than thirty (30) calendar days and up to one hundred and fifty (150) calendar days delayed redelivery, excluding permissible delays, then beginning at midnight of the thirtieth (30th) calendar day after the Redelivery Date, the Contract Price shall be reduced by deducting EUR 4,273 (EURO four thousand two hundred seventy-three) per day of delay in redelivery after such first thirty (30) calendar days. At the end of this period and if the vessel is still not re-delivered to the Owner, then the Contract value must be unconditionally reduced by the amount of EUR 512.760,00 (EURO five hundred twelve and seven hundred sixty)

15.1.4 If the redelivery of the Vessel is delayed by more than one hundred and fifty (150) calendar days and up to one hundred and eighty (180) calendar days delayed redelivery, excluding permissible delays, then beginning at midnight of the one hundred and twentieth (120th) calendar day after the Redelivery Date, the Contract Price shall be reduced by deducting EUR 17,000 (EUR seventeen thousand only) per day of delay in redelivery after such first one hundred and twenty (120) calendar days. At the end of this period and if the vessel is still not re-delivered to the Owner, the Contract value must be unconditionally reduced by a total amount of EUR 1,022,760.00 (EURO one million twenty-two thousand

and seven hundred sixty), including the amount of EUR 512.760,00 (EURO five hundred twelve and seven hundred sixty) stated in the sub-clause 15.1.3.

- 15.1.5 If the delay in redelivery continues for a period of more than one hundred and eighty (180) calendar days (excluding permissible delays) after the Redelivery Date, or for a period of more than two hundred and twenty (220) calendar days (including permissible delays, but except permissible delays attributable to the Owner) after the Redelivery Date, then in such event immediately after the expiration of the said period the Owner may, at its option, terminate this Contract as hereinafter provided or, in its absolute discretion, proceed with the execution of this Contract for the next forty-four (44) working and not more days with a further reduction in the Contract Price at a daily rate of EUR 17.000 (EURO seventeen thousand only), since it is limited to maximum EUR 1.780,000 (EURO one million seven hundred and eighty thousand only).
- 15.1.6 The total amount of liquidated damages shall be deducted from the final payment to be made by the Owner. If the total amount of liquidated damages exceeds the amount of the Owner's final payment, the Contractor shall pay the excess amount to the Owner's bank account within twenty (20) calendar days following the actual re-delivery date. The Parties agree that the payment of liquidated damages is guaranteed by the Performance Guarantee provided by the Contractor to the Owner in accordance with Clause 9.2.3.
- 15.1.7 Liquidated Damages agreed hereinabove are exclusive remedy of the Owner for Contractor's delay, and the Contractor shall not be responsible for any other or further damages whether direct or consequential sustained by the Owner due to such delay in completion of Contractor's Scope of Supply or Re-delivery of the Vessel.
- 15.1.8 The Owner shall have the right to liquidated damages in accordance with this Clause 15.1. regardless of whether the vessel has been re-delivered to the Owner or not re-delivered in fact, or whether this Contract was terminated by the Owner in accordance with provisions of this Contract or not, for all actual days of Non-permissible Delay, excluding days of Force Majeure and other Permissible Delays as per this Contract, for which Liquidated Damages are not payable.
- 15.1.9 This Article 15.1 shall survive any termination, default, cancellation or other discontinuation of this Contract until the final performance of the obligations of the parties in accordance with the above specified responsibilities.

15.2 TERMINATION

- 15.2.1 The Owner may terminate this Contract as per Clause 15.1.56 in the event that redelivery of the Vessel should not have occurred prior to midnight, local time on the Redelivery Date for the Vessel plus 180 days (excluding any permissible delays), or plus 220 days (including permissible delays, except those attributable to the Owner).
- 15.2.2 In case to this Contract termination by the Owner in accordance with the terms of this Contract the Liquidated Damages must be compensated to the Owner unconditionally for actual days of Non-permissible Delays, with the exception of days of Force Majeure and other Permissible Delays as per this Contract for which Liquidated Damages are not payable.
- 15.2.3 The Owner may terminate this Contract pursuant to Clause 15.2.1 by serving upon the Contractor a written notice of termination at any time following the date on which such right first arose. Such termination shall be effective as of the date any such notice thereof is received by the Contractor.
- 15.2.4 In the event of termination of this Contract due to the Contractor's default as per Clause 20, the Owner shall pay to the Contractor the balance of the completion works done and materials supplied to the Owner. But if at the same time all the Owner's obligations was

Contractor shall compensate to the Owner a reasonable costs and expenses for completing the Vessel elsewhere in accordance with the Original Specification and the Completion Specification (construction and outfitting costs, plus towing, material and equipment transportation expenses, towing plan approval expenses, towing activity insurance – jointly hereinafter referred to as the “Reasonable Expenses”).

- 15.2.5 The completion works done by the Contractor prior to the termination as percentage of the originally agreed completion works will be determined by an independent surveyor appointed and paid jointly by the Owner and the Contractor. The amount due to the Contractor and to be paid by the Owner will be determined as the original Contract Price multiplied by the percentage of the works completed with deduction of the payment(s) made by the Owner and of the Reasonable Expenses. If the advance payments made so far by the Owner plus the Reasonable Expenses would exceed the completion works performed (determined by the surveyor as described above), the Contractor will have to pay back the difference to the Owner within thirty (30) calendar days from the date of the surveyor's calculation. Any delay in payment will be subject to six per cent (6%) annual interest.
- 15.2.6 In the event of termination of this Contract, the Owner shall be entitled to take possession of and remove the Vessel including all her certificates, manuals and other technical documentation belonging to the Owner, as well as the Owner's Supplies, from the Contractor's shipyard in accordance with Clause 14.6 hereof, and the Contractor shall provide all necessary assistance.
- 15.2.7 The Contractor may, at any time after the Owner's right to terminate this Contract due to delayed redelivery has arisen, demand in writing that the Owner shall make an election, in which case the Owner shall, within sixty (60) calendar days after such demand is received by the Owner, either notify the Contractor of its intention to terminate this Contract, or consent to a postponement of the Redelivery Date to an agreed specific future date; it being understood and agreed by the parties hereto that, if any further delay occurs on account of causes justifying termination as specified in this Clause, the Owner shall have the same right of termination upon the same terms as hereinabove provided.
- 15.2.8 The parties agree that if this Contract will be terminated, then the Contractor will assist the Owner as it is following below:
- 15.2.9 The Contractor shall provide all necessary assistance to the Owner and/ or its subcontractors, and take all relevant actions, in order to prepare and make the Vessel ready in all respects to be towed from the Contractor's yard to another safe port or yard. Such assistance and actions shall include, but not be limited to, fulfilling all requirements of the Vessel's classification society, DNV GL, the Croatian Marine Register, the relevant Harbour and/or Port Master, Customs and any other official Croatian administrations, authorities and legislations as well as handing over all certificates, and other documents related to the Vessel and its official status.
- 15.2.10 The Contractor shall provide all necessary assistance and appropriate actions in relation to the Owner and its subcontractors in order to prepare all the equipment and materials (including, but not limited to, C-material, cables, prefabricated pipes and other components, assemblies, foundations, furniture etc. which have been prepared for installation onboard the Vessel, but which have not yet been installed) for loading onto a cargo barge and/or cargo trucks for transportation to another specified point of destination. The Owner's undisputed property to such material and equipment may be evidenced by, e.g. inventory and/or audit acts, supply contracts, as well as other accounting and warehouse documents and such materials and equipment may be located in the Contractor's warehouses, other areas and territory and at the Contractor's production workshops.
- 15.2.11 The Contractor shall provide all necessary assistance and required actions in relation to the Owner and its subcontractors in order to prepare for and effect transfer/hand over of all the technical documentation (both in electronic form and in hard copy) related to the Vessel

completion project in all respects in accordance with good shipbuilding practice and the requirements of the relevant authorities, including but not limited to DNV GL, the Vessel's flag state and the Croatian authorities. The documents to be handed over shall include, but not be limited to, 3D-models, design technical specification and documentation, working documentation and drawings, diagrams, calculations, technical approvals and changes that were discussed and approved between the Owner and the Contractor, as well as all certificates and manuals, installation, commissioning and testing/trials instructions, transmitted to the Contractor for all delivered equipment and materials of the Owner.

- 15.2.12 The Contractor shall prepare and file all necessary documents with the Croatian tax and customs authorities to ensure that the so-called "internal production" and VAT exemption remains valid.
- 15.2.13 All other obligations of the Contractor and the Owner, including financial obligations related to the termination of the Contract, shall be further agreed and detailed in the Termination Agreement.
- 15.2.14 The Owner will pay commercially reasonable compensation to be agreed between the parties to the Contractor for all works and activities aimed at fulfilling the obligations of the Contractor set out in Clauses 15.2.8. – 15.2.12. above, and as described in further detail in the Termination Agreement.
- 15.2.15 The Contractor will not interfere, prevent or create any obstacles to the Owner and its subcontractors when implementing the actions listed in a paragraph in Clauses 15.2.8. – 15.2.13. above and it will cooperate in order to ensure that the Vessel can be moored at another safe port or yard and all materials and equipment, etc. can be sent to a destination specified by the Owner without any problems.

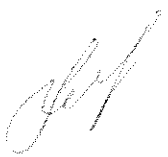
16. FORCE MAJEURE

16.1 DEFINITION

16.1.1 If, at any time after the date of this Contract either party's performance of its obligations under this Contract is delayed by any of the following events, namely war, acts of state or government, blockade, revolution, insurrections, mobilization, civil commotion, riots, sabotage, Acts of God or the public enemy, plague or other epidemics, quarantines, freight embargoes, earthquakes, tidal waves, typhoons, hurricanes, or by destruction of the premises or works of the party or its subcontractors (including the Makers), or of the Vessel, or any part thereof, by fire, landslides, flood, lightning, explosion, or other causes beyond the control of the party or its subcontractors (including the Makers), as the case may be, but subject to the party using due diligence to avoid or minimize such event and/or delay, then (i) the affected party shall have the right to postpone without penalty performance of its obligations for the period of such event and/or delay, and (ii) the Redelivery Date of the Vessel under this Contract shall be extended for such net delay which is actually caused to the Contractor's work by the event. In the event of the occurrence of delays due to force majeure incidents in accordance with this Clause, the Contractor shall use its best endeavours to recover the time lost.

16.1.2 Party's entitlement to a postponement as aforesaid shall, however, be strictly subject to:

- (a) the delay in respect of which such Party is claiming relief not being within its control or knowledge at the date of signing of this Contract, nor caused or contributed to by its error, neglect, intentional act or omission or that of its agents, employees or subcontractors;
- (b) in case of the Contractor, such delay is directly or indirectly affecting the critical path of the Vessel's construction;



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- (c) such Party having taken all reasonable and practical steps to mitigate the effect of the event upon its obligation; and
- (d) such Party having given all the notices required under Clause 16.2 below within the time-limits therein laid down.

16.2 NOTICE OF DELAY

16.2.1 Within ten (10) calendar days after the date of commencement of any cause of delay, on account of which a Party claims that it is entitled under this Contract to a postponement of its obligation, it shall notify the other Party in writing of the date when such cause of delay occurred and the expected duration thereof. As soon as possible thereafter, and in any event not more than ten (10) working days after the giving of said notice, submit to the other Party a statement specifying as far as possible with full particulars the cause and consequences of the event, the likely overall effect upon its obligation, and the steps which are being taken by it to overcome or mitigate the consequence of the event. Likewise, within ten (10) calendar days after the date of ending of such cause of delay, the Party claiming the right of postponement shall notify the other in writing of the date when such cause of delay ended.

16.2.2 The Party claiming entitlement to postponement shall also notify the other in writing of the period by which the fulfilment of its obligation is postponed by reason of such cause of delay, within reasonable time after the same has been determined. If such Party does not give the timely advice as above, it shall lose the right to claim such delays as permissible delay and shall not be entitled to any postponement of its obligation by reason of such delay.

16.2.3 Failure of the other Party to acknowledge the Party's claim for postponement of the obligation within ten (10) calendar days after receipt of such notice of claim shall be deemed to be a waiver by the other Party of its right to object to such postponement.

16.3 RIGHT TO TERMINATE

16.3.1 If the total accumulated time of all permissible delays claimed by any Party under this Clause 16 (but excluding any permissible delays due to causes attributable to the other Party) amounts to one hundred twenty (120) calendar days or more, then, in such event, the other may terminate this Contract at any time thereafter and the provisions of Clause 15.2 shall apply *mutatis mutandis*.

16.3.2 A Party may, at any time after the accumulated time of the aforementioned delays justifying termination by the other Party, demand in writing that the other Party shall make an election, in which case the other Party shall, within thirty (30) calendar days after such demand is received by it, either notify the first Party of its intention to terminate this Contract, or consent to a postponement of its obligation to an agreed specific future date; it being understood and agreed by the parties hereto that, if any further delay occurs on account of causes justifying termination as specified in this Clause, they shall have the same right of termination upon the same terms as hereinabove provided.

17. GUARANTEE

17.1 CONTRACTOR'S GUARANTEE

17.1.1 This guarantee shall apply to the Contractor's Scope of Supply under this Contract.

17.1.2 This guarantee does not apply to:

- (a) Any of the Owner's Supplies, or the material or equipment or any part thereof which have been installed on or purchased for the Vessel prior the time of its delivery to the

Contractor's shipyard or supplied by the Owner after the delivery of the Vessel to the Contractor; except for faulty installation that has been performed by the Contractor.

- (b) Any works effected on the Vessel by anyone else except the Contractor or its subcontractors or suppliers, including any work performed or material, equipment or machinery installed by previous builders of the Vessel;
- (c) Any defects or failure to perform intended functions of the Vessel if they arise from faulty design or errors in technical documentation provided by the Owner.

17.1.3 The Contractor, for the period of twelve (12) calendar months after the actual Redelivery Date of the Vessel (the "**Guarantee Period**"), shall be responsible for the outfitting and installation works under the Contractor's Scope of Supply, including all parts and equipment designed, manufactured, furnished by the Contractor or any of its subcontractors or suppliers under this Contract, and guarantees that they are free of defects which are due to defective materials, construction miscalculation and/or poor workmanship, provided such defects have not been caused by perils of the sea, rivers or navigations, or by normal wear and tear, overloading, improper loading or stowage, fire, accident, or by mismanagement, action, inaction, negligence, wilful conduct or by alteration or addition to the Vessel, by the Owner, its employees or agents, not previously approved by the Contractor.

17.1.4 If some defect occurs repeatedly during the Guarantee Period (or the extension thereof), then the Contractor, its subcontractor (if applicable), the Owner and the Classification Society (if necessary) shall jointly work to find a proper repair, rectification or replacement. Such repair, rectification or replacement shall be observed by the parties involved, for a period to be mutually agreed considering the nature of the defect. If the defect has not been finally repaired to the satisfaction of the Classification Society or the Owner (if the defect is not a class item) within the extended guarantee period, then the Owner shall be at liberty to change if so required the defect part or parts of the Vessel and/or its equipment and claim the full cost and expense from the Contractor.

17.2 NOTICE OF DEFECTS

17.2.1 The Owner shall notify the Contractor in writing of any defect for which a claim is made under this guarantee, as promptly as possible after discovery thereof. The Owner's notice shall describe in detail the nature, cause if known and extent of the defect(s).

17.2.2 Written notification of the claim from the master or the chief engineer of the Vessel to the Guarantee Engineer on board (if any) shall also be considered sufficient for the purpose of this Clause.

17.2.3 If applicable, defects or complaints of the Owner shall be verified by the Guarantee Engineer on board who shall countersign the guarantee lists jointly prepared by the master and the chief engineer. The Guarantee Engineer's verification shall be considered sufficient and binding on the Contractor with respect to the actual occurrence of the defect. The Contractor, upon receipt of each individual claim or claims in the form of a guarantee list submitted, shall inform the Owner as soon as possible of its acceptance, comments and intended action to be taken for rectification of each claim. The Contractor's non-acceptance or rejection of the Owner's claim shall be notified to the Owner within fourteen (14) calendar days from the receipt of the claim, such non-acceptance or rejection to specify the reasons and to be



fully documented. If the Contractor fails to notify same within fourteen (14) calendar days, the claim shall be considered as being fully accepted by the Contractor.

- 17.2.4 Should the Owner and the Contractor not be able to reach an amicable solution to the disputed claim, then same may be brought to arbitration in accordance with Clause 21 of this Contract.
- 17.2.5 In the event that there is no Guarantee Engineer onboard the Vessel according to the provisions of this Clause or the presence of the Guarantee Engineer onboard the Vessel is terminated prior to the expiration of the Guarantee Period, then defects and claims shall be submitted in the same manner by the Owner directly to the Contractor.
- 17.2.6 Should the Contractor wish to verify the claim presented, then the Contractor may dispatch to a convenient port its representative at its sole cost and expense to verify the nature and extent of the defect(s) complained of, provided that the Vessel is not thereby delayed or her already planned operation or working schedule is not thereby impaired. Following completion of such examination, the Contractor shall, in any case, and as soon as possible, advise the Owner in writing about whether it considers or not such defect(s) to be covered by the guarantee herein provided.
- 17.2.7 In the above case, notice of the Contractor's intention to verify the claim by its representative should be given within fifteen (15) calendar days from receipt of the claim.
- 17.2.8 The Contractor shall have no obligation for any defect discovered prior to the expiry date of the Guarantee Period, unless notice of such defect is received by the Contractor not later than thirty (30) calendar days after the expiry date of the Guarantee Period.

17.3 REMEDY OF DEFECTS

- 17.3.1 The Contractor shall be responsible to remedy, at its expense, any defect against which the Vessel is guaranteed under this Clause, by making and paying for all necessary repairs or as otherwise provided in this Clause.
- 17.3.2 The Owner may, with consent of the Contractor, which shall not be unreasonably withheld, cause the necessary repairs, rectifications or replacements to be made elsewhere which is deemed suitable for the purpose, provided that, in such event, the Contractor shall be entitled to forward or supply replacement parts or materials to the Vessel under the terms of CIF (INCOTERMS 2020), unless forwarding or supplying thereof to the Vessel would impair or delay the operation or working schedule of the Vessel. In such case, the relevant replacement parts, materials or equipment shall be arranged and supplied by the Owner through its sources and at its discretion. In such case the Contractor shall reimburse the Owner as set forth herein. In the event that the Owner proposes to cause the necessary repairs, rectifications or replacements for the Vessel to be made at any shipyard or location other than the Contractor's shipyard, the Owner shall first, but in all events as soon as possible, give the Contractor a notice in writing of the time and place when and where such repairs will be made, and if the Vessel would not be thereby delayed, or her operation or working schedule would not be thereby impaired, the Contractor shall have the right to dispatch its authorized representative(s) to act on its behalf and to verify the nature, cause and extent of the defect(s) complained of.

The Contractor shall, in such case, promptly advise the Owner in writing, after such examination has been completed, of its acceptance or rejection of the defect(s) coverage by the guarantee herein provided. Upon the Contractor's acceptance of the defect(s) as justifying remedy under this Clause, or upon award of arbitration so determining, the Contractor shall compensate the Owner for the costs incurred by the Owner in making such repairs, rectifications or replacements. The Owner shall provide to the Contractor an invoice with relevant supporting copies of vouchers and/or invoices from suppliers to document the costs of such repairs. The guarantee works shall be settled regularly during the Guarantee Period



and the actual reimbursement to the Owner for the guarantee works of any outstanding amount shall be made in a lump sum by the Contractor to the Owner on the first (1st) day of each calendar quarter.

17.3.3 In cases where the Owner itself is remedying defects, the Contractor shall compensate the Owner for the actual costs incurred. The Contractor will be previously informed about such works and, to the extent of the Owner's knowledge, the number of man-hours that are estimated for them.

17.3.4 If the Contractor fails to remedy defects as provided in this Clause upon expiration of the Guarantee Period, the amount of expected costs for the elimination of such defects shall be transferred by the Contractor to the Owner's bank account without delay.

17.4 DRYDOCKING

Should any defect(s), which are considered to be covered by the Contractor's guarantee provided herein, be discovered prior to the expiration date of the Guarantee Period, and remedy of such defect(s) cannot be delayed until scheduled dry-docking, and (due to the effect on seaworthiness and/or classification of the Vessel) for which dry-docking is immediately or as soon as possible required, same shall be arranged by the Owner at a convenient shipyard selected by mutual agreement between the Owner and the Contractor within the Vessel's trading range. The Owner shall also arrange for carrying out the necessary repairs and/or corrections. The Owner shall first give notice to the Contractor in accordance with the provisions stipulated hereinabove. In the case of such unscheduled dry-docking, all related expenses (repair cost, docking charges and shipyard general services, etc.) shall be borne by the Contractor as will be charged by the selected shipyard. The Contractor shall have the right to negotiate such expenses and costs with such shipyard.

17.5 EXTENT OF CONTRACTOR'S RESPONSIBILITY

17.5.1 The Contractor shall have no responsibility or liability for any other defect whatsoever in the Vessel other than the defects so specified in this Clause.

17.5.2 Save as otherwise specifically provided for herein, the Contractor shall not be responsible or liable for any consequential loss, damage or expense including but not limited to loss of time, loss of profit or earning or demurrage directly or indirectly occasioned to the Owner by reason of the defects specified in this Clause or due to repairs or other works done to the Vessel to remedy such defects.

17.5.3 The Contractor shall not be responsible for any defect in any part of the Vessel which may, subsequent to redelivery of the Vessel, have been replaced or repaired in any way by any other contractor, unless same has been nominated or agreed by the Contractor for the guarantee repairs or is otherwise permitted by operation of the terms of this Contract, or for any defect which has been caused by omission or improper use and maintenance of the Vessel on the part of the Owner, its servants or agents, or by ordinary wear and tear. Nor

17.5.4 No warranty expressed or implied other than the warranty stipulated in this Clause 17 shall be given or intended by the Contractor.

17.6 SUBCONTRACTOR'S GUARANTEES

17.6.1 The Contractor shall, upon the Owner's request, assign to the Owner any rights the Contractor may have against any subcontractor(s), including any right to pursue any claim

under the relevant subcontract. This provision shall in no way alter or diminish the Contractor's obligations under the Contract.

- 17.6.2 The Contractor shall endeavour to have provisions in its subcontracts whereby the Owner may claim against the subcontractors directly.
- 17.6.3 The PROTOCOL ON GUARANTEE PROCEDURE is hereinafter enclosed with this Contract as Enclosure 4.

17.7 GUARANTEE ENGINEER

17.7.1 The Contractor shall appoint a well-qualified and experienced English-speaking guarantee engineer to serve on the Vessel during a period of three (3) months (unless otherwise agreed between the parties) (the "Guarantee Engineer"). The Guarantee Engineer shall receive from the Owner the privileges due to a chief engineer serving on the Vessel at that time, including accommodation and food onboard, which shall be supplied at no charge to the Contractor. The Contractor shall bear all other costs, risks and expenses in respect of such Guarantee Engineer who shall at all times and in all respects be deemed to be the employee of the Contractor. The Guarantee Engineer will be appointed by the Contractor as a witness not as a service engineer. Any opinions and advice given by the Guarantee Engineer in relation to any alleged defects shall not be final neither definite, and will be the subject of discussion between the parties.

17.7.2 The Owner shall be under no liability whatsoever to the Contractor or the Guarantee Engineer for personal injuries, including death, suffered during the time when he is onboard the Vessel, unless such personal injuries, including death, were caused by the gross negligence, or wilful misconduct of the Owner, or of any of its employees or agents. Nor shall the Owner be under any liability whatsoever to the Guarantee Engineer, for damage to or loss or destruction of property of the Guarantee Engineer, unless such damage, loss or destruction were caused by the negligence or wilful misconduct of the Owner or of any of its employees or agents.

17.7.3 TRANSFER OF GUARANTEE


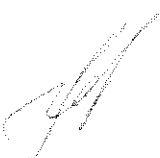
If the Owner should elect to sell or bareboat charter the Vessel before or after redelivery of the Vessel but before the expiration of the Guarantee Period, the guarantee under this Clause 17 shall automatically follow the Vessel. It shall, thus, apply in all respects to the benefit of the purchaser or the bareboat charterer of the Vessel.

18. INSURANCE

18.1 CONTRACTOR'S INSURANCE

Throughout the period during which the Vessel and/or the Owner's Supplies are at the Contractor's shipyard and during the sea trials until the redelivery, the Vessel and all materials, engines, machinery, outfitting and equipment, including the Owner's Supplies, shall be kept fully insured at a value of USD 33,600,000 (United States Dollars thirty-three million six hundred thousand only) by the Contractor at the Contractor's expense and in the joint name of the Contractor and the Owner against all risks customarily insured under the clause corresponding to the British Institute's Builder's Risks Insurance Clause.

The Owner shall promptly receive copies of the insurance policies as an updated Enclosure 8. Furthermore, the Owner shall always be informed directly by the insurers prior to any material amendments of the insurance policies.



18.2 APPLICATION OF RECOVERED AMOUNT

18.2.1 In the event of damage by any insured cause whatsoever prior to redelivery of the Vessel and acceptance thereof by the Owner and in the further event that such damage shall not constitute an actual or a constructive total loss of the Vessel, the Contractor and the Owner shall apply the amount recovered under the insurance policy to the repair of such damage satisfactory to the Classification Society and the Owner. Subject to the prior performance by the Contractor of its obligations hereunder, the Owner shall accept the Vessel under this Contract if completed in accordance with this Contract. In the event that the amount recovered is in excess of the costs of repair, the Owner shall retain the excess amount.

18.2.2 In the event that the Vessel is determined to be an actual or constructive or agreed total loss, the Owner shall, within sixty (60) calendar days of such determination:

- (a) proceed in accordance with the terms of this Contract, in which case the amount recovered under the insurance policy shall be applied to the repair of such damage satisfactory to the Classification Society and the Owner, provided the parties hereto shall have first agreed in writing as to such reasonable postponement of the Redelivery Date and adjustment of other terms of this Contract as may be necessary for the completion of the Vessel, or
- (b) terminate this Contract whereupon the amount recovered under the insurance policy shall be paid directly to the Owner, interests, whereupon this Contract shall be deemed to be cancelled and all rights, duties, liabilities and obligations of each of the parties to the other shall terminate forthwith.

18.3 TERMINATION OF THE OBLIGATION TO INSURE

The Contractor's obligation to insure the Vessel hereunder shall cease and terminate forthwith upon redelivery of the Vessel and acceptance by the Owner or if the Owner fails within fourteen (14) days to take redelivery of the Vessel, after being duly tendered for redelivery, whichever occurs earlier.

19. DEFAULT BY THE OWNER

19.1 The Owner shall be deemed to be in default under this Contract in the following cases:

19.2 If the payments under Clauses 9.2-9.3 are not paid by the Owner to the Contractor when such payment has become due and payable as provided in Clauses 9.2-9.3 hereof and has not been disputed by the Owner in any way, and Owner's disputing such payment has not been found justified by the Independent Surveyor or the Arbitration, or

19.3 The Owner fails to take redelivery of the Vessel, when the Vessel is validly tendered for redelivery by the Contractor in accordance with terms of Clause 14 of this Contract unless such tender for Re-delivery has not been disputed by the Owner in which case any of Parties may apply to Independent Surveyor and/or Arbitration for a determination whether Owner's disputing the Re-delivery has been justified, in which case the Owner shall not be considered in default, or

19.4 The Owner ceases to be the owner of the Vessel, or an enforcement procedure is commenced on the Vessel, or

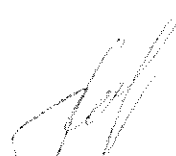
19.5 The Owner is adjudged to be insolvent, or a Court order is made, or an effective resolution is passed for the winding up or dissolution of the Owner, or there is a cessation of the carrying on business by the Owner, or the occurrence of any event(s) analogous to any of the

foregoing under the laws of (country of legal seat) or any other relevant jurisdiction, unless such event occurs in the context of a bona fide solvent corporate restructuring of the Owner

19.6 If the Owner is in default as provided under this Contract, the Contractor shall have the following rights, powers and remedies:

- (a) The Contractor shall notify the Owner on the default and the Owner shall, upon receipt of such notification, forthwith acknowledge to the Contractor that such notification has been received.
- (b) In case of default in payment or taking re-delivery of the Vessel when validly tendered the Owner shall pay to the Contractor interest on the amount in arrears at the rate equal to six per cent (6%) per annum from the respective due date to the date of actual receipt by the Contractor of the full amount of such payment. The Contractor shall be entitled to suspend works for entire time of Owner's Default, and the Re-delivery Date shall be automatically postponed for a period of continuance of default by the Owner. The Owner shall pay to the Contractor by way of liquidated damages for each day of suspension of work an amount of four thousand EUR (EUR 4,000).
- (c) If any default by the Owner continues for a period of twenty (20) days after notice of such default is given by the Contractor to the Owner in writing, the Contractor may, at its option, terminate this Contract by giving written notice to such effect to the Owner.

The parties agree that reorganization, reconstruction or dissolution of the Owner's internal organizational structure or change of the Owner's ownership structure shall not be deemed, in and of itself, as the Owner's default.



20. DEFAULT BY THE CONTRACTOR

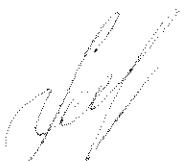
20.1 The Contractor shall be deemed to be in default under this Contract in the event of the occurrence of any of the following events:

- (a) If the Contractor fails to perform the outfitting works or any substantial part of them for a running period of at least thirty (30) consecutive calendar days, unless it is due to a Force Majeure or Owner's delay in payment as defined in Clause 19, provided that thereafter the Owner gives the Contractor at least (15) calendar days written notice of its intention to terminate the Contract under this Clause, and within that period the Contractor fails to remedy its breach; or
- (b) If the Contractor clearly indicates its intention not to perform its obligations under this Contract, provided that thereafter the Owner gives the Contractor at least fifteen (15) calendar days written notice of its intention to terminate the Contract under this Clause, and within that period the Contractor fails to remedy its breach; or
- (c) If the redelivery of the Vessel is delayed as per Clause 15.2.1; or
- (d) If the Contractor fails to keep the Vessel insured as set out in Clause 18; or
- (e) If an order or a resolution is passed for the winding-up, bankruptcy, liquidation or any other form of insolvency proceeding of the Contractor (except for the purposes of reorganization, merger or amalgamation), or if the Contractor otherwise becomes insolvent; or
- (f) If an order or a resolution is passed for the winding-up, bankruptcy, liquidation or any other form of insolvency proceeding of the Contractor (except for the purposes of reorganization, merger or amalgamation), or if the Contractor otherwise becomes insolvent; or
- (g) If the Contractor's monthly work progress of the Contractor's scope of work reached on the vessel is less than four per cent (4%) per month for the continuous three months, unless it is due to a Force Majeure or Owner's delay as defined in Clause 6. or Clause 19; or
- (h) If the Contractor refuses to fix his mistakes made and presented remarks, any damages caused and damages to the vessel, her mechanisms, systems, equipment for more than 2 months in a row and without any reasonable explanation.

The parties agree that the reorganization or reconstruction or dissolution of the Contractor's internal organizational structure or change of the Contractor's ownership structure shall not be deemed, in and of itself, as the Contractor's default.

20.1.1 If the Contractor is in default as provided above, the Owner may elect either:

- (a) to accept the Vessel and receive liquidated damages in accordance with Clause 15.1, as the case may be, or
- (b) to terminate this Contract.



If the Owner elects to terminate this Contract, then the Owner shall give notice to that effect to the Contractor. Such notice shall be effective on receipt thereof by the Contractor, in which case the provisions of Clause 15.2 shall apply.

21. DISPUTE RESOLUTION AND GOVERNING LAW

21.1 GOVERNING LAW

21.1.1 This Contract shall be governed by and construed in accordance with the substantive laws of Sweden.

21.2 TECHNICAL MATTERS

In the event of any technical dispute between the Owner and the Builder, the dispute shall be settled as follows:

21.2.1 In case the dispute pertaining to or in connection with the classification of the Vessel, the dispute shall be referred to the Classification Society for its written decision in which case the decision made by the Classification Society shall be final and binding for Parties hereto.


21.2.2 Any dispute or disagreement between the parties hereto as to any technical matters not governed by or relating to the rules and regulations of the Classification Society shall be referred to an Independent surveyor to be agreed upon by the parties within sixty (60) days of the Contract date (the person so selected by the parties, the "Surveyor"). The parties may agree upon different Independent surveyors for different types of matters. A matter in dispute may be referred to the Surveyor at any time by the Owner or the Contractor by written referral, which shall (i) describe in sufficient detail the matter in dispute, (ii) explain the basis for the position taken by the referring party, (iii) explain the reasons for disagreement with the position of the non-referring party, and (iv) indicate the determination the referring party is asking the Independent surveyor to make. A copy of the referral shall be delivered to the non-referring party at the same time the referral is delivered to the Surveyor. The non-referring party shall then have five (5) days to submit its position in writing to the Surveyor with a copy delivered to the referring party at the same time. The Surveyor shall, within ten (10) days, issue his determination with regard to the matter in dispute.

The selection of an independent surveyor company ("Surveyor") is made according to the following procedure: The Contractor provides the Owner with comprehensive information and at least five Surveyors. The Owner carefully studies this information received and accepts the Contractor's proposal to nominate one or two or three Surveyors, depending on their specialization and versatility. In case of refusal, the Owner is obliged to provide the Contractor with five other companies as an alternative immediately.

21.2.3 The Surveyor determination of the technical dispute referred to him in accordance with technical matters of this Contract shall be binding upon the Parties and shall be immediately implemented.

21.2.4 In case of approval and nomination of the Independent Surveyor proposed by the Contractor, the Contractor is responsible for the implementation of the procedure for negotiating and approving and signing the Contract for the provision of independent survey services, which must be signed by the Contractor and the Owner, as Customers of independent expert services, and the Independent Surveyor, as a provider of such independent survey services.

21.2.5 In case of approval and nomination of the Independent Surveyor proposed by the Owner, the Owner is responsible for the implementation of the procedure for negotiating and approving and signing the Contract for the provision of independent survey services, which must be



signed by the Contactor and the Owner, as Customers of independent expert services, and the Independent Surveyor, as a provider of such independent survey services.

- 21.2.6 The expert services of an independent surveyor approved by the parties are paid by the parties to this agreement in equal shares according to the formula "fifty percent (50%) to fifty percent (50%)" in accordance with the invoice of the independent surveyor and the Certificate of Completion signed by the Independent Surveyor, the Contractor and the Owner.
- 21.2.7 The payment for the services of the Independent Surveyor shall be made by the Contractor and the Owner in accordance with the terms of payment and within the terms reflected in the agreement signed by the parties with the approved Independent Surveyor.
- 21.2.8 If after the binding Surveyor determination any of the Parties will not be satisfied with the work of the Surveyor, the Surveyor shall be revoked and the Parties shall within next thirty (30) days agree on the nomination of another expert substituting the previously nominated one.
- 21.2.9 Notwithstanding the provision of Clause 21.2.3, any Party who disagrees with Surveyor's decision may refer the disagreement or dispute to the arbitration in line with Clause 21.3.

21.3 ARBITRATION

Any dispute, controversy or claim arising out of or in connection with this Contract, or the breach, termination or invalidity thereof, shall be finally settled by arbitration in accordance with the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. The seat of arbitration shall be Stockholm, Sweden. The arbitral tribunal shall be composed of three arbitrators. The language to be used in the arbitral proceeding shall be English.

22. INTELLECTUAL PROPERTY

- 22.1 Machinery and equipment of the Vessel may bear the patent number, trademarks or trade names of the manufacturers. Nothing contained herein shall be construed as transferring any patent or trademark rights or copyrights in equipment covered by this Contract, and all such rights are hereby expressly reserved to the true and lawful owners thereof.
- 22.2 Unless otherwise agreed in writing, copyrights, trademarks, patents, design rights, intellectual property rights of any kind and/or know-how that are developed under this Contract by the Contractor and/or the Owner will be considered as joint property of both parties. If one party owns or controls intellectual property rights of any kind that are necessary to the other party's use of the joint property (hereinafter the "Prior Art"), that party hereby grants the other party a non-exclusive, worldwide, irrevocable, royalty-free, transferable license to make, have made, use and sell products and services of all types, with the right to grant sub-licenses, in the Prior Art. If either party shall on its own make or acquire improvements in or additions to the joint property (hereinafter the "Improvements"), then that party hereby agrees to grant the other party a license to the Improvements on the same terms as those for the Prior Art.

23. CONFIDENTIALITY

- 23.1 All Confidential Information of the parties given to or obtained by the authorized representative(s) and other officers, employees, contractors and agents of either party may not be given nor made accessible to third parties. This obligation shall survive performance and discharge of all other obligations under this Contract and shall be considered as an independent obligation and will endure past any and all cancellation, rescission or termination of this Contract unless both parties agree to the termination of this obligation.



23.2 Both the Owner and the Contractor undertake not to disclose Confidential Information of the other party to any third parties, without the prior written consent of the other party.

23.3 The Contractor shall make related confidentiality agreements with its subcontractors when appropriate.

24. ASSIGNMENT OF THIS CONTRACT

24.1 BY THE OWNER

24.1.1 The Contractor agrees that prior to redelivery of the Vessel, this Contract may be transferred to another company by the Owner with the prior notice to the Contractor, but without seeking prior written approval of the Contractor. In the event of any assignment pursuant to the terms of this Contract, the assignee, its successors and assigns shall succeed to all of the rights and obligations of the Owner hereunder. However, the Owner shall remain responsible for performance by the assignee, its successors and assigns of all the Owner's financial obligations and liabilities under this Contract. It is understood that any expenses or charges incurred by the transfer of this Contract shall be for the account of the Owner.

24.1.2 The Contractor accepts that the Owner may at any time assign the benefit of this Contract to any bank or financial institution involved in the provision of the financing to the Owner of the Vessel's completion, without seeking prior written approval of the Contractor.

24.1.3 In the cases provided in this Clause 24.1 above, the Contractor shall provide all reasonable assistance to the Owner and execute all necessary documents to complete the assignment.

24.2 BY THE CONTRACTOR

24.2.1 The Contractor shall have the right to assign this Contract at any time after the effective date hereof, provided that prior written consent is obtained from the Owner, which shall not be unreasonably withheld. It is understood that any expenses or charges incurred by the Contractor's assignment of this Contract shall be for the account of the Contractor.

24.2.2 The Owner accepts that the Contractor may at any time assign the benefit of this Contract to any bank or financial institution involved in the provision of finance of the Contractor for the Vessel's completion, without seeking prior written approval of the Owner.

25. LIABILITIES AND INDEMNITIES

25.1 The Owner shall be liable and hold the Contractor indemnified against all and any claims of third parties (i) previously engaged in design and/or work on the Vessel, or (ii) providing machinery, equipment and outfitting that have been installed on or purchased for the Vessel, prior to its delivery to the Contractor.

25.2 The Owner shall be liable to the Contractor under this Contract when proven loss or damage has been caused by willful default of the Owner or that of those for whom the Owner is responsible.

25.3 The Contractor shall be liable and hold the Owner indemnified against all and any claims of third parties engaged in the provision of the Contractor's Scope of Supply under this Contract.

25.4 The Contractor shall be liable to the Owner under this Contract when proven loss or damage has been caused by willful default of the Contractor or that of those for whom the Contractor is responsible.

25.5 Unless expressly provided for elsewhere in this Contract, neither party shall be liable to the other party for loss of use of any works, loss of profit, loss of any contract or for any indirect,

special or consequential loss or damage which may be suffered in connection with or as a result of this Contract.

26. ENTERING INTO FORCE

- 26.1 This Contract shall become effective and enter into force after signing thereof by each party, evidence for which shall be by electronic transmission of the authorized representatives' signatures in the space set forth below or the execution and exchange of two (2) signed paper copies of this Contract.
- 26.2 Simultaneously with signing of this Contract or as soon as practically possible thereafter, the Contractor shall enter into an agreement(s) regarding acting as the Owner's Croatian tax and Intrastate representative.

27. NOTICES

- 27.1 Unless otherwise specified herein all notices or other communication between the parties hereto shall be in writing and be sent by email or registered letter. Any and all notices and communications in connection with this Contract shall be written in the English language and addressed as follows:

To the Contractor:

Brodosplit JSC

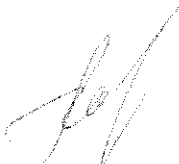
Attn: Mr. Zoran Širić
Phone: +385 99 274 8481
Email: zoran.siric@brodosplit.hr

To the Owner:

Viterlef Management Ltd.

Attn: Mr. Kuznetcov Mikhail
Phone: + 385 91 519 9676
Email: viterlef.deliveryposition@gmail.com

- 27.2 A notice or other communication sent as set out in Clause 27.1 shall become effective upon receipt by the receiver thereof.



28. OTHER PROVISIONS

- 28.1 This Contract contains the entire agreement and understanding between the parties hereto and supersedes all prior negotiations, representations, undertakings and agreements on any subject matter of this Contract. No amendment or alteration of this Contract shall be valid unless agreed or confirmed in writing between the parties.
- 28.2 The Contractor and the Owner agree to do all acts and execute all documents required to carry out the provisions of this Contract and to act in good faith with respect to the terms and conditions contained herein.

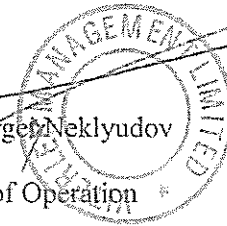
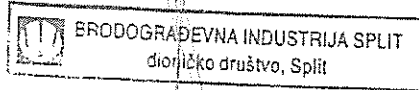
IN WITNESS whereof the parties hereto have caused this Contract to be duly executed by their duly authorized officers or representatives.

For and on behalf of the Contractor

For and on behalf of the Owner

By Tomislav Debeljak
Chairman of the Board

By Serget Neklyudov
Head of Operation



A handwritten signature in dark ink, appearing to be "Serget Neklyudov", located at the bottom left of the page.