

DRY DOCK TERMS & CONDITIONS

DELIVERY

The Owners representatives will deliver the vessel and any owners supplied equipment/appendages alongside the repair facility, where re-delivery following specified repairs will also take place. The Contractor is to confirm he can carry out the necessary modifications at the repair facility without hindrance, delays or additional costs to the vessel, inclusive of transportation, crange, movement and placement of owners free issue equipment/appendages within and attached to the vessel.

A time and date for delivery will be agreed between the Contractor and Owners.

TIME TO COMPLETE SPECIFIED WORK

The Contractors tendered time to complete the work outlined in the specification is to be stated in continuous and consecutive running days and to commence from the day the vessel is moored alongside the repair quay or dock.

Alternatively, the Contractor may state a specific date upon which the vessel will be redelivered to the Owners. The vessel must then be in a fully seaworthy condition with all repairs, modifications and tests carried out to the Owners satisfaction and should be delivered safely afloat alongside a suitable berth. All charges incurred in doing so are for the Contractors account. In all cases where changes in the specification are made or where additional work is required, the Contractor shall immediately notify the Owners in writing if, in his opinion, additional time is required.

ADDITIONAL WORK

The Contractor shall accept to carry out any additional or emergent work which may be required by Owners in relation to the specified work during the period of the contract. In addition the Contractor is to accept to undertake any testing, calculations or the provision of technical documentation (inclusive of drawings) if requested by the Class Surveyor, Flag State surveyor or Owners representative.

Additional work undertaken by the Contractor must be planned on the basis of completion within the original agreed contract duration, unless otherwise agreed in writing with Owners. If agreed the penalty clause for late delivery will be suspended for a specified period (to be mutually agreed) to accommodate the additional time quoted for any emergent or additional works as required by the Owners representative. The costs of any additional work required by Owners must be calculated at the same price levels as those agreed for the original specification. For work effected less than specified the same unit price to be deducted.

The Contractors must only accept and charge for work if it is confirmed in writing and signed and approved by the authorised Owners representative present at the repair facility. Such approval to proceed with the work can only be given when the contractor has quoted the cost of the proposed additional work, in writing.

There must be no restriction on Owners employing the services of any subcontractor to work on the vessel or her machinery or accommodation whilst in a dry dock or on the repair berths. There must not be any restrictions, whatsoever, on subcontractors working to Owners direct order. Where requested by Owners, the contractor shall provide full access and assistance to Owner's subcontractors, inclusive of crange and services. The Contractor must provide advance advice to Owners in writing of any additional charges for assistance to subcontractors. The Contractor must agree to allow subcontractors to work alongside their own workforce as required. Additionally there shall be no restriction on extra ships' crew working on any part of the vessel or her machinery. The only exception to this clause will be work carried out on underwater parts, necessitating attachments

or penetrations in the shell plating. In this respect it is reasonable to assume that the repair facility will have the right to carry out works on the vessel that, if not completed in a timely manner, will compromise the water tight integrity, impose conditions of class and/or delay redelivery of the vessel to owner's representatives.

REDELIVERY

The vessel is to be redelivered by the Contractor in a clean condition and all Contractors equipment, materials and waste are to be removed at the Contractors expense. Damaged paintwork is to be cleaned and re-painted at Contractors cost using Owners supply paint. In circumstances where the Contractor fails to clean the vessel to a satisfactory standard, the Owners may subcontract the work to a cleaning firm of their choice. Costs incurred in the above will be charged to the Contractors account and will be deductible from the final invoice.

CONTRACTORS PRESENTATION OF QUOTED COSTS

The Contractor is to quote prices In GBP (£) for each separate item detailed in the specification.

The Contractor is required to give a fixed price per item or subsection of item. The fixed price must include all charges for labour, materials, spare parts, staging, lighting, cleaning, waste disposal and all other services/activities necessary to complete the specified work except where it is specifically stated that Owners will supply the equipment. For items of the specification not clearly itemised by the Owners and/or in instances where final approved drawings are awaited the Contractor is to quote prices in 'As installed steel weight per kilo' quoted in GBP/kg. The price quoted is to be inclusive of all necessary services required by the contractor to fabricate, transport, erect, install, preserve, test and complete the structure being attached to the vessel. Calculations determining the final weight of steel installed are to be provided in order that stability data may be amended.

DAMAGE

Any damage to equipment, structure, materials, components and fixtures caused by the Contractor (or his subcontractors) during the course of carrying out the specified repairs, or in moving or securing the vessel during dry docking is to be repaired by the Contractor without any cost or delays to the vessel.

Any damage caused to the vessel by fire, water ingress or other means through the actions, negligence or default of the Contractor must be rectified without cost or delay to the vessel and its Owner.

On completion of the installation and specified work and at an agreed time the Contractor will formally hand the vessel back to the Owners representative. Additionally, should any item opened up by the Contractor for inspection or over-haul, fail on test or within twelve months of leaving the repair facility then all costs incurred in testing, repairing and rectifying the defect shall be for the Contractors account. The Contractor is to confirm that it has full insurance to cover the above. The Contractor shall take full liability for any damage caused to, or theft from the vessel by persons (authorised or unauthorised). Security of the repair facility and vessels therein is the Contractors responsibility.

QUALITY CONTROL

The Contractor is to provide details in writing of his Quality Assurance Certification. Subcontractors employed by the Contractor are to be similarly certified in order to provide a service equal to, or of better quality than the main Contractor.

All workmanship and materials are to be of the best quality and sound practice for the offshore industry, and should satisfy all requirements of the Classification Society Rules, Solas Regulations,

Flag State regulations and Owners representative. All renewals of bolts, nuts, studs, packing, gaskets, and other consumable items are to be compatible with existing thread types and are to be included in the tendered price. If due to circumstance a compatible thread type is unavailable then any necessary modifications are to be for the Contractors account. Similarly if any jacking, lifting or alignment points or screws are required they also are to be included in the tender price and are not allowable as extra items.

DEVIATION FROM SPECIFICATION

All work specified in the final repair/modification specification is to be carried out in its entirety and no deviation will be allowed unless agreed in writing with the owners representative. The owner is at liberty, however, at any time to cancel or amend the specified items. In such circumstances the owner's representative will advise the Contractor in writing giving 24 hours notice of such cancellation or amendment.

ADDITIONAL CHARGES

All crane service and transport expenses inside the yard are to be included in the tender. If any job requires the transportation from outside the repair facility and customs clearance, then the contractor will include the cost in the tender. A separate price is to be given for customs, transportation, storage and insurance of spares etc., within the repair facility.

ELECTRICAL INSTALLATIONS

All modifications or repairs of electrical apparatus as well as the installation of cables, cable glands and fastenings are to be in accordance with the classification requirements and current regulations applicable at the date up to and including a period of six months following completion of the installation.

SERVICES

The temporary installation of staging, lighting, together with any fire watchmen, fire mains connection, disconnection, refuse skips (for shipyards refuse), pressurised main's etc. is to be included in the tender price cost, and not charged separately or additionally.

DISPUTES

In the unlikely event of an unresolved dispute arising between Owners Representatives and Contractor, then the dispute is to be resolved by arbitration. The initial costs for appointing an arbitrator will be born equally by the Owner and the Contractor. Disputes culminating in arbitration will be governed by European Law and will be held in the UK. Such a course of action only to be embarked upon if negotiation has failed and concerning items that may affect or prejudice the foregoing conditions, such that the delivery of the vessel, the standard of work carried out or the financial settlement of completed works are compromised.

WASTE MATERIAL & GARBAGE DISPOSAL.

The Contractor is to include in their quoted prices all costs arising from the removal and disposal of all materials used during the vessel's refit. This includes but is not limited to spent grit, anti-fouling particles, washing water, debris arising from grit blasting or tank cleaning and any and all used packaging materials whether empty or part empty of paint solvents, paint or similar compounds.

The Contractor when making his tender quotation is to notify the Owner of any restrictions or special requirements that exist at his facility or lay berth on the use or disposal of solvents, paint materials,

grit blasting materials or other substances required through environmental protection or other legislation.

The vessel garbage is to be collected and disposed of on a regular basis so as not to constitute a health hazard. The cost is to be included in the tender and not charged separately.

SAFETY

The Contractor must arrange for a safety meeting to be held on the vessel's arrival at his facility and before commencement of work. The meeting shall be attended by the vessel's Master, Contractor's Safety Officer and Contractor's Ship Repair Manager.

Procedures shall be agreed and set down for:

Registering all persons entering and leaving the vessel via the gangway(s).

Alarm signalling and communication of emergency incidents to the appropriate persons within the facility and including telephone contact numbers of emergency services.

Action to be taken in the event of fire, explosion or medical emergency, including mustering of ship and Contractor's personnel.

Entry into enclosed spaces, including gas freeing, testing and tank atmospheric controls. Copies of the current gas free certification and details of which spaces it applies to are to be posted daily at a location on board the vessel agreed by Master / Owners Representative and Contractor. Procedures should be in place for tallying and monitoring persons entering enclosed spaces.

Arrangements for supply of water to the fire fighting main. The arrangements for isolating CO2 flooding systems whilst work is being undertaken in protected spaces and the procedure for use of such systems or alternatives in the event of an emergency.

When commencing and ceasing work at the start of shifts, including isolating flame cutting and welding equipment. General occupational safety requirements for all tradesmen engaged aboard the vessel.

Procedures to be agreed between vessel crew and contractor with regard to safety patrols, fire patrols and security patrols on the vessel and in the facility.

The Contractor must accept responsibility for all matters of safety with regard to his employees and sub contractors (including but not restricted to fire prevention, occupational safety, safe access to enclosed spaces and health and safety at work) during the vessel's stay, from a mutually agreed delivery time (from Owners) to a mutually agreed redelivery time (to Owners on completion of all work). This agreement must be made, in writing, with the vessel Master prior to start of any work and signed off on completion of all work at the yard.

It is the Contractor's responsibility to provide a safe and well-illuminated access to the vessel for all authorised persons including the ship's crew. Gangways and access routes are to be kept clear and clean. Similarly the dockside is to be illuminated and adequate safety rails provided.

GUARANTEE

The Contractor shall be bound for a period of twelve months after redelivery, to make good at his own expense, all defects and deficiencies which may arise through faulty design, materials or workmanship. This guarantee is to extend to the vessel when engaged in global trading and all emergent costs including travel, accommodation, subsistence, visas (where required) freight costs,

materials, equipment, tools and labour incurred as a result of the guarantee being invoked, will be for the contractors account.

CLASSIFICATION

The Contractor must obtain all approvals necessary for the repair/modification to meet the vessel's Classification Society's latest rules (Lloyds) for worldwide service. The execution of all specified work must, where applicable, meet Classification Society, Flag State and/or relevant international standards.

QUALITY ASSURANCE

North Star Shipping Ltd expect the contractor to comply with a Quality Management System conforming to ISO 9001 and an Environmental Management System conforming to ISO 14001. The Contractor and all subcontractors shall, where applicable, provide services, materials or equipment to meet standards equal or higher than the ISO set of standards.

INSURANCE

The Contractor is to confirm, in writing, that he maintains full insurance cover against loss or damage to the vessel, through whatever cause, during the period of the repair/modification contract to which these Conditions apply.

The Contractor is to confirm in writing that he holds full insurance cover against personal injury or fatality to all authorised persons, including the Owner's personnel, engaged in the contract work to which these Conditions apply.

TERMS OF PAYMENT

The Contractor is to nominate a U.K. mainland bank account through which payment shall be made. Alternatively a Worldwide Bank with International Branches in the United Kingdom may be accepted at the discretion of the owner.

The terms of payment will be as agreed between the Owners representative and the contractor.