

Repair and Assembly Conditions

These General Conditions shall apply in full on inspection, modification, repair, refurbishment and mounting work provided by SKF ("the Works") unless otherwise expressly agreed in writing by SKF. No other provisions shall be applicable, regardless of whether they were explicitly rejected or not in any individual case.

I. Object of repair/ assembly / Scope of service

1. In case the object of repair/assembly has not been manufactured and/or delivered by SKF, the customer shall inform SKF in writing without undue delay about any existing industrial property rights concerning the object of repair/assembly; as long as not SKF's fault is involved, the customer shall indemnify SKF from any claims of third parties arising from the violation of industrial property rights.
2. A trial operation or a commissioning is only compulsory if explicitly agreed on in writing. SKF will take on any necessary disassembly and re-assembly of attached components only following express agreement.
3. SKF shall be entitled to subcontract the Works or any part thereof to a third party. SKF shall be entitled to use any spare parts from any supplier, unless otherwise agreed with the customer. Subcontracting will not affect SKF's obligations under this Agreement.

II. Cooperation and Technical Support by the Customer in Case of Repairs away from our Premises

1. The customer shall provide to SKF all support and assistance necessary, and shall execute all measures necessary, and provide all plant, facilities and equipment to enable SKF to render its services on site in a timely and proper manner.

SKF will make available to the customer particular plans or instructions that may be necessary in good time. If the Works have to be carried out abroad, the customer shall inform SKF in writing of any possible legal requirements that need to be considered. In addition, the customer shall provide all necessary visas and Work permits for SKF's staff.

2. The customer shall take care of all measures necessary for the protection of persons and property at the place of the Works and shall inform SKF's supervisor about existing special safety provisions as far as such provisions apply to the repair staff. The customer shall report to SKF any violations of such safety provisions by the repair staff.
3. The customer shall at own cost support SKF's staff in the performance of the Works including the acceptance test and any other agreed trial

operation/commissioning at the place of performance, in particular:

- a) Supply the necessary and eligible support staff for the time and in the number necessary for the Works; the support staff shall follow instructions of SKF's supervisor. Without prejudice to the provisions in section XIV, SKF shall not be liable for this support staff. This support staff shall be considered as agents of the customer.
 - b) Provision of necessary, suitable, heated, lockable rooms for the accommodation of the staff (with lighting, washing and sanitary facilities), and storage of tools and supplies.
 - c) Provision of heat, light, power, water, including the necessary connections.
 - d) Provision of the necessary appliances and heavy tools (e.g. scaffolding and lifting equipment and other devices), requirements, resources, consumables and other materials.
 - e) Transport of the objects to the repair and assembly area, the unloading and re-loading of our objects, in particular our machinery in the customer's factory and its return, the transport of staff to the place of repair and assembly as necessary, protection of the repair and assembly area and materials from detrimental effects of any kind, cleaning of the repair and assembly area.
 - f) Provision of access to the assembly area/factory at the agreed times for our staff.
 - g) Provision of sufficient space for assembly and repair, and assurance of unhindered access for our staff to the components to be assembled or repaired, unless some other arrangement has been expressly agreed.
 - h) It is the customer's responsibility to ensure that the progress of SKF's Works is not hindered by other activities.
4. If the customer does not fulfil his obligations in due time, SKF is entitled at the customer's expense, though not obliged, following expiry of a set deadline, to undertake the duties of the customer or to authorize a third party to carry them out. Furthermore, the legal rights and claims to which SKF are entitled shall not be excluded. The customer bears all costs that arise from interruptions, delays and/or suspensions of the Work of repair and assembly that are not our responsibility, particularly the costs for waiting times, repeated journeys, storage and cost of refreshments.

III. Liability of the Customer

In case of damage or loss of any installations or tools provided by SKF during the Works at the place of repair away from SKF's premises without

SKF's fault, the customer shall be liable to compensate SKF for such damage or loss. This shall not apply to damages which are the result of ordinary wear and tear.

IV. Transport and risk assumption during repair and assembly in our factory

1. The customer shall generally be obliged to deliver the object of repair at his own cost and risk to SKF's premises and to collect the object of repair/assembly after completion of the Works.
2. In any case the transport forth and back of the object of repair/assembly including any packing and loading shall be – if nothing else has been agreed in writing – carried out at the cost and at the risk of the customer. The customer shall also bear the risk of transport as well as the risk of loss or damage to the object of repair during the stay of the object of repair on SKF's premises.
3. At the wish and at the expense of the customer the object can be insured against damage in transit.
4. The customer shall bear the risk of accidental loss of, or accidental damage to the goods while execution of the Work.
5. During the repair and assembly on our premises, it is the customer's responsibility to maintain the current insurance for the object to be repaired and assembled, e.g. against fire, water, storm and mechanical breakdown. Only at the prior express written request of the customer and at own cost can insurance cover be taken out for these risks.
6. If the customer falls behind in meeting the costs of repair and assembly, SKF is entitled to demand charges for storage at SKF's factory or to keep the object elsewhere at our discretion at the expense and risk of the customer.

V. Repair and assembly deadline

1. Indications concerning the repair/assembly period are based upon estimates and are therefore not binding.
2. A written agreement over a binding repair/assembly period may only be requested by the customer if the scope of the Works is exactly defined. The repair period shall commence at the time the customer actually provides SKF with the object of repair and the necessary documentation, permits and clearances in such a way that it is possible to carry out the contractually agreed Works, but not earlier than the date of SKF's written order confirmation concerning all order/contract elements.
3. If the deadline is determined in days, only working days at the place of work are counted.

4. In the case of any additional requests by the customer after the start of the agreed period, or if there is necessary additional Work, the agreed deadline will be correspondingly extended.
5. A binding deadline is complied with when at its expiry the object is ready for collection by the customer, or - in the case of an agreed trial operation or a commissioning – when it is ready for the customer's approval.
6. If the Works are not carried out within the agreed deadline proven by the customer to be negligently caused by SKF, the customer shall be entitled to liquidate damages from the date on which delivery should have taken place. The liquidated damages shall be payable at a rate of 0.5 per cent of the price for the Works which cannot be used due to the delay for each commenced week of delay. The liquidated damages shall not exceed 5 per cent of the purchase price. Without prejudice to the section regulating claims for liability, further claims are excluded.
7. In case of late delivery the ongoing interest of the customer on the execution of the contract shall be presumed.

VI. Acceptance

1. In case an acceptance is compulsory by contract or by law, such acceptance shall affect the transfer of risks. The customer is obliged to accept the repair and assembly as soon as SKF inform him of its completion. Minor impairments of the product of delivery shall not entitle the Purchaser to refuse acceptance.
2. These provisions shall apply accordingly if SKF requests the acceptance of parts of the Works.
3. The acceptance shall be deemed effected as well by use of the product by the purchaser.
4. In case the purchaser does not declare refusal of acceptance in writing with a statement of reasons without undue delay after completion of the acceptance test or within a reasonable period of time set by the supplier, the acceptance shall be deemed effected. By means of acceptance, the supplier is released from liability for visible defects as long as the purchaser did not reserve its right to file notice of certain defects with its acceptance.
5. In any case an agreed trial operation or an agreed commissioning shall not have an impact on the passing of risk, which takes place with delivery of the Product or the acceptance.

VII. Information on costs and cost estimates

A cost proposal is without obligation, unless it is declared as binding by us in writing at the request of the customer.

VIII. Prices, costs

1. Invoicing ensues according to effective expense at the agreed prices of SKF Marine GmbH in accordance with the pro forma invoice and/or the order confirmation and the appendix to these general conditions. For work outside the regular working times given, the expenses are increased, as listed in the appendix to these general conditions.
2. If the parties have agreed a fixed price, this will be based on the known extent of work at the time of the agreement.
3. The prices quoted are net prices. Taxes, customs duties, transport and packaging costs and costs for parts used, materials and special equipment are at the customer's expense.
4. If the Works are carried out outside our premises, the customer shall bear all additional travel costs of our staff arising in connection with the contract including ancillary costs such as costs for insurance, visas, and any necessary inoculations.
5. If freight or taxes, customs duties or other expenses are newly introduced or raised following submission of the contract, SKF reserves the right to demand reimbursement for the extra costs involved.
6. SKF shall be entitled to demand from the customer an advance payment for the Work to be performed.
7. At billing after effective expense the staff is accustomed, at every week-end and at the conclusion of the Work to present the customer with a bill (repair ticket) for examination and to forward a copy. The customer is to confirm the correctness of the bill via signature as a basis for the final bill. If the signature is withheld, possible complaints can be acknowledged by us only when they have been made in writing immediately after the departure of our staff.

IX. Due Date

Unless otherwise agreed, payment is due on receipt of the bill.

X. Payments

1. Payments are to be made in Euros plus Value Added Tax. Payment by cheque or cash, subject to agreements to the contrary, will not be accepted. The set payment deadline is met if SKF can dispose of it within the time limits.
2. In the event of the payment deadline not being met, the customer shall be in default.
3. In the course of the commercial relationship, the customer shall be entitled to rights of retention or to set-off only in case its counter claims have been determined *res iudicata* or are undisputed.

4. As from the beginning of the default in payment SKF shall have the particular right to withhold - to a reasonable amount and extent - deliveries and/or Works of other orders of the customer and/or to carry out Works and/ or deliveries only against cash in advance or against cash on delivery as well as to declare any outstanding invoice to be due for immediate payment, even in case longer periods of payment had been agreed upon. In case SKF obtains knowledge of circumstances which are - within its due discretion - eligible to reduce the creditworthiness of the customer, SKF shall be entitled to omit any agreed terms of payment and to make any further deliveries subject to cash in advance or to request prior security of its choice.
5. Following a reasonable grace period, SKF shall be entitled to rescind from the contract and to claim damages instead of performance. Based upon the power of attorney granted to SKF by its affiliated companies, SKF is entitled to set-off against any claim the customer may have against SKF or any of its affiliated companies with any claim SKF or one of its affiliated companies may have against the customer. This shall also apply if one party makes a cash payment and the other party makes payment by bill of exchange or other means that have been agreed. SKF will provide the customer with a list of affiliated companies.

XI. Securities

SKF shall have a lien on the object of repair in SKF's possession for any of SKF's claims arising from the contract. The lien may also be exercised for any claims arising from former works, spare part deliveries or other services, as long as they are related to the object of repair. The lien shall be effective to any other claim arising from the business relationship only in case such claim is undisputed or has been determined *res iudicata*.

XII. Force majeure

Either party shall be released from performance of its obligations under the Agreement to the extent, and for so long as, the performance of the Agreement is impeded by reason of "Force majeure". The party claiming force majeure circumstances shall give prompt notice of the commencement and cessation of any such circumstances. "Force majeure" means generally any circumstances which are beyond the control of the parties and hinder performance by one party of its obligations. The same legal consequences shall apply - irrespective of whether the said preconditions are given - if a party is hindered in fulfilling its obligations because of natural disaster, attacks by third parties on the IT system despite ordinary care has been taken on safeguard measures, armed conflicts, terrorist attacks or other relevant risks for security (indication: travel warnings by the Ministry of Foreign Affairs), embargo or currency transfer prohibitions, industrial disputes on the premises of a party or a party's supplier's premises. In cases where the service is dependent on the granting of an export authorisation and/or other official permits, the

parties are released from their service obligations if, through no fault of theirs, a necessary permit is not granted or is withdrawn.

XIII. Cost bearing and liability in the case of repair or assembly that cannot be carried out

1. If the Works cannot be carried out by SKF for reasons for which SKF is not responsible, especially because
 - a) the fault to be corrected did not appear when SKF performed its check/inspection
 - b) any necessary spare parts are not available, or
 - c) of accidental loss or accidental deterioration of the object of repair and assembly to an extent that the projected Work is no longer of interest to the customer, before carrying out the Works,

then the customer will receive a bill for the submission of an offer, or an estimated cost of services rendered, as well as other expenses and costs that arise, and costs especially for time taken for location of error, inspection and material procurement.

2. If the repair and assembly is not carried out or completed at the responsibility of the customer, especially because
 - a) the customer terminates the contract before or during the execution, or
 - b) the customer fails to meet his obligation to co-operate,

the customer must pay, in the case of an agreed fixed price, the contract price regardless of any expenses saved, and in other cases to bear the cost of any services, expenses and costs provided by us. SKF reserves the right of assertion of further claims, especially for damages restitution for non-completion.

3. The repair and assembly object requires to be returned to its original condition only against remuneration and at the express wish of the customer.
4. In the case of repair and assembly that cannot be carried out SKF is only liable for damages which did not occur as a result of repair and assembly to the object itself in accordance with the provisions of the section concerning liability.

XIV. Declarations by our staff

Declarations of any kind given by our staff are binding only when they are confirmed in writing.

XV. Liability for defects

1. After acceptance of the repairs, SKF's liability for defects shall be limited to repair or replace at own choice any defects in the Works notwithstanding section Limitation of Liability. The customer shall notify SKF of any

determined defect without undue delay.

2. By means of negotiations about complaints, SKF shall not waive its rights of objection due to untimely and/or insufficient notice of defect.
3. SKF shall not be liable for a defect if such defect does not materially affect the interests of the customer or results from circumstances not attributable to SKF. This shall particularly apply to acts of cooperation and supply to be carried out by the customer as per no. II. of these General Conditions.
4. In case of inappropriate changes, maintenance or repairs being carried out by the customer or third parties without SKF's prior approval, SKF shall be released from liability for any consequences resulting from such changes, maintenance or repairs.
5. Only in case of urgent danger to the safety of operation and for the purpose of avoiding unreasonably high damages – which shall be reported to SKF immediately – or if SKF has failed to meet a period set to them to remedy a defect, the customer shall be entitled to remedy the defect himself or have it remedied by a third party and to claim the necessary costs for that from SKF. If the customer remedies the defect himself, SKF shall only bear such reasonable costs which would have been incurred in case of necessary remedy of the defect by SKF.
6. Within the liability for defects, the customer may initially – if a case of warranty is given – request only the rectification of the repair Works from SKF. SKF shall bear the costs for any spare part becoming necessary only within the scope of no. XVI of these terms and conditions. SKF shall bear the costs – if applicable – of a necessary de-assembling and re-assembling of the object of repair to a reasonable extent and only in so far as this was part of the originally owed performance and only to such extent as such work cannot be done by staff available on location.
7. In case SKF fails to meet a period for remedy of defects set to them – taking the statutory exceptions and exceptions regulated with these terms and conditions into account – the customer shall be entitled to reduce the price within the scope of the statutory provisions. The customer's right to reduction of the price shall also exist in other cases of failure to perform the remedy of defects. Only if the repair is – despite reduction of the price - evidently not of interest to the customer anymore, the customer shall be entitled to withdraw from the contract.
8. In case the customer fails to comply with his obligations to more than an insignificant extent, SKF shall not be obliged to remedy defects during the time of non-performance of such obligations.
9. The customer's claims for defects shall become time-barred after expiry of 12 months as from

acceptance of the repair Works as per no. VI. of these Terms and Conditions.

10. When a defect in a part of the Product has been remedied, the aforementioned period shall only be extended by a period equal to the period during which and to the extent that the Product could not be used as a result of the defect.
11. SKF shall not be liable for repairs which SKF carries out *ex gratia*.

XVI. Limitation of liability

1. SKF's liability is limited only to the Works and/or parts supplied by SKF or its contractors and the express warranty set forth in Section XV is exclusive, and no other warranties of any kind, whether statutory, written, oral or implied, including warranties for fitness for a particular purpose or merchantability, shall apply.
2. Without limitation of the first paragraph SKF's total liability to the customer for all claims of any kind, whether based upon contract, tort (including negligence), strict liability or otherwise, for any loss or damage arising out of, connected with, or resulting from the performance or breach of this Agreement shall in no case exceed 10 per cent of the price paid by the customer for the works in question.
3. In no event, whether as a result of breach of contract, tort liability, strict liability or otherwise, and whether arising before or after completion of SKF's obligations under the Agreement, shall SKF be liable to loss of use, profits or revenue, or special, consequential, or penal damages of any nature or any other indirect loss such as port charges, towing and docking costs.

Appendix

The regular weekly working time will be 35 hours per week, Monday to Friday.

The above-mentioned surcharges for work out-of-hours are reckoned as follows:

- For each hour of overtime work 25%
- For each hour of overtime after 20.00 50%
- For working hours on Sundays 50%
- For working hours on public holidays 100%
- For working hours on public holidays on normal working days 150%

In the case of several surcharges accruing, the higher fee shall be paid.

Public holidays are thus in Hamburg.

In case the work is outside Hamburg, journey and overnight costs will be added to the customer's bill in the exact amount incurred. If it is necessary to use a car, a flat rate will be charged at the rate of € 0.43 per km. For the transport of materials and equipment to the place of execution in private cars, a flat rate will be charged at the rate of € 0.55 per km (for up to 100 kg at a distance up to 400 km).

4. Any limitation of SKF's liability shall not apply in cases of intent or gross negligence.

XVII. Miscellaneous

1. Cancellation, changes and amendments to these terms and all declarations of the partners in the contract shall be invalid unless made in writing. This applies to amendments to this provision itself.
2. Shall any provision of this Agreement be or become invalid, this shall not affect the validity of the remaining provisions of the Agreement. In this event, the parties shall be obliged to replace the invalid provision, which most approximates the economic purpose of the invalid provision. The same applies in case of a gap.

XVIII. Data Protection

Within the meaning of the data protection law, SKF advises that SKF store customer data and use it in a framework of co-operation.

XIV. Applicable law and settlement of disputes

1. The contract shall be governed by Swiss law. The United Nations Convention on Contracts for the International Sale of Goods (CISG) shall not apply.
2. The place of jurisdiction shall be Hamburg.

Note: More specific terms and conditions on the sale of goods take precedence over the above conditions.

SKF Marine GmbH

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