

Terms of Purchase

1. AREA OF APPLICATION

The General Terms of Purchase set out hereinafter shall apply, unless otherwise agreed in writing, to all performance of our purchase orders, contracts for work and services contracts. Supplier's acceptance of the order by any means, including by conduct, shall constitute acceptance of these terms. Pari Group will not recognize differing terms and conditions of the Supplier unless Pari Group has explicitly consented to their applicability in writing. These General Terms of Purchase will also apply if Pari Group purchases from the Supplier with knowledge of contrary terms and conditions of the Supplier, or terms and conditions that deviate from these.

2. GENERAL DEFINITIONS

2.1 The term "Pari Group" means the Pari Holding GmbH, Walter-Gropius-Str.15, 80807 Munich, Germany, being the facility placing the purchase order.

2.2 The term "Supplies" may refer to goods, products, works or services, reports, data and other personal or intellectual property ordered or deliverable hereunder as the context so requires.

2.3 The term "Conforming Supplies" means Supplies that conform in all respects with the specifications as set forth in the PO or otherwise communicated in writing by Pari Group to Supplier. The term "Non-Conforming Supplies" means Supplies which fail in any respect to conform to the specifications as set forth in the PO or otherwise communicated in writing by Pari Group to Supplier.

2.4 Purchase orders shall be referred to as 'PO' and means the agreement whereby Pari Group agrees to purchase and Supplier agrees to sell the Supplies, consisting of the terms specified on the face page hereof and the Terms of Purchase set forth herein. POs can also be electronically generated and are then valid without handwritten signatures. Requests by Pari Group for Supplier's offers, price lists, quotes and similar will not constitute an order.

3. ACCEPTANCE OF PO BY SUPPLIER

Acceptance of the PO by Supplier is required in 2 working days or immediately for Critical POs. Acceptance must include Supplier's Sales Order number and should be sent to address and/or person noted on the PO. However, any conduct by Supplier recognizing the existence of an agreement also shall be deemed an acceptance of the terms of the PO. Any addition to, or other modification of, these terms, or in quantities, prices or deliveries contained in any acknowledgment, invoice, or other form of communication from Supplier, irrespective of whether communicated to Pari Group before or after receipt by Supplier of the PO or of any Supplies ordered, is hereby objected to and rejected, and shall be of no effect, notwithstanding Pari Group's acceptance of delivery or payment for such Supplies. Pari Group can at any time before receiving the acceptance withdraw the PO. The terms and conditions of the PO may only be amended or modified in writing, acknowledged and signed by an authorized Pari Group representative. Any claim by Supplier that the PO has been amended or modified except in compliance with the preceding sentence, shall give Pari Group the right to rescind the PO, regardless of whether the Supplies ordered have been delivered to Pari Group.

4. CHANGES

Pari Group shall have the right to make changes in drawings, designs, specifications, materials, packaging, time and place of delivery, method of transportation or other terms of the PO, which changes Pari Group shall document in writing (an "Amendment"). Supplier shall proceed promptly to make such changes in accordance with the terms of such Amendment. If an Amendment causes an increase or decrease in the cost of performance of the PO or in time required for performance, an equitable adjustment may be made, as applicable, to the price and/or the delivery schedule of the affected performance. Any claim by the Supplier for an equitable adjustment under this clause must be asserted in writing within thirty (30) days from the date of the Amendment or Pari Group shall not be obligated to consider Supplier's claim for an equitable adjustment. In no event shall Pari Group be liable for any claim for an increase in price after payment for the Supplies.

5. QUALITY ASSURANCE

5.1 Any deviation from the approved design data occurred in production must be immediately communicated to Pari Group.

5.2 Any failures, malfunction, defects or other occurrences which cause or might cause adverse effects on the continuing worthiness of the product, part or appliance provided by the Supplier, must be immediately communicated to Pari Group.

5.3 Supplier must immediately report in writing to Pari Group any change potentially affecting the Supplies, including but not limited to:

- a) Changes of qualified personnel, facility or manufacturing process;
- b) Change on Quality processes affecting the Supplies;
- c) Use of subcontractors who have not been previously approved by Pari Group or changes in processes used to control subcontractors;
- d) Changes in production capacity.

5.4 Suppliers holding Quality / Regulatory Approvals must immediately inform Pari Group in the case of suspension or revocation of their Approval.

5.5 Supplier shall have and comply with a company Business Continuity Policy, which shall be revised and maintained proactively and as may be requested by Pari Group in anticipation risks relevant to the Supplier's business. The Business Continuity Policy shall identify and require Supplier's management and employees to take appropriate measures necessary to provide for the prompt recovery, including through preparation, adoption and maintenance of a disaster recovery plan, of facilities, physical assets, software, drawings, technical data, other intellectual property and/or the Supplier's business operations in the event of a security breach, incident, crisis or other disruption in Supplier's ability to use the necessary facilities, physical assets, software, drawings, technical data or other intellectual property and/or to continue its operations.

6. DELIVERY AND ACCEPTANCE

6.1 Supplier understands that Pari Group depends upon prompt delivery and/or performance of Supplier at the time specified by Pari Group in order to comply with Pari Group's contractual obligations to third parties. Supplier shall comply with the delivery schedules but shall not without Pari Group's prior written consent make material or production commitments in advance of such time as Supplier reasonably believes is necessary to meet the schedules.



6.2 Supplies shall be delivered in accordance with the terms specified in the PO and have to be accompanied by all necessary documents for customs and similar formalities.

6.3 Pari Group will inspect and at its discretion, test the supplies and will notify in a reasonable time Supplier of Non-conformity discovered.

6.4 Pari Group is not obligated to accept a delivery before the set delivery date. A partial delivery can be considered Non-Conforming.

6.5 Pari Group has the right in case of delay of delivery to demand liquidated damages of 2% of the contract value per day up to a maximum of 10% of the respective delivery.

7. PASSING OF TITLE

7.1 Title to all Supplies to be delivered hereunder shall pass to Pari Group when the Supplies are delivered at the delivery point specified on the face of the PO.

7.2 Title to all Supplies delivered hereunder shall be delivered free and clear of all liens, charges or encumbrances, and Supplier warrants that the title conveyed shall be good and the transfer rightful. If the Supplies have been either originated or designed by Pari Group in accordance with specifications or other data furnished by Pari Group, all rights to the Supplies or such other data and all rights to the reproduction, use or sale thereof are, and shall continue to be owned solely by Pari Group.

8. PRICES AND PAYMENTS

8.1 Prices indicated on POs shall not include statutory sales/value added tax, but shall include all costs and expenses like shipping as per delivery terms and packing costs, taxes, duties and similar.

8.2 Price reductions by the Supplier between placement of the order and delivery shall automatically apply to the order.

8.3 All invoices shall reference the PO. Unless agreed otherwise, invoices shall be paid with 3% discount in 14 days or net in 30 days after receipt of a correct invoice and acceptance of Supplies. Bank transfers will be made with transfer costs shared by transferor and beneficiary. Payment by bank transfers shall be considered effected when the bank account of the Pari Group is debited.

8.4 Pari Group may offset against any amounts due under Supplier's invoices (i) any damages resulting from Supplier's breach of the PO, (ii) any amount owed to Supplier from Pari Group, whether or not arising from the PO, (iii) any adjustment for non-conforming supplies and any costs occasioned thereby.

8.5 Pari Group may withhold an appropriate portion of the payment until any disputed items are resolved and/or defects in work corrected.

9. INSPECTION AND WARRANTY

9.1 At all reasonable times, including the period of manufacture, Pari Group may inspect and test the Supplies and component parts thereof, and inspect the involved plants of Supplier and Supplier's subcontractors or agents. Upon request, Supplier shall provide Pari Group, without cost to Pari Group, written or oral reports relating to the status of Supplier's performance hereunder. No such inspection, testing, delivery nor payment for the Supplies delivered hereunder shall constitute acceptance thereof.

9.2 Supplier warrants that all requested certificates, documents specified in the contract or other documents which are necessary for the use of the goods or services for the intended purpose are supplied. The Supplier shall be responsible for the fact that any certificates to be supplied comply with the applicable statutory marine regulations and meet the requirements defined by the Pari Group;

9.3 Supplier warrants that the delivered goods, services or work performed comply with the legal regulations as well as any specific marine regulations, acknowledged rules of technology, any other acknowledged safety regulations as well as any other relevant accident prevention, environmental or work safety regulations;

9.4 Supplier warrants that the Supplies shall conform strictly to all requirements hereof including, without limitation, specifications, drawings, samples and other referenced descriptions and technical documents, and shall be of good material and workmanship (including design, if Supplier is responsible thereof) and free from other defects. All Supplies with a required shelf life must have at least 75% shelf life remaining. The above warranty shall expire after a period of 36 months from the date of shipment, or 24 months from the date of delivery of the vessel to the operator, whichever is later, unless otherwise noted on the face of the PO. This entire warranty period shall recommence after redelivery pursuant to paragraph 10 below. It is upon the Supplier to prove that the Supplies are Conforming.

10. REMEDIES

10.1 Pari Group may, if the Supplies or any part or portion thereof are Non-Conforming, do any or all the following:

(a) Reject or return those Supplies which, in Pari Group's judgment, fail to pass inspection or meet warranty or conform to the requirements of the PO, including with respect to timeliness of delivery. As to returned Supplies (and as to rejected Supplies, but only if Pari Group so directs), Supplier shall promptly, at its expense, and at Pari Group's election, repair or replace such Supplies, and Supplier shall also be responsible for Pari Group's cost of removal and reinstallation of such Supplies. Upon rejection or failure to promptly repair or replace, Pari Group may cancel the PO.

(b) Accept or retain Non-Conforming Supplies and either equitably reduce the purchase price of those Supplies or repair them at Supplier's expense. Pari Group reserves the right to require repayment, or effect a setoff against any amounts owed to Supplier (irrespective of whether such amounts owed are in connection with the PO or not), of any expenses incurred by Pari Group resulting from rejection or return and of any amount paid for such Non-Conforming Supplies pending a Conforming redelivery.

10.2 Acceptance of Supplies previously rejected or returned or of used Supplies may be revoked if delivery is Conforming, but is not accompanied by written notice that those Supplies were previously rejected, returned or used.

10.3 Any and all remedies herein specified shall be in addition to any further remedies provided in law.

11. STOP WORK

Pari Group may at any time by written order to Supplier require the Supplier to stop all or any part of the work subject to the PO. After receipt of Pari Group's notice, Supplier shall stop work in accordance with the terms thereof, taking all reasonable steps to minimize the incurrence of costs allocable to the work covered by the PO during the period of work stoppage. If Supplier believes that such suspension justifies modification of the PO price or time of performance, Supplier shall assert this in writing within thirty (30) days from the date of receiving the suspension order.



12. TERMINATION

12.1 FOR DEFAULT OF SUPPLIER

Pari Group may terminate the PO, or any part thereof, by giving notice of default to Supplier under any of the following circumstances:

- (a) If Supplier refuses or fails to make deliveries or perform the services within the time specified herein.
- (b) If Supplier fails to comply with any of the other provisions of the PO, or so fails to make progress as to endanger performance of the PO in accordance with its terms, and does not cure any such failure within a period of ten (10) calendar days (or such longer period as Pari Group may authorize in writing) after receipt of notice from Pari Group specifying such failure.
- (c) If Supplier dissolves, liquidates, becomes insolvent, makes a general assignment for the benefit of creditors, has a trustee or custodian appointed for itself or any material portion of its property or is subject to proceedings under any law relating to bankruptcy, insolvency or the relief of debtors, whether voluntary or involuntary.

In the event of termination by Pari Group as the result of Supplier's default, Pari Group may purchase or manufacture similar Supplies and/or require Supplier to transfer title and deliver to Pari Group any or all Supplies or component parts thereof produced or procured by Supplier under the PO, and Supplier shall be liable to Pari Group for any excess cost to Pari Group in generating or procuring Conforming Supplies. Pari Group shall be liable to Supplier only for the amount of any work accepted but not yet paid for.

12.2 FOR CONVENIENCE OF PARI GROUP

Pari Group may at any time, by written notice, terminate the PO or any part hereof for its sole convenience. In the event of such termination, Supplier shall immediately upon receipt of such notice stop all work and shall immediately cause its suppliers, subcontractors and agents to cease any and all work being done by them in connection herewith, unless instructed differently in the termination notice. Any claims for damages by Supplier under this paragraph must be asserted in writing in detail within thirty (30) days of receipt of Pari Group's written termination notice. In the event of such termination, Pari Group shall pay to Supplier costs incurred by Supplier determined in accordance with sound accounting practices plus a reasonable allowance for profit earned thereon; provided that Supplier shall not be entitled to any profits with respect to work and/or services performed subsequent to the effective date of such termination or performed outside of lead times for the supplies, nor shall the total termination sum payable to Supplier exceed the total PO price as reduced by the amount of payments otherwise made, and as further reduced by that portion, if any, of the PO price of work not terminated; further provided, however, that if it appears that Supplier would have sustained a loss had the entire PO been completed, no profit shall be payable hereunder and an appropriate and equitable adjustment shall be made reducing the amount otherwise payable hereunder to reflect the loss that was effectively avoided by the termination.

12.3 FORCE MAJEURE

In the event of a significant force majeure event, that materially impacts Pari Group's production backlog or sales activities, Pari Group may, in addition to the other rights set forth in the PO, reschedule or cancel deliveries affected by such an event as required (in Pari Group's sole determination). In the event Pari Group elects to either reschedule or cancel deliveries, Pari Group will notify Supplier in writing of the deliveries impacted by Pari Group's determination. The PO will be modified accordingly, and all other deliveries, rights and obligations under the PO will remain unchanged, and there shall be no penalty, additional costs or liability assessed to Pari Group as a result of its cancellation or rescheduling of deliveries under this paragraph.

13. CONFIDENTIALITY

All information furnished by Pari Group or any other person acting on behalf of Pari Group, and all information learned or observed about Pari Group or its operations, is confidential and Supplier shall not disclose any such information to any other person or entity, or use such information for any purpose other than performing the PO, without Pari Group's express prior written consent. All information in tangible form, including drawings, samples, models, specifications, or other documents provided by Pari Group or prepared by Supplier for Pari Group shall be returned to Pari Group promptly upon request. Supplier shall not publicize the fact that Pari Group has contracted to purchase Supplies from Supplier, nor shall any information relating to the PO be disclosed without Pari Group's written consent.

14. ASSIGNMENT AND NON-DELEGATION OF PERFORMANCE

Supplier may not assign the PO, in whole or in part, to any person or entity, including any subcontractor or subcontractors, without the prior written consent of Pari Group. No substantial part of Supplier's obligations shall be performed by others without Pari Group's written consent, which consent will not relieve Supplier of its obligations under the PO.

15. PARTS OBSOLESCENCE

Supplier agrees to continue all manufacturing capabilities and/or provide alternate support for the form, fit and functional requirements for the original configurations on any/all of the "out-of-production" configurations, modifications or enhancements, so long as the vessel for which it was designed remains in service. Supplier further agrees to provide Pari Group ninety (90) days notification for "last-time-buy" options for any obsolete end items and parts of assemblies at the pricing set forth in the PO where applicable.

16. INDEMNITY

Supplier shall defend, indemnify and hold harmless Pari Group against all damages, claims, costs and expenses (including attorneys' fees) arising out of or resulting from the Supplies provided under the PO, or from any act or omission of Supplier, its agents, employees or subcontractors or which otherwise arises as a result of Supplier's performance of the PO including, without limitation, all liabilities to its employees, agents and subcontractors, including liability for personal injury or death arising out of or resulting from providing such Supplies. If Supplier enters the premises of Pari Group or Pari Group's customer, Supplier shall indemnify and hold harmless Pari Group, its officers, agents and employees from any loss or liability by reason of property damage, personal injury or death arising out of Supplier's presence thereon, including loss or liability arising from the negligence of the Pari Group.

17. COMPLIANCE WITH LAWS

The parties agree that in pursuing any agreement, and in performing under their business relations, they will fully comply with all laws, regulations, and policies of their respective countries, including all applicable export laws and applicable anti-bribery laws.

18. EXPORT REQUIREMENTS & LICENCES

18.1 The Supplier is required to comply with the trade regulations as set forth by their country's government agencies responsible for export/import authorisation and compliance, and to advise Pari Group of any and all restrictions that may be imposed upon Pari Group in connection with such Supplies. Supplier may be subject to trade regulations as set forth by the Supplier's country's export laws and regulations (hereinafter referred to as "Export Regulations"), and both the Supplier and Pari Group acknowledge that diversion contrary to such Export Regulations is prohibited.

The Supplier shall identify any item of the Supplies which is subject to Export Regulations by filling in "Export Form/ Part Information Request" and shall provide Pari Group with all information concerning such applicable Export Regulations as well as with any assistance Pari Group may request in implementing such applicable Export Regulations. Whenever all or part of the Supplies is subject to Export Regulations, and without prejudice to its obligations under this Article 17, Supplier shall notably:

(i) Be responsible for obtaining, at no cost to Pari Group, all relevant official approvals, licenses and authorisations required for the worldwide export and delivery of the Supply item to Pari Group, and if identified on the Purchase Order, the end Customer, for operation on a vessel operated worldwide; and

(ii) Where all or part of a Supply item is subject to export licensing procedures, Supplier shall ensure that an export license or similar documentation is issued by the relevant authorities in time to allow delivery and operation of the Supply item, and incorporation into the intended vessel, if any, by Pari Group or the end Customer; and

(iii) State on all delivery notices and invoices the export control number according to the applicable Export Regulations.

18.2 The supplier shall comply with any required export trade and commercial delivery requirements as required by Pari Group, and those of its intended customers as indicated on the issued PO.

19. CONCLUDING PROVISIONS

In the event that any one or more of the present terms shall, for any reason, be held to be invalid, illegal or unenforceable, the remaining present terms hereof shall be unimpaired and the invalid, illegal or unenforceable term shall be replaced by a mutually acceptable term, which, being valid, legal and enforceable, comes closest to the intention of the parties underlying the invalid, illegal or unenforceable term. The Purchase Terms in their currently valid wording shall apply also to any future business relations with the Supplier even if they are not explicitly reiterated. The Purchase Terms can be changed from time to time and published on Pari Group's website. It is the responsibility of the Supplier to check the website for the latest revision and notify Pari Group of any objections.

20. APPLICABLE LAW / PLACE OF JURISDICTION

The parties agree that these General terms of Purchase are part of an international contractual relationship and each party (a) agrees that unless mutually agreed differently, such relationship (and each part of it including the Purchase order) shall be exclusively governed by and construed in accordance with German law, and further to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods, and (b) unless mutually agreed differently, submits to the exclusive jurisdiction of the courts of Munich to settle any dispute which may arise under or in connection with this contractual relationship (or any part thereof). The parties acknowledge that they have agreed this condition on the basis that Pari Group is headquartered in Munich, Germany and that it handles commercial contract drafting and disputes centrally.