

GENERAL TERMS AND CONDITIONS OF SALE APPLICABLE TO ALL OFFERS BY PHAROS MARINE AUTOMATIC POWER LTD., UNIT 14, CASTLE MEWS, HAMPTON, TW12 2NP, UNITED KINGDOM HERINAFTER: "PMAPL", FOR THE MANUFACTURING, SALE, DELIVERY, ASSEMBLY, INSTALLATION, REVISION AND/OR REPAIR OF ANY GOODS BY PMAPL.

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1. GENERAL

- 1.1 All offers from PMAPL to the other party (hereinafter: the "Buyer") for the manufacturing, sale, delivery, assembly, installation, revision and/or repair of any goods by PMAPL (hereinafter: "Offers" and "Goods" respectively) and all relevant agreements with PMAPL are subject to these terms and conditions (hereinafter: the "Terms").
- 1.2 The applicability of general terms and conditions of the Buyer is hereby expressly excluded.
- 1.3 Provisions which deviate from these Terms can be invoked by the Buyer only if and to the extent that these provisions have been accepted by PMAPL in writing.
- 1.4 If, for any reason whatsoever, any part of these Terms is invalid, the remainder of the same shall remain in force and the parties will, in mutual consultation, provide a regulation in substitution for the invalid stipulation, the purport of which shall be maintained to the maximum extent possible.
- 1.5 In the event these terms and conditions are also drawn up in a language other than English, if there is any conflict, the English text shall always prevail.

2. OFFERS, ORDERS AND AGREEMENTS

- 2.1 All Offers are nonbinding, unless explicitly agreed otherwise in writing.
- 2.2 All orders and all acceptances of Offers by the Buyer, including verbal orders or acceptances of offers, are irrevocable.
- 2.3 PMAPL shall only be bound when it has accepted an order in writing or has begun implementation. Verbal commitments or agreements by or with its personnel do not bind PMAPL except and insofar as PMAPL confirms these in writing.
- 2.4 Amendments in agreements shall be subject to these Terms as if they were separate agreements.

3. DRAWINGS, QUOTES, DOCUMENTS

- 3.1 All information recorded in catalogues, brochures, price lists and the like shall only be binding for PMAPL if and in so far as explicitly agreed in writing.
- 3.2 All drawings, designs, models, etcetera, which are supplied in connection with the Goods delivered by PMAPL and the intellectual and industrial property rights with respect thereto shall remain the exclusive property of PMAPL which company shall also be regarded as the maker and designer. Unless the Buyer has the express permission of PMAPL, the Buyer is not allowed to provide documents and information from PMAPL to third parties nor inform same thereof.

4. PRICE

- 4.1 Unless expressly indicated or agreed otherwise, the prices quoted by or agreed with PMAPL shall be net prices, therefore exclusive of VAT and exclusive of any possible import or export duties; they shall furthermore not include costs of packing, loading, transport, unloading, insurance, installation, assembly and/or other services.
- 4.2 If PMAPL undertakes to carry out the packing, loading, transport, unloading, insurance, installation, assembly or other services and no price has been expressly agreed in that respect, it shall be entitled to charge the Buyer the actual costs and/or the rates normally used by PMAPL.
- 4.3 Prices set by or agreed to with PMAPL are based on the cost price at the time of the offer or acceptance of an order by PMAPL. If the cost price increases thereafter, PMAPL is entitled to charge the Buyer a corresponding price increase, unless explicitly agreed otherwise ("fixed price").
- 4.4 If, after the agreement has been concluded, the Buyer desires amendments or additions to the agreement, PMAPL shall affect those to the extent that it may be reasonably expected to do so. To the extent that the amendments and additions desired by the Buyer involve extra costs, PMAPL shall be entitled to charge these to Buyer in their entirety with any appropriate mark-up. In that event, PMAPL shall also be entitled to set a new delivery period.

5. DELIVERY TIME AND DELIVERY

- 5.1 The delivery time becomes effective after the conclusion of the agreement, after PMAPL has received all documents and data to be provided by the Buyer and after any agreed upon advance payments have been received by PMAPL or a security for the benefit of PMAPL has been provided. If Buyer delays providing information and approvals (e.g., of drawings), PMAPL has the right to extend the committed delivery date by the length of the delay.
- 5.2 Subject to the exceptions as referred to in Clause 8.3, the Goods to be delivered by PMAPL shall be deemed delivered when they have left the premises of PMAPL or of third parties contracted by PMAPL for transport to or on behalf of the Buyer, unless expressly agreed otherwise.
- 5.3 If PMAPL expects that the delivery period agreed will be exceeded, it will inform the Buyer hereof as early as possible. A failure to make timely delivery shall never entitle the Buyer to additional or substitute compensation or to non-compliance by him of any of his own obligations arising from the agreement.
- 5.4 Delivery periods will be extended by the amount of time that the implementation of the agreement is delayed due to force majeure (refer to definition in Clause 7.1). They shall also be extended by the time that the Buyer is later in the fulfilment of any obligation than is agreed to or could reasonably be expected by PMAPL (including design/drawing and similar approvals).
- 5.5 PMAPL has the right to deliver in parts. Each partial delivery will be deemed an independent delivery with respect to the applicability of these Terms. PMAPL shall be entitled to demand payment for each partial delivery before proceeding with any other. The Buyer's failure to comply with his duty to effect payment (or to do so on time) shall have the effect of suspending PMAPL's duty to affect a delivery.

6. RISK AND TRANSFER OF OWNERSHIP

- 6.1 The risk in the Goods sold by PMAPL shall be for the Buyer as from the moment that the goods are considered as having been delivered as per Clauses 5.2 or 8.3.
- 6.2 Unless expressly agreed otherwise, loading, despatching or transport, unloading and insuring of the Goods to be delivered shall be effected for the risk of the Buyer, even if PMAPL arranges same.
- 6.3 All Goods sold by PMAPL shall remain the property of PMAPL until such time as the Buyer has paid in full all that which is owed to PMAPL in connection with the underlying agreement and/or in connection with prior or subsequent agreements of the same nature, including damages, costs and interest. The Buyer has no right of retention in respect of those Goods.
- 6.4 The Buyer grants PMAPL irrevocable authority to take such measures which are necessary to maintain the property rights of PMAPL.
- 6.5 The industrial or intellectual property rights to or in connection with the delivered Goods shall remain with PMAPL or with third party title owners and shall never be transferred to the Buyer.

7. FORCE MAJEURE

- 7.1 PMAPL shall be entitled to invoke force majeure if the implementation of the agreement is, in whole or in part, temporarily or not, prevented or impeded by circumstances reasonably out of its control, including site or building blockades, strikes, delayed delivery of parts ordered by PMAPL from third parties, Goods or services, accidents and interruptions of business operations.
- 7.2 In the event of force majeure on the part of PMAPL, its obligations are suspended. If the force majeure continues for a period of more than 90 days, both PMAPL and the Buyer are authorised to rescind the non-feasible parts of the agreement by a written declaration, without prejudice to the provisions of Clause 12. Where PMAPL has already executed part of an agreement, the Buyer shall pay the purchase price for any Goods that have been delivered.

8. ACCEPTANCE, INSPECTION

- 8.1 The Buyer shall be bound to lend its cooperation, without delay, to any inspection or test agreed. If the Buyer fails to lend its cooperation to an inspection or testing in a timely manner or at the time agreed, the Goods shall be deemed to have been approved
- 8.2 The Buyer is obligated to take discharge and acceptance at the moment that the Goods delivered are ready for transport or ready to be dispatched.
- 8.3 If the Buyer does not or does not in a timely fashion lend its cooperation to inspection, testing or acceptance of the Goods, the Goods shall be deemed as having been delivered, in deviation from the provision of Clause 5, at the time that inspection, testing or acceptance could have been expected or desired by PMAPL.
- 8.4 With respect to the Buyer, PMAPL has a right to compensation for damage and costs which are the result of the refusal to effect or the delay in the inspection, testing or acceptance of the Goods.
- 8.5 Before Goods can be rejected in connection with defects found during inspection or testing, PMAPL shall be given the opportunity to repair such defects. If the Buyer does not inspect or test the Goods, then the Goods shall be deemed to have been approved.

9. GUARANTEE

- 9.1 PMAPL refers to the separate PMAPL Warranty Notice for a description of the warranty terms. The warranty terms mentioned in the PMAPL Warranty Notice are applicable.

10. LIABILITY AND INDEMNIFICATION

- 10.1 The liability of PMAPL in connection with any defects in the Goods it has delivered is limited to the fulfilment of the guarantee described in the previous Clause.
- 10.2 PMAPL shall never be obligated to pay any substitute or additional compensation for damage. PMAPL's liability for loss of profits, consequential or indirect damages is at all times excluded.
- 10.3 In all cases in which PMAPL is obligated to pay compensation for damage, this shall never exceed, at its sole discretion, the invoice value of the Goods in connection with which the damage was caused.
- 10.4 Each claim against PMAPL, except those acknowledged by PMAPL, shall lapse on account of the mere expiration of a period of twelve (12) months after the claim arose.
- 10.5 Conditions which limit, exclude or establish liability, which can be invoked against PMAPL by suppliers or subcontractors of PMAPL in connection with the Goods delivered, can also be invoked by PMAPL against the Buyer.
- 10.6 The employees of PMAPL or independent contractor brought in by PMAPL for the implementation of the agreement, can, with respect to the Buyer, invoke all defences to be derived from the agreement as though they themselves were party to that agreement.
- 10.7 The Buyer shall hold harmless and indemnify PMAPL, its employees and independent contractors brought in by it for the implementation of the agreement against each claim by third parties in connection with the implementation of the agreement by PMAPL, in so far as these claims are greater than or different from those to which the Buyer is entitled with respect to PMAPL.

10.8 With respect to the Goods to be delivered, the Buyer shall strictly observe national and international governmental export, import and user restrictions. It will hold PMAPL harmless with respect to damage suffered by PMAPL as a result of any violation of these restrictions.

11. PAYMENT AND SECURITY

11.1 Unless expressly agreed otherwise, payment shall be made within thirty (30) days from the invoice date. PMAPL, however, shall at all times have the right to full or partial payment in advance and/or otherwise obtain security for payment. Refusal by the Buyer to provide the required security gives PMAPL the right to suspend its obligations and ultimately, without any notice of default or legal intervention, the right to dissolve the agreement wholly or partially, without prejudice to his right to compensation for any damages suffered by him.

11.2 In the event of payments by bank transfer the Buyer must at all times mention the respective invoice numbers. Payments by bank transfer which are not (completely) specified in this manner are first applied against the oldest invoices as well as against the interest due in relation thereto.

11.3 The moment of payment shall be the moment at which the amount due has been fully and irrevocably credited to the account of PMAPL.

11.4 The Buyer relinquishes any right to set off amounts charged by and between parties. Guarantee claims do not suspend the payment obligations of the Buyer.

11.5 If the Buyer fails to pay any amount due in the manner described above, he shall be in default without prior notice of default. If the Buyer remains in default with any payment, all other claims from PMAPL on the Buyer shall be immediately and totally due and the default becomes effective also with respect to those other claims, and without notice of default. As from the day the Buyer is in default, overdue payment interest at 2% per month shall be due for any part of a month during which the default continues.

11.6 All judicial and extrajudicial costs incurred by PMAPL because payment was not made (in good time), shall be paid by the Buyer. The extrajudicial costs are deemed to amount to at least 15% of the amount which is claimed.

12. RESCISSION

12.1 In the event the Buyer fails altogether to perform one or more of its obligations, or fails to do so in a timely or proper manner, is declared bankrupt, requests (temporary) suspension of payments, proceeds to liquidate its company, as well as if its capital is seized in part or in its entirety, PMAPL shall, without being held liable for any compensation, be entitled to suspend the implementation of the agreement or to rescind the agreement in part or in its entirety by means of a written statement without prior notice of default or legal intervention, such as its own discretion and always without prejudice to any rights to which it is entitled to compensation of costs, damages and interest.

12.2 The Buyer shall only be entitled to rescind the agreement in the events described in Clauses 5.3 and 7.2 of these Terms and in such cases only after payment of all amounts owed to PMAPL at that time, whether or not due.

13. DISPUTES AND APPLICABLE LAW

13.1 All disputes existing between parties shall be heard exclusively by the Courts in the United Kingdom, unless PMAPL approves another competent forum.

13.2 The provisions of Clause 13.1 leave intact the right of PMAPL to obtain a settlement by means of arbitration pursuant to the Commercial Arbitration Rules of the American Arbitration Association. The place of arbitration will be London United Kingdom. The arbitral procedure shall be conducted in the English language.

13.3 All agreements between PMAPL and the Buyer are subject to the Laws of The United Kingdom.

14. WARRANTY POLICY

THE FOLLOWING IS THE STANDARD LIMITED WARRANTY FOR THE PHAROS MARINE AUTOMATIC POWER LIMITED. SYSTEMS AND PRODUCTS ("PRODUCTS") SUPPLIED BY PHAROS MARINE AUTOMATIC POWER LIMITED, UNIT 14, CASTLE MEWS, HAMPTON, TW12 2NP UNITED KINGDOM. HEREINAFTER: "PMAPL". THIS WARRANTY APPLIES UNLESS A DIFFERENT WARRANTY HAS BEEN SPECIFICALLY AGREED TO AND SIGNED BY A PMAPL AUTHORISED REPRESENTATIVE.

LIMITED WARRANTY

(a) PMAPL warrants, subject to the following limitations, that at time of delivery to Buyer, its Products will conform to applicable PMAPL drawings and Product specifications and will be free from defects in workmanship and material. If applicable, PMAPL warrants that at the time of delivery Products are compliant to applicable national and/or international rules and regulations. However, unauthorised alteration, maintenance or repair could invalidate compliance with such rules and regulations.

(b) The Products are not in conformity as meant under (a) in the case of a defect in workmanship or material becoming apparent under normal authorised use consistent with PMAPL Product instructions and specifications. Normal wear and tear (including but not limited to lamp failure) or problems with electrical power, relatively minor anomalies which are customary and/or technically unavoidable, or the need for periodic maintenance shall not constitute non-conformity.

These warranties shall be available to the initial purchaser, and may be transferable to its successors and assigns with written approval from PMAPL. The duration of these warranties shall be as follows:

PMAPL warrants for a period of two years after shipment that the equipment or material of its manufacture is free from defects in workmanship and materials but its liability is limited to the replacement FOB shipping point of the defective parts thereof.

Corrosion or other decomposition by chemical action is specifically excluded as a defect covered hereunder. PMAPL shall not be liable for any direct incidental or consequential damages arising from the sale or use of the equipment or material other than as expressly provided herein. Where circumstances permit, PMAPL will invoke, for the benefit of Purchaser, the guarantee or warranty of PMAPL's vendor for equipment or materials furnished hereunder.

(c) All Products repaired or replaced hereunder shall be warranted only for the unexpired portion of the original warranty period. If PMAPL is of the opinion that the complaint about the defect is justified, PMAPL will repair or replace at its own option any faulty Product returned within the warranty period at its cost (including material and labour costs, excluding shipping costs). Repaired or replaced Products will be returned to Buyer. The risk of loss or damage to all Products in transit shall be borne by Buyer.

(d) The integrity and reliability of PMAPL systems and Products are dependent on the use of PMAPL parts and components. To ensure the optimum performance and reliability of your PMAPL system, it is strongly advised that only components and modules manufactured by PMAPL be used. No other parts can be used without prior written permission from PMAPL. If unauthorised parts are used, the warranty will become null and void.

Any right under this warranty shall lapse if the Product has been exposed or subjected to:

1. Any improper maintenance, lack of maintenance, unauthorised repair, improper installation, mishandling, and transportation, improper storage, improper operation, mistreatment, failure to observe the instructions for use or use which is improper, excessive or otherwise is not in compliance with PMAPL's instructions; or
2. Any direct intervention, alteration, modification, transformation or repair by anyone other than PMAPL or those specifically authorised in writing by PMAPL, without prior written permission from PMAPL; or
3. Any accident, contamination, foreign object damage, abuse, misuse, neglect, negligence or any other circumstances after delivery to Buyer; or
4. Any damage induced by failure of a PMAPL supplied Product not under warranty or by any Product not supplied by PMAPL.
5. Any force majeure.

PMAPL shall not be responsible for Buyer's or any third party's Product, Product information, or memory data contained in, sorted on, or integrated with any Product returned to PMAPL,

whether under warranty or not. Buyer is responsible for backing up its programs and data to protect against loss or corruption.

(e) Repair or redelivery as meant in the previous paragraphs shall in principle be effected only within the United Kingdom. Repair and or redelivery outside the United Kingdom shall only be effected if this can reasonably be requested of PMAPL, such to be judged exclusively by PMAPL. With respect to noticeable defects, the Buyer must submit a claim in writing within three (3) working days after delivery, failing which any claim on PMAPL will lapse.

Claims with respect to other defects must be made in writing within ten (10) working days after their appearance, failing which any claim on PMAPL will lapse.

In respect of Products or parts of Products which PMAPL received from third parties, the warranty obligations granted by PMAPL to the Buyer shall never exceed in nature nor in duration the warranty obligations granted by those third parties to PMAPL.

(f) This warranty is exclusive and in lieu of all other warranties, whether written or oral, express, implied or statutory, including, without limitation, any implied warranties of merchantability, fitness for particular purpose, or noninfringement, all of which are hereby expressly disclaimed. No extension or expansion of this warranty shall be binding upon PMAPL unless set forth in writing and signed by PMAPL's authorised representative.

(g) All disputes existing between parties shall be heard and governed by the laws of the United Kingdom, without regard to conflicts or laws rules. Any arbitration enforcement of any arbitration or litigation will be brought exclusively in the United Kingdom,

(h) PMAPL reserves the right to modify its warranty at any time, at its sole discretion.

WARRANTY RETURN POLICY

Buyer must notify Pharos Marine Automatic Power Ltd, hereinafter: "PMAPL" of any defect in the product(s) by sending an email to sales@pharosmarine.com or by calling 00 44 (0)1493 659271 asking for Repairs Department.

Returned Material Authorisation (RMA) Guidelines

Returns require a Return Material Authorisation (RMA) number and RMA sheet completed prior to shipping goods. Buyer should contact PMAPL to obtain an RMA form.

The RMA form needs to be returned to PMAPL by email, including the following information:

- Contact name and phone number;
- PMAPL Part number(s), item description, and corresponding quantities for each item to be returned;
- Serial number for each item returned;
- Full description or Reason for Return;
- Buyer's Original Order Number;
- Order Date;
- Billing information;
- Shipping address.

After Receipt of completed RMA Form, within 3 working days after receipt of the completed RMA form (or reasonably thereafter), PMAPL will provide the Buyer with a RMA number and the location to which Buyer must return, at their cost, the defective product.

The Buyer is responsible for the proper packaging of the product returned to PMAPL and return of product within 30 working days after issuance of the RMA number.



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Package the returned product in the following manner:

- Use standard packaging procedures to ensure safe arrival of goods into our factory;
- Enclose a copy of the completed RMA in each package;
- Enclose a copy of any and all associated packing slips/invoices, when available.

Shipping Preparation Requires the Following:

- Markings: All returned goods must include our receiving address: Pharos Marine Automatic Power, Ltd. ATTN. Repairs Department , Lancelot Road, Beacon Park, Gorleston, Norfolk, NR31 7BF, UNITED KINGDOM
- RMA Number;
- The RMA number must be clearly written and visible on the outside of the box;
- Do not ship freight-collect. Shipments marked freight collect may be refused, resulting in the product's return to sender;
- PMAPL does not accept responsibility for any product lost in transit and recommends that the return be insured for the full value;
- In no event will PMAPL accept any returned product that does not have a completed RMA form;
- Buyer's failure to return product within 30 working days of its receipt of a RMA may result in cancellation of RMA;
- The warranty is null and void if the product(s) are damaged in the return shipment.

PMAPL will make all reasonable efforts to repair or replace a defective product within 30 working days of receipt of defective product.

Buyer Notification

• Upon full compliance with the RETURN TERMS and receipt of returned product(s), inspection, testing, and evaluation will be performed to determine the cause of defect.

• PMAPL will notify the Buyer of its acceptance of the warranty claim, or of the cost to repair the product upon evaluation and processing of the returned material;

• When a product outside warranty appears not to be repairable, or no defect has been found, the Buyer will be charged with an inspection fee as applicable. The Buyer can then decide to ask for the product to be returned and will be charged for the return transportation costs. This inspection fee will not be invoiced if Buyer decides not to repair the product but orders a new product;

• No non-warranty repairs will be performed without prior Buyer approval and associated purchase order to perform said repairs;

• Buyer has 10 working days to respond after PMAPL notifies the Buyer of the applicable repair charges. If there is no response from the Buyer, PMAPL will notify Buyer by telephone or email about the nonresponse. The Buyer should notify PMAPL to repair, return or scrap the product within 20 working days of this 2nd notification. The product will be scrapped if the Buyer does not reply by the end of this 20 working day period.

Return to Stock

Any order that is returned to PMAPL for part(s) ordered incorrectly by the customer, or unneeded upon receipt, the customer, if accepted by PMAPL, is required to pay a 20% restocking fee. A credit will be issued once it is determined that the Return Terms are met.

Credits

Credits are issued once it is determined that all of the Warranty and Return Terms are met.

Freight

All warranty replacement part(s) will be shipped via ground delivery and paid for by PMAPL. Delivery other than ground is the responsibility of the customer.

REMEDIES UNDER THIS WARRANTY ARE LIMITED TO PROVISIONS OF REPLACEMENT PARTS AND REPAIRS AS SPECIFICALLY PROVIDED. IN NO EVENT SHALL PMAPL BE LIABLE FOR ANY OTHER LOSSES, DAMAGES, COSTS OR EXPENSES INCURRED BY THE CUSTOMER, INCLUDING BUT NOT LIMITED TO, LOSS FROM FAILURE OF THE PRODUCT(S) TO OPERATE FOR ANY TIME, AND ALL OTHER DIRECT, INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, INCLUDING ALL PERSONAL INJURY OR PROPERTY DAMAGE DUE TO ALLEGED NEGLIGENCE, OR ANY OTHER LEGAL THEORY WHATSOEVER. THIS WARRANTY IS MADE BY PMAPL EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, WHETHER EXPRESSED OR IMPLIED. WITHOUT LIMITING THE GENERALITY OF THE FORGOING, PMAPL MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS OF THE PRODUCT(S) FOR ANY PARTICULAR PURPOSE. PMAPL EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES.