
**GENERAL TERMS AND CONDITIONS
FOR SERVICES OF SHIPYARD FILIPI d.o.o.**

Version 1.0

Sukošan, March 2023.

BRODOGRADILIŠTE FILIPI d.o.o., PIN: 36685663336, with registered seat in Sukošan, Ždralovac 1, represented by director Ljubomir Zrilić, OIB: 70628914264,

(hereinafter: "**Shipyard**")

taken into consideration:

- a. that the Shipyard concludes individual contract on maintenance and berthing of vessel or work order with each individual user,
- b. that the relationship between the Shipyard and the user is primarily regulated by an individual contract or work order, but subsidiarily by these general conditions,

In Sukošan, [●] March 2023, the Shipyard issues the following document

GENERAL TERMS AND CONDITIONS FOR SERVICES OF SHIPYARD FILIPI d.o.o.
(hereinafter: "**General Terms and Conditions**")

Version 1.0

I/ COMPOSITION AND CHANGE OF THE GENERAL CONDITIONS

- 1.1 These General Terms and Conditions are an integral part of every contract on the maintenance and berthing of the vessel or work order that the Shipyard concluded with the users (hereinafter: "**Contract**").
- 1.2 These General Terms and Conditions are not a standalone document, but serve as a supplement and are subsidiarily applied to each individual Contract between the Shipyard and the user. In the event of a conflict between the provisions of the General Terms and Conditions and the Contract, the provisions of the Contract shall prevail.
- 1.3 In case of changes to the provisions in such a way that they are less favorable for the user, the user is authorized to notify the Shipyard in writing within 10 days that he is terminating the Contract starting from the date of application of the new General Terms and Conditions, the Price List of the Shipyard Filipi d.o.o. or the Rulebook on maintaining order in the Shipyard Port "FILIPI".

II/ PROVISIONS IN RELATION TO THE VESSEL

- 2.1 The total length of the vessel, which is the basis for calculating fees for the Shipyard's services, means the total length of the vessel in reality, including all equipment and all extensions, such as anchors, bow extensions, bathing platforms, supports for auxiliary vessels, footbridges and similar.
- 2.2 Unless otherwise stated in writing or orally, the user guarantees that the vessel is in a driving condition, without hidden defects and safe for the life and health of persons and property around the vessel.

III/ PROVISIONS REGARDING THE OBLIGATIONS OF THE SHIPYARD

- 3.1.1 The Shipyard has the right to position the vessel within the port according to its internal berthing plan and the Rulebook on maintaining order in the Shipyard Port "FILIP". The Shipyard determines the permanent berthing position for each vessel, but is authorized, at its own discretion, to move the vessel to another berthing position within the Shipyard. User approval is not required. There is no charge for moving to another berthing position, and the Shipyard is responsible for any damage caused as a result of the moving.
- 3.1.2 In case of failure to pay or untimely payment by the user, the Shipyard has the right to move the vessel to a place outside the Shipyard, with the aim of unhindered performance of its activities within the Shipyard's premises.
- 3.2 The Shipyard is obliged to maintain and change the mooring equipment within its port if necessary. The Shipyard is not obliged to change or maintain the mooring equipment of the user.
- 3.3 The Shipyard is obliged to maintain energy cabinets and faucets if necessary.
- 3.4 The Shipyard does not carry out nor has the obligation to inspect the vessel individually, and is not obliged to inform the user about the condition of the vessel. The employees of the Shipyard periodically check the mooring equipment and the premises of the Shipyard. Individual inspection of the vessel can be requested by the user as an additional chargeable service.
- 3.5 When performing maintenance and repair work, the Shipyard is authorized to move and maneuver the user's vessel. The Shipyard is obliged to carry out work in a safe manner in relation to the vessel and all equipment on the vessel.
- 3.6 At the request of a user who uses the service of annual or semi-annual berthing for a vessel, the Shipyard will issue a parking pass and enable the parking of one personal vehicle within the Shipyard.

IV/ PROVISIONS REGARDING OBLIGATIONS OF THE USER

- 4.1 The basic obligation of the user is to pay fees for the services provided by the Shipyard in a timely manner and in full.
- 4.2 The user is obliged to pay for the ordered services in advance upon issuance of invoice or preliminary invoice/offer, unless otherwise agreed in writing for a specific service.
- 4.3 Payment in full and on time is considered an essential component of the contract. In case of breach, the contract is considered to be terminated, and the cost of berthing of the vessel for the days of delay is calculated as the daily berthing fee.
- 4.4 The Shipyard independently decides on the schedule of performed works according to the Price List, in accordance with the Shipyard's other obligations and capabilities.
- 4.5 The Shipyard independently decides on the schedule of all other ordered maintenance and repair works, in accordance with the Shipyard's other obligations and capabilities, unless otherwise agreed in writing.

- 4.6 In relation to other maintenance and repair works that are not in the Price List, the user and the Shipyard will agree on the scope and price. Regarding payment and execution terms, provisions 4.1, 4.2 and 4.5 apply.
- 4.7 .1 The user is aware that works on vessels within the port are usually carried out by the Shipyard. If the works are carried out by the user or a third party (including the owner), the user undertakes to pay a daily fee in accordance with the Price List for the use of the Shipyard's infrastructure, and if the works are carried out dry berth and the Vessel is at wet berth, in addition to the fee for wet berth, the User undertakes to pay a daily fee for dry berthing, in accordance with the Price List. The user undertakes to announce and describe the works to the Shipyard at least 7 days before the start of the work, specifying the expected duration of the works. Works can only start upon a written approval of the Shipyard. Daily fee for using the Shipyard's infrastructure it is paid in accordance with the Price List upon issued invoice.
- 4.7.2 Carrying out work on the vessel in accordance with the previous provision can only be entrusted to a professional person authorized to carry out certain types of work. The user assumes all responsibility for the safe and professional performance of the work, and undertakes to compensate for all caused damage to the Shipyard, employees, third parties or neighboring vessels.
- 4.8 The user is obliged:
- when contracting dry berth or ordering any other service that involves raising and lowering the vessel from the sea, to warn in writing about the existence of equipment on the underwater part of the vessel, especially those that are not original factory-installed equipment and especially if the vessel does not have markings for crane ropes, and give precise data on the location of that equipment,
 - to maintain the vessel in such a condition that it does not pose a danger to the vessel itself or vessels in the immediate vicinity. If the user does not do so, the Shipyard has the right to take maintenance or repair actions to prevent these dangers at the user's expense. In order to prevent damage, the Shipyard can equip the vessel with quality mooring equipment at the expense of the user,
 - to report the planned absence of the vessel longer than 24 hours from the port. The absence of the vessel from the Shipyard is not deducted from the price of the berthing fee, and during the absence of the vessel at the accommodation, the Shipyard has the right to temporarily use the berth for other vessels. The user is obliged to inform the Shipyard 24 hours before the return by phone and text message.
 - to display a visible sign of the name and registration number on the vessel,
 - to equip the vessel with an automatic fire extinguishing system or a fire extinguisher, and regularly maintain the device through the necessary periodic calibrations and tests of the system and eventual replacement due to wear and tear,
 - to put an eco-sponge or a similar device in the bilge of the vessel that collects pollution that may arise as a result of a technical fault or lack of maintenance

of the vessel, and with the bilge emptying system they can reach the sea directly.

4.9 Before leaving the Shipyard, the User is obliged:

- to hand over to the Shipyard the vessel's documents in the original, and for foreign vessels a certificate of payment of fees for navigation safety and protection of the sea from pollution, a vignette and a certificate of payment of the flat-rate residence tax in the original,
- to turn off and disconnect all electrical cables and water connections,
- to lock the vessel and deck windows from the inside,
- to make sure that the vessel is properly and safely moored and that a sufficient number of fenders are placed on the sides and stern of the vessel,
- to ensure that the mooring ropes and other mooring equipment are in good condition,
- to ensure that all movable or additional equipment of the vessel (auxiliary boat, *jet ski*, windsurfing board, etc.) is properly moored in such a way that it does not cross over into the neighboring berth or hinder access to the neighboring berths,

4.10 In case of any violation or failure to comply with the provisions of the Contract, General Terms and Conditions or Rulebook, if no other consequence is prescribed, the Shipyard has the right, 7 (seven) days after the day of a written warning to the user about the violation:

- to unilaterally terminate the contract, from which day it will be considered that the vessel is on a daily berth, or
- to immediately start calculating the daily berth fee until the day the breach ceases, and keep the Contract in force.

V/ PROVISIONS REGARDING THE DURATION OF THE CONTRACT

- 5.1 The user is aware that the berth fee is determined on the assumption that the contract will last for 12 (or 6) months and at least regular annual maintenance of the vessel will be performed. Therefore, the Shipyard will cancel the contract at the end of the term, respecting the provisions on the notice period, if the user does not maintain the vessel.
- 5.2 In case of cancellation of this contract by the user before expiration, the Shipyard is not obliged to return the funds paid for the annual berthing service.
- 5.3 The previous provision does not apply in the event that the user cancels the contract due to the Shipyard's failure to fulfill its obligations.

VI/ PROVISIONS REGARDING THE LIABILITY OF THE SHIPYARD

- 6.1.1 The Shipyard is responsible for damage caused by its employees during the berthing service for the vessel, the relocation of the vessel by the Shipyard, or the works performed by the Shipyard on the vessel, or on neighboring vessels, to the extent and within the time limit specified in clause 6.1.3, with the exception of damage caused due to the omission of the user from provision 4.8, first bullet point.

- 6.1.2 The Shipyard is responsible for the good condition of all mooring equipment (anchor line, bit, pontoon, etc.) owned by the Shipyard.
- 6.1.3 In relation to the previous two provisions, the Shipyard is insured against liability for all damages from the previous provision. The Shipyard undertakes to compensate the damage in the amount granted by the insurer, immediately after the payment of the insurance. The Shipyard is obliged to compensate the damage up to the amount granted by the insurer, unless the damage was caused intentionally or by gross negligence.
- 6.1.4 At the request of the injured party, the Shipyard will transfer its rights towards the insurer from an individual harmful event, so that the injured party can conduct proceedings against the insurer. The Shipyard and the user undertake to mutually cooperate with the insurer in order to assess the actual damage and submit all necessary documents and evidence regarding the caused damage, so that the insurance company can objectively assess the caused damage.
- 6.2.1 The previous provisions lay down all situations in which the Shipyard is liable and the maximum level of liability of the Shipyard, and it is especially emphasized that the Shipyard is not liable, among other situations, the following situations:
- for damages that occurred as a consequence or partial consequence of *force majeure*,
 - for damages that occurred as a consequence or partial consequence of unfavorable weather conditions,
 - for damages that occurred as a consequence or partial consequence of war, war-like events, work stoppages, civil unrest, individual vandalism and similar events,
 - for damages that occurred as a result of fire, unless they were caused by the work of Shipyard employees,
 - for damages that occurred as a consequence or partial consequence of alienation of vessels, vehicles, equipment and the like,
 - for damages that occurred as a consequence or partial consequence of breaking or untying the user's mooring ropes and equipment,
 - for damage and costs as a consequence or partial consequence of the removal of ship wreck,
 - for damage caused as a consequence or partial consequence of hidden defects on the vessel, about which the user did not warn the Shipyard in writing,
 - for damage caused as a consequence or partial consequence of faulty electrical or plumbing installation on the vessel, i.e. caused by faulty installation from the vessel to the connection in the Shipyard area,
 - for damages caused as a consequence or partial consequence of freezing,
 - for damages that occurred as a result of the actions of third parties, who are not employees of the Shipyard,
 - for damage caused as a consequence or partial consequence of rodents and other animals,
 - for damages caused to vehicles that are in the parking lot of the Shipyard or in the parking lot in front of and around the Shipyard.

- 6.2.2 The Shipyard's limitation of liability applies to all types of damage, which includes the reduction of one's property (ordinary damage), prevention of its increase (lost profits) and violation of personal rights (non-physical damage), except in the case when the damage is caused by intent or gross negligence Shipyards.

VII/ PROVISIONS REGARDING USER LIABILITY

- 7.1 The user is liable for all damage that would occur when entering the port and mooring the vessel.
- 7.2 The user is liable for the proper mooring of the ship in the port and for good condition of all mooring equipment on the vessel.
- 7.3 The user is obliged to ensure adequate locking of all movable items inside the vessel.
- 7.4 The user is liable for all damage to the vessels and in the port caused by third parties (including the owner) during works on the vessel.
- 7.5 The user is liable for all damage in the port and on other vessels due to pollution caused by the user's vessel.
- 7.6 In relation to any resulting damage, the user's liability also includes actions of other persons on the vessel (crew, guests, etc.).

VIII/ PAYMENT SECURITY INSTRUMENTS

- 8.1 In the event of a user's due claim towards the Shipyard, the Shipyard has the right to retain (cro. *Pravo zadržanja*) the vessel at dry or wet berth and all movable property until the claim is fully settled, together with interest and costs, even after expiration, termination, termination or cancellation of the Contract.
- 8.2 If the user has become overindebted, the Shipyard has the right to retain the vessel even before the claim is due.
- 8.3 The Shipyard will return the retained items if the user provides adequate insurance.
- 8.4 With prior notice to the user, the Shipyard has the right to collect its claims from the value of the retained item as if it were a pledgee. In this case, the Shipyard has the right to sell the retained item by direct negotiation or judicial auction. The Shipyard is obliged to immediately return the amount received from the sale that exceeds the user's debt.
- 8.5 In case of breach of obligations by the user, the Shipyard has the right to all temporary measures in accordance with the Maritime Code (Cro. *Pomorski zakonik*).

IX/ CONSENT AND GUARANTEE OF THE OWNER

- 9.1 If the user of the vessel is not the owner, the owner expressly agrees to all provisions of the contract and general conditions and agrees to be the guarantor and payer (cro. *Jamac platac*) for all obligations based on this Contract.

- 9.2 The user is obliged to inform the owner about all aspects of this Contract. It will be considered that the owner has been notified by sending a notification to the user, to the address specified in the contract.
- 9.3 The Shipyard has the right to inform the owner of the vessel about all aspects of the contractual relationship between the Shipyard and the user, and especially about possible violations of provisions, failure to pay or damage.

X/ NON-TRANSFERABILITY OF THE CONTRACT AND CHANGE OF OWNERSHIP ON THE VESSEL

- 10.1 The rights and obligations of the user are not transferable to third parties, without the prior written consent of the Shipyard.
- 10.2 The vessel that is the subject of the Contract cannot be replaced by another vessel, without the express consent of the Shipyard.
- 10.3 If the user (who is also the owner) transfers the ownership of the vessel to a third party during the contract, he is obliged to notify the Shipyard without delay and submit the appropriate proof. The transfer of ownership does not affect user's rights and obligations under this Contract, but it is considered that the user has canceled the contract on the day of delivery of the notice and proof, whereby the provisions on the duration of the Contract are applied in the same way.
- 10.4 If the owner (who is not at the same time the user) transfers the ownership of the vessel to a third party for the duration of the contract, the user is obliged to notify the Shipyard without delay and provide the appropriate proof. The transfer of ownership does not affect the rights and obligations of the user under this contract, and the Shipyard has the right to unilaterally terminate the contract.
- 10.5 If the owner (who is not at the same time the user) transfers the ownership of the vessel to the user during the duration of the contract, this does not affect the rights and obligations of the user under this contract.

XI/ OTHER PROVISIONS

- 11.1 If any provision from the documents governing the relationship between the user and the Shipyard turns out to be inapplicable, invalid, null and void, this does not affect the other provisions in any way. In such case, the parties will replace this provision in a way that is closest to the purpose and intention of the legal relationship.
- 11.2 These General Terms and Conditions are drafted in Croatian and English. In case of doubt, the Croatian language version is considered the original.

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