

TERMS and CONDITIONS of SALE of GOODS and/or SERVICES

THE PARTIES

1 The expression SKV shall mean Skandiaverken SL. The expression "Customer" shall mean the person, firm or company contracting for the purchase of goods from SKV.

WHOLE TERMS

2. These terms and conditions of sale shall apply to all contracts for the purchase of goods/services from SKV notwithstanding any previous dealings between SKV and the customer except only to the extent (if any) of any modification in the application of these terms and conditions to which SKV will have agreed in writing.

GOODS DESCRIPTION

3.1 Although the Customer is entitled to request SKV to include a variation of the order specification, SKV will agree to any such variation only if (a) SKV determine that the variation is reasonably capable of being incorporated having regard to the stage of manufacture and (b) the effect of the variation on the price and delivery are agreed in writing by the Customer. When SKV determine it necessary SKV shall be entitled to vary or modify specifications of goods or materials so long as such variation or modification does not materially affect the characteristics or quality of the goods.

3.2 The cost of all and any testing required by the Classification Society as provided for in the order shall be included in the price. If the Customer requires additional inspection/testing any such inspection/testing shall be wholly for the account of the Customer.

3.3 Where the Customer supplies materials it will be responsible for their delivery of these materials to SKV's works and for the insurance of such materials while at SKV's works (SKV being bound to keep its premises secure only to the extent that it would be unreasonable not to do so).

DELIVERY

4.1 The delivery durations quoted by SKV are in working weeks from the date of acceptance by SKV of the Customers Order. Such acceptance by SKV of the Customers Order is conditional upon SKV receiving timeously from the Customer all necessary information to enable SKV to proceed with the order. SKV shall be entitled to deliver goods in instalments. SKV shall not be liable for any direct or indirect loss that may arise from any shortfall in quantities (provided that the Customer shall not be charged for the shortfall in quantities of goods). Upon the expiry of three months from the date provided in the contract for delivery, the contract for any amount of shortfall in quantities of goods delivered shall be deemed to be cancelled with no right or claim being due to or by SKV by or to the Customer.

4.2 SKV would not normally agree to cancellation or modification of any contract without being fully compensated for the cancellation or modification. Any cancellation or modification must be in writing.

4.3 If the Customer fails to take delivery of goods within seven days of being notified by SKV of their being ready for despatch SKV may store the goods, but all costs of storage, insurance and removal will be for the Customer and SKV will be entitled to sell any goods at any time after fifteen days of notifying the Customer that the goods are ready for despatch.

4.4 Where a trade term has been agreed, it shall be interpreted in accordance with the INCOTERMS in force at the formation of the contract. If no trade term is specifically agreed the delivery shall be considered to be Ex Works

THE PRICE

5.1 Unless otherwise specifically provided in writing all prices quoted by SKV are exclusive of (a) carriage from SKV's works, (b) packing and handling and (c) VAT. If the Customer shall fail to provide sufficient information to SKV to enable SKV to proceed with the order then SKV shall be entitled to increase the price to reflect the additional cost to SKV arising from insufficiency of information or delay in supplying it.

5.2 VAT shall be payable at the rate included in the VAT invoice.

PAYMENT

6.1 Unless otherwise specifically provided in writing, payment of the price will be due upon the Customer receiving SKV's invoice and must be made to SKV at SKV's Office.

6.2 In the event of failure to pay on the due date (a) interest at 2% per month for the first month and 3% per month for each subsequent month shall be payable from the due date for payment until payment of any outstanding sum due, and (b) all and any discount provided for in the order or in SKV's invoice shall be cancelled.

6.3 Ownership of goods supplied by SKV shall remain with SKV until full payment will have been made by the Customer to SKV in respect of the goods and the Customer shall hold the goods as readily identifiable as the goods of SKV and the Customer shall advise SKV where the goods are held.

6.4 If the Customer in the ordinary course of business shall purport to dispose of any goods while still in the ownership of SKV all sums paid or payable to the Customer in respect of any such disposal shall belong to SKV and pending payment to SKV shall be held in trust for SKV.

6.5 At any time after the due date for payment of goods, SKV shall be entitled to recover possession of any goods for which payment shall not have been made in full and for that purpose the Customer authorizes SKV and/or its agents to enter the premises of the Customer where SKV believes the goods to be held.

6.6 Notwithstanding that ownership of goods shall not have passed to the Customer SKV shall be entitled to pursue the Customer by way of court action or otherwise for payment for the goods at any time after the due date for payment and that without prejudice to SKV's rights in terms of 6.5 above to recover the goods concerned.

LIABILITY

7.1 SKV's liability is to supply goods/services of satisfactory quality to conform to the order. SKV shall have no liability for a design or specification that is supplied to SKV by the Customer. SKV shall have no liability for goods not of SKV's own manufacture for the Customer shall be entitled to the benefit of all and any guarantees given to SKV by the makers to the extent that such guarantees are effective and enforceable.

7.2 Unless otherwise specifically agreed in writing to SKV, SKV are unable to warrant that the goods supplied are fit for any particular purpose. SKV's responsibility is to supply goods to specification included or referred to in the order. SKV's whole and only liability for any defects in the goods/services supplied will be to make good by repair (or at its option by replacement) defects which under proper use appear in any parts of the goods of SKV's manufacture within a period of six months after the goods have been available for despatch and arise solely from faulty materials or workmanship PROVIDED THAT the defective parts are promptly returned by the Customer carriage paid to SKV's works.

7.3 SKV shall have no liability for any defect in the goods/services supplied where such defect would on reasonable inspection have been revealed UNLESS within 2 days of the date of supply the Customer shall have given written intimation of claim to SKV of defects in, loss of, or damage to the goods. If the price quoted includes delivery any damage or loss to the goods in transit will be made good by repair or replacement by SKV PROVIDED THAT SKV receives written notification of (a) damage within two days of delivery to the Customer and the goods are returned to SKV's works at the Customer's cost and risk or (b) loss within two days of the date of despatch of the goods.

7.4 Without prejudice to the foregoing generally SKV shall not be liable for any consequential or other damage, losses, claims, injuries or expenses whatever no matter how they may occur including for (a) any defects caused, contributed to or aggravated by factors outside SKV's control (b) shortages of material or labour (c) any costs of dismantling or re-assembly work involved in connection with defective parts (d) any damage external to the goods (e) any detention of any Vessel or any freight or other charges incidental to transportation (f) any contractual loss or liability whether arising as a result of accident, breach of contract or otherwise (g) any defect in or other failure or shortcoming of design and (h) any failure caused by factors outside its control.

7.5 SKV's liability under these conditions shall be SKV's whole liability and responsibility to the Customer arising

out of the contract for the supply of goods/services and shall be in lieu of all and any warranties or conditions implied by law as to the quality of goods or their fitness for any particular purpose. Nothing however shall exclude any liability SKV may have for the death or personal injury caused by the negligence of SKV or its employees (except when under the control of the Customer). All and any liability that SKV may have in regard to or arising out of an order shall in any event not exceed the price paid or payable in terms of the order concerned.

RISK

8.1 Risk in respect of goods will pass on completion of delivery of the goods, notwithstanding that ownership of the goods concerned will not pass as referred to in 6.3 above.

8.2 In the event of loss or damage to the Customer's materials due to SKV's negligence or faulty workmanship SKV's only liability shall be to rectify the defective work on the Customer's materials or repeating SKV workmanship on new materials to be supplied by the Customer in similar condition to the original materials.

LAW

9. The Contract shall be governed by and interpreted in accordance with Spanish Law and the Customer agrees to submit to the jurisdiction of the Spanish Courts notwithstanding that SKV may enforce the contract in any other competent jurisdiction.