

GENERAL BUSINESS TERMS
AITAC limited liability company for naval services and industry
Croatia, Kastav, Žegoti 6/1, OIB: 08560945663

1. IMPLEMENTATION OF GENERAL BUSINESS TERMS

- 1.1. General business terms are implemented on contracts for services signed with Clients regarding provisioning of registered services of AITAC. (hereinafter referred to as: **services**).
- 1.2. General business terms are implemented not only on AITAC d.o.o. Kastav, Croatia, but also on AITAC GmbH, Papenburg, Germany (hereinafter referred to as: **AITAC group**)
- 1.3. In case of different determination of the contractual obligation in the contract, with special written agreements and general business terms, the mentioned sources are implemented sequentially as they are listed (in each single contractual obligation).

2. DEFINITIONS

- 2.1. **AITAC, Contractor, Service provider or Consultant** defines AITAC d.o.o. Kastav, or according to certain legal relationship, one of the companies from AITAC group mentioned in art. 1.2. of General terms.
- 2.2. **Client or Service recipient** is legal or physical person to whom are provided contractual services, foreseen in point 1.1. of General terms.
- 2.3. **General terms or General business terms** define these General business terms implemented on business relationship between AITAC and Client except in cases when implementation of these General terms is explicitly excluded.
- 2.4. **Offer** defines conditions of providing service which is issued by AITAC that contains service description, deadlines, price and method of payment which is accepted by the Client.
- 2.5. **Service contract or Contract** defines legal business signed by and between AITAC and Client which originated by accepting the Offer on behalf of the Client and which is, but does not have to be, confirmed in written form.

3. PRICE AND PAYMENT DEADLINES

- 3.1. Service price is contained in the offer accepted on behalf of the Client.
- 3.2. Offer obliges AITAC 15 days from the delivery to the Client.
- 3.3. All prices of services mentioned in the Offer are expressed without value added tax (VAT) except otherwise expressed in the Offer (Zero rate for most foreign contracts).
- 3.4. Service price mentioned in the Offer do not include materials and other costs that follow providing services as also it does not include other taxes and contributions to be paid to the state that the Client would be possibly obliged to pay.
- 3.5. Unless otherwise agreed AITAC shall charge for legitimate expenses incurred in connection with the contract. These may include travel and subsistence costs, reproduction of drawings, photography, courier charges and the hire of specialised equipment. The reasonable cost for travel by air (Business Class flights for overseas travel, Economy Class for other flights), rail, group D car hire, car mileage (other than routine commuting to and from the offices of the Consulting Engineer) at a rate of EUR 0,30 per km, and reimbursement at cost of taxi fare is appropriate.
- 3.6. In case if, after accepting the Offer, the Client imposes more detailed specifications of providing services that are necessary to be done with services from the accepted Offer, AITAC reserves the right to increase unilaterally service price proportionally to the increased amount of work and considers that the Client accepted such increase. If services that have been specified in details afterwards is possible to execute separately and after services from the first Offer then such services will be subject of new Offer and possible new contractual relation between AITAC and Client.
- 3.7. Prices mentioned in the Offer are usually expressed in Croatian national currency if the Client is person with headquarters or residence in the Republic of Croatia and/or if services are to be performed outside Croatia and/or services are provided by some other company from the AITAC group then prices in Offer are expressed in euro (EUR). Prices in Offer can be expressed exceptionally also in some other currency pursuant to the headquarters or residence of the Client.
- 3.8. If the prices in the Offer are expressed in EUR, and after provisioning of services until payment the exchange rate for EUR would increase according to the Croatian National Bank in reference to one kuna more than 5%, AITAC reserves right to make revaluation of prices regarding EUR in reference to expired and not paid invoices (amounts due and not paid) and to issue an invoice for differences in exchange rate (relation of price at the time of issuing the invoice and time of revaluation), and the Client is obliged to pay exchange rate differences in agreed payment deadline.
- 3.9. Services mentioned in the Offer are paid by the Client according to the issued invoices on behalf of AITAC in deadlines mentioned in the Offer. The AITAC issues invoices for performed services pursuant to conditions of the offer and at latest right after completion of each phase of work.
- 3.10. If there is no deadline for payment the same is of 30 days. Exceptionally, AITAC can approve deadline for payment up to maximum 60 days, which has to be followed by special written agreement and adequate means of payment insurance issued by the Client.
- 3.11. As the date of the payment is considered the day when the funds were credited to the account of AITAC.
- 3.12. In case the client does not fulfill the obligation of payment within the due date he is obliged, besides the principal amount, to pay to the AITAC legal penalty interest rate in amount of the valid rate of legal penalty interest rate.

4. QUALITY OF SERVICE

- 4.1. Services provided by AITAC are of usual quality in accordance with rules of profession and all accepted standards valid at the time of service execution.
- 4.2. AITAC group is accredited for ISO 9001:2015 standard for Project management and technical consulting, designing and

drafting and technical documentation for ships, vessels and objects of maritime technology by the Croatian Register of Shipping and by the Croatian branch of the international organization Bureau Veritas (B.V.), Bureau Veritas Croatia d.o.o.

5. PLACE AND MODE OF PROVIDING SERVICES

- 5.1. AITAC provides services in place mentioned in the Offer. If there is no need that AITAC is directly present i.e. its nominated persons then AITAC can provide services as per Offer from place that AITAC chooses.
- 5.2. If it is needed that the Client submits detailed data, specifications or instructions required for complete or partial providing of services as per Offer besides foreseen deadlines of execution, then AITAC is not obliged to start providing services or to continue with its performing until the delivery of such data. Client in this case has no right to claim from AITAC any indemnity nor to request reimbursement of advance payment if the same has been paid.
- 5.3. If any defects in the services rendered are a result of incorrect instructions, data or information provided by the Client for such defects is solely liable Client and it can not automatically reduce the payment on any given invoice for the services provided and waive the right of AITAC to claim any compensation of damage. AITAC is entitled, if due to circumstances described, suffered damages, in particular violation of the personality right or business reputation of the Client to claim damages.
- 5.4. If there is agreed total or partial advance payment AITAC is not obliged to start providing contracted services before the contracted advance payment.
If the Client has outstanding unpaid debts towards AITAC, the latter one is authorized to suspend further service provisioning until the proper settlement of expired debts.

6. CHANGES IN SPECIFICATIONS AN VARIATIONS

- 6.1. Where changes in the specifications are made by the Client (and accepted by AITAC) AITAC shall be entitled to vary the Contract price to reflect the changes in the specifications including any consequential effects. Under such circumstances, the parties shall discuss how best to introduce any changes in a timely manner rather than in a piecemeal fashion.
- 6.2. Where a Contract variation is proposed by either party then this shall be specified in writing in accordance with a procedure agreed between the parties. The Contract variation form shall be promptly agreed with the Client. AITAC shall not perform the Contract variation until it has been agreed by the Client and where the Contract variation would affect other work to be performed by AITAC, then AITAC shall be entitled to stop work until the Contract variation form has been agreed and signed by the Client and AITAC shall be entitled to an extension of time to reflect the period of stoppage.
- 6.3. Where Contract variations are numerous and are likely to have a consequential effect upon other drawings and/or other information, the parties shall discuss how best to introduce any such Contract variations in a timely manner rather than in a piecemeal fashion.
- 6.4. Where Contract variations are agreed any extra work arising may be charged at the rate agreed on the Contract variation form, or if no rate is specified there, then at AITAC's normal hourly rate and AITAC shall be entitled to an extension of time as specified in the Contract variation form relating to the delivery of deliverables and/or completion of the Contract if no extension of time is specified on the said form, to a reasonable extension of time.
- 6.5. AITAC shall be entitled to charge for the formulation of technical information for producing variation orders. Under no circumstances is work (including technical information) provided by AITAC to be modified.

7. PAYMENT GUARANTEES

- 7.1. As payment guarantee of price and interest rates and any other claim from the sale contract or from these terms AITAC will request from the Client the following instruments of payment guarantee:
 1. Duly filled blank bill of exchange, without amount and due date, guaranteed by the person who signed the contract on behalf of the client i.e. legal representative registered in certain register of the commercial companies as person authorized for representing,
 2. Blank debenture of general coverage imposed by AITAC in proportional ratio according to the value of stipulated work
 3. Some other adequate guarantee
- 7.2. If AITAC uses one of the above mentioned instruments and requests delivery of missing instrument of payment guarantee, the Client is obliged to submit without delay the new instrument of payment guarantee.

8. INTELLECTUAL PROPERTY

- 8.1. Everything what is done in the sector of intellectual property upon order and for the Client needs by AITAC or by its engaged persons during or for rendering acquired obligations i.e. providing contracted services in the area (including patent, invention, or any other intellectual property creation) is considered AITAC's intellectual property. Any other decision regarding rights and obligations on intellectual property can be subject of special contract signed in written form by and between AITAC and Client.
- 8.2. All provisions of General terms in reference to obligation of keeping, protecting and not revealing data are referred to all creations of intellectual property mentioned in the previous paragraph.

9. PROVISIONS OF SECRECY

- 9.1. For the need of General terms, Information are any information, in any form, including also information provided or exchanged in form of documents, negotiations, electronical form, information that are held in physical parts, models, methodology or any other measurable format, software or material samples, drafts, programmes, all creations of intellectual property including copyrights, patents, inventions, that would refer to business relationship between AITAC and Client or

are deriving from that cooperation.

9.2. AITAC and Client are obliged to

- Not to use any received information on any other way that except for opening for realization of scope of business cooperation;
- To handle received information with high confidentiality and professional secrecy and not to reveal to the third parties any information without written approval of the other contractual part;
- Disclose Information only, and then only to the extent necessary, to those of its employees, associates or consultants who, in accordance with the business relationship, need to know, and which through their employment contracts, works contracts, contracts copyright works, or service contracts are subject to the same material obligations of confidentiality and secrecy;
- Do not copy, print, put in a written form, or save to an electronic form, any material portion of the Information, except where this is necessary for the fulfillment of the obligations assumed;
- Upon request of the other party, at any time return, destroy, or when the Information is stored in electronic form, permanently delete all information (including notes, reports, analysis, findings and opinions) related to or arising from the Information made from the other side, as well as all their copies and, when possible, to provide receipts or deletion certificates.

9.3. Provisions of confidentiality oblige AITAC and the Client permanently also after termination of business relationship, i.e. after completion of contingent obligations and services.

10. FORCE MAJEURE

10.1. In case of event or circumstance that could influence the possibility of fulfilling the acquired obligations within agreed due dates AITAC is obliged to inform the Client in shortest time about risks and to agree with the latter one for implementing measures for maximum decrease of potential damage.

10.2. AITAC will not be liable for not fulfilling any of acquired obligations if the non fulfilling is a result of force majeure – event out of AITAC's control and independently from its will that directly influences the fulfillment of acquired obligations and which appearance is not a consequence of negligence of AITAC, and which could not have been foreseen, prevented or removed.

10.3. The phenomenon of force majeure includes but doesn't limit only natural disaster, state of war, strike and embargo.

10.4. In case that any of the contracting parties would be distracted by force majeure in fulfilling their obligations acquired from the contract, each party is obliged to inform the other contracting party about that without delay and at maximum within 48 (fortyeight hours) with note which was the cause of delay and how long could it possibly last. The same procedure will be implemented for informing about the cessation of events of force majeure.

10.5. In case should happen force majeure, hit contracting party will do its best to fulfill its obligations pursuant to this Contract. In case force majeure should prevent fulfilling only one part of acquired obligations and that that part would not be critical for fulfillment of acquired obligations in total, hit contracting party will continue to execute acquired obligations in part which is not hit by the event of force majeure.

11. SIGNING AND DURATION OF CONTRACT

11.1. Contract regarding service provisioning is considered stipulated when the Client accepts the Offer. And the Contract is considered stipulated on date mentioned in the Contract.

12. CESSATION OF SERVICE PROVISIONING AND TERMINATION OF CONTRACT

12.1. AITAC is authorized to terminate services and/or terminate contract of service provisioning unilaterally if the Client should not submit on time data, information and/or instructions needed for starting or continuation of service provisioning i.e. the same service provisioning or if the Client exceeds deadline of the invoice for the received services for more than 30 days or if the Client should not comply the AITAC's request for issuing payment guarantees as defined in point 6. of these general terms (at the moment of signing this contract or at the moment of its duration) or if the attempt to collect payment instruments in total or partially would remain unsuccessful or if the Client would not fulfill or pay in default manner any of its contractual obligation.

13. LIABILITY INSURANCE

The maximum amount of damages for which the AITAC group can be considered liable under this general conditions is €500.000 (Five-hundred-thousand). This is in relation with the maximum coverage of the liability insurance of the AITAC group.

14. ADJUDICATION

14.1. For dispute settlement deriving from sales contract or these terms the competent court is in Rijeka.

14.2. In reference to the AITAC and Client relation is implemented Croatian material law.