

TERMS AND CONDITIONS

1. DEFINITIONS

In these conditions:

"SELLER" means Oceanic Systems (UK) Ltd whose registered office is at Units 10-11 Milton Business Centre, Wick Drive, New Milton, Hampshire, BH25 6RH, UK.

"CUSTOMER" means the person or corporate body who accepts a quotation from the Seller for the sale of goods services and offers or whose order is accepted by the Seller.

2. BASIS OF THE SALE

2.1 The Seller shall sell and the Customer shall purchase all equipment, services and offers based on these terms and conditions. These Terms are an integral component of all agreements the Supplier enters into with the Customer concerning the deliveries or services offered by them. They are also effective for all future deliveries, services, or offers to the Customer, even if they are not again agreed separately.

2.2 The General Terms and Conditions of the Customer or a third party do not apply. Even if the Supplier refers to a written document containing the Customer's General Terms and Conditions, or those of a third party, or referring to them, this does not imply the Supplier's agreement to those General Terms and Conditions.

3. OFFER AND CONCLUSION OF PURCHASING CONTRACT

3.1 All offers by the Supplier are subject to change and non-binding, unless they are expressly marked as binding, or they include a certain acceptance period.

3.2 The sole authoritative document for the legal relationships between the Supplier and the Customer is the purchasing contract, concluded in writing, including these General Delivery Terms. It reflects all agreements between the contractual parties concerning the object of the purchasing contract in their entirety. Any oral assurances by the Supplier prior to concluding the purchasing contract are legally non-binding, and any oral agreements by the contractual parties are replaced by the written purchasing contract, unless it is expressly stipulated that they will be binding in each case.

3.3 Any additions and amendments to the purchasing contract must be made in writing in order to be valid. No variations to these conditions shall be binding unless agreed in writing between an authorised representative of the Customer and an authorised Director of the Seller. Electronic transmissions, especially via fax or e-mail, are sufficient to meet the requirement of the written form, as long as a copy of the signed declaration is transmitted.

3.4 No order which has been accepted by the Seller may be cancelled by the buyer except with the agreement in writing of the Seller and on terms that the Customer shall indemnify the Seller in full against all loss (including loss of profit), costs (including the cost of all labour and materials used), damages, charges and expenses incurred by the Seller as a result of the cancellation.

3.5 The Supplier's information about the object of the delivery or service (e.g. weights, dimensions, utility values, load bearing capacity, tolerances, and technical data) as well as any depictions thereof (e.g. drawings and illustrations) are only approximations, unless the use for the contractually intended purpose requires exact conformity. Such information given by the Supplier does not constitute guaranteed characteristics, but describes or designates the delivery or service. Customary variances, or variances based on legal regulations or technical improvements, as well as substitutions of components with parts of equal value are permissible as long as they do not impair their use for the contractually intended purpose.

3.6 The Supplier retains ownership or copyright for all proposals and cost estimates made as well as any drawings, illustrations, calculations, brochures, catalogs, models, tools, and other documents and resources provided to the Customer. Without written permission by the Supplier, the Customer is not permitted to make these items accessible to third parties, neither physically or their contents, nor is he allowed to publish, copy, or use them, on his own or via third parties. At the Supplier's request, the Customer must return these items to him in full and destroy any copies he may have made, if he no longer needs them in the ordinary course of business, or if negotiations do not result in the conclusion of a purchasing agreement.

4. PRICES, PAYMENT AND DEFAULT

4.1 The prices apply to the scope of service and delivery stated in the order confirmations. The prices are quoted in GB Pounds unless otherwise indicated on the quotation and invoice, ex works, and plus packaging, statutory Value Added Tax, and in case of exports, tariffs as well as fees and any other public dues.

4.2 As far as the agreed prices are based on the Supplier's list prices, and the delivery is to occur more than six months after the contract has been concluded, the Supplier's list prices current at the time of delivery are applicable.

4.3 Invoice amounts must be paid without any deduction within thirty days, unless other terms have been agreed in writing. After expiration of the above payment period, the Customer is in default. While in arrears, any outstanding amounts are subject to default interest at a rate of seven percentage points above the three-month LIBOR rate. We reserve the right to assert our claims for any additional damages caused by default. The relevant date of payment is the date payment is received by the Supplier. Checks are considered payment only after they have cleared.

4.4 The setoff with counter claims by the Customer or withholding of payments because of such claims is only permissible, if these counter claims are not disputed or have been determined by a final and legally binding decision.

4.5 The Supplier is entitled to execute any outstanding deliveries or services only against payment in advance or after securities have been executed or provided, if he learns after conclusion of the contract of circumstances that would favor conditions which may significantly impair the Customer's credit worthiness and which would jeopardise the Supplier's outstanding demands for payment from the Customer in the respective contractual relationship (including other individual orders subject to the same master agreement).

5. SHIPMENTS, DELIVERY TIME AND FORCE MAJEURE

5.1 All deliveries are ex works.

5.2 Deadlines and delivery dates for shipments and services stated by the Supplier must always be understood as approximate, unless a fixed deadline or date has been agreed in writing. Insofar as shipment was agreed, the shipping periods and delivery deadlines refer to the date the goods were handed over to the freight forwarder, carrier, shipper or any other third party hired to ship them.

5.3 Without prejudice to its rights resulting from the default by the Customer, the Supplier may demand an extension or postponement of the period for the delivery of goods and services for the time during which the Customer does not meet his contractual obligations towards the Supplier. This applies, without limitation, if the Customer does not deliver plans to be provided by him or other documents, permits, or approvals.

5.4 The Supplier is not liable if the delivery is not possible or for delays in delivery, if they are caused by force majeure or other events that were not foreseeable at the time of conclusion of contract (e.g. operational interruptions of any kind, difficulties during the procurement of materials or energy, transport delays, strikes, legal lockouts, lack of workforce, energy or raw materials, difficulties in the procurement of the necessary official permissions, official and legal measures, or non-delivery or incorrect or late delivery by suppliers) that are not within the Supplier's responsibility. If such events make the delivery or services impossible for the Supplier or significantly impede the performance of services or the delivery, and this impediment is not of a temporary nature, the Supplier is entitled to withdraw from the agreement. In case of temporary impediments, the periods for deliveries and services are extended, or the delivery and service deadlines are postponed for a period equal to time of the impediment plus a reasonable start-up period. If the Customer cannot reasonably be expected to accept the delivery or service due to the delay, he can withdraw from the contract by way of an immediate written declaration to the Supplier.

5.5 If the Supplier is in default with a delivery or service or if it becomes impossible for them to execute a delivery or service, whatever the reason may be, the Supplier's liability for damages is limited as stated in these Terms and Conditions.

6. PLACE OF FULFILLMENT, SHIPPING, PACKAGING, TRANSFER OF RISK, INSTALLATION AND ACCEPTANCE

6.1 The place of fulfillment for all obligations arising from this contractual relationship is New Milton, United Kingdom, unless stated otherwise. If the Supplier is also responsible for installation and commissioning, the place of fulfillment is the location where the installation and commissioning must be performed.

6.2 The method of shipping and packaging are subject to the duly exercised discretion of the Supplier.

6.3 The risk passes to the Customer no later than the transfer of the shipped goods (here the beginning of the loading procedure is the determining factor) to the freight forwarder, shipper, carrier, or other third party hired to ship the goods. This applies also to partial deliveries or if the Supplier also handles other services (e.g. shipping or installation and commissioning). If the shipping or handover is delayed for reasons caused by the Customer, the risk passes to the Customer on the date the goods to be shipped are ready for delivery and the Supplier has communicated this to the Customer.

6.4 After the transfer of risk, the Customer is responsible for any storage costs. For storage by the Supplier, the storage costs are 0.25% of the amount invoiced for the stored shipping goods per completed week. The right to claim and furnish proof of additional or lower storage costs remains reserved.

6.5 The Supplier insures the shipment for theft, breakage, transport, fire, and water damages or other insurable risks only at the Customer's express instructions and at the Customer's expense.

6.6 Insofar as an acceptance must be conducted, the delivery item is considered accepted, if and when

- the delivery and, if the Supplier is also responsible for installation and/or commissioning, the installation and/or commissioning has been completed,
- the Supplier has communicated this to the Customer with reference to the deemed acceptance pursuant to this paragraph and has requested the acceptance from him,
- ten business days have passed since the delivery, installation, or commissioning or the Customer has begun to use the purchased goods (e.g. has started operating the delivered system) and in this case, five business days have passed since the delivery, or the installation or commissioning, and
- the Customer has failed to perform the acceptance in this time frame for a reason other than a defect notified to the Supplier by the Customer that makes it impossible to use the purchased goods or significantly impedes their use.

6.7 If, as a result of an express agreement to this effect, the Supplier is also responsible for installation and commissioning, the following terms apply, as long as nothing else has been agreed in writing:

- (a) The Customer must assume at their own expense and provide prior to commencement of the installation:
- All ancillary services outside our industry, including the necessary specialist and auxiliary personnel, materials, and tools,
 - Protective clothing and safety measures that may be required due to the installation site's particular circumstances.
- (b) Prior to commencement of any installation work, the Customer must furthermore and at their own expense
- provide the Supplier with the required information about the locations of any concealed power, gas, and water lines or similar installations on their own initiative,
 - ensure that the personnel working for the Supplier has authorisation to access the location where the installation and commissioning is to occur,
 - ensure that the Supplier has access to the Internet at the location where the installation and commissioning is to take place, if this is necessary for implementing the installation and commissioning.

6.8 If the assembly, installation, mounting, or commissioning is delayed due to circumstances for which the Supplier is not responsible, the Customer must bear the costs of the waiting times and any additional travel expenses of the Supplier or their personnel within a reasonable scope.

7. WARRANTY AND MATERIAL DEFECTS

7.1 The warranty period is 12 months from the date of commissioning, but no more than 18 months after delivery. In the case of subsequent fulfillment due to a justified defect complaint, the warranty period is extended, but only with regard to the defect or defects requiring the subsequent fulfillment, and only up to a total of 12 months after the date of subsequent fulfillment. If the subsequent fulfillment is a goodwill gesture by the Supplier, this does not constitute any renewal or extension of the limitation period.

7.2 The delivered items must be duly examined without undue delay after delivery to the Customer or a designated third party. Excepting obvious defects or other defects which would have been recognized by due examination, the delivery is considered approved by the Customer if the Supplier does not receive a written defect complaint within seven business days after delivery. Concerning other defects, the delivered items are considered approved by the Customer, if the defect complaint is not sent to the Supplier within seven business days after the date the defect was detected; however, if the defect could have been noticed by the Customer at an earlier point during normal use, this earlier date is decisive for the start of the complaint period.

7.3 At the Supplier's request, a delivered item which the Customers claim to have a defect must be sent back to the Supplier freight paid. The Supplier will provide the Customer with a return authorisation number (RMA No.) for this purpose. The return shipment shall include the RMA No. as well as a completed return form. Within a reasonable period after receiving the delivery item with the alleged defect, the Supplier will examine whether or not the defect complaint is justified or not.

7.4 If the defect complaint regarding the delivered items is justified, the Supplier will offer rectification or replacement as he determines in his sole discretion within a reasonable period of time. The subsequent fulfillment includes neither the removal of the defect item nor its re-installation. If the defect complaint is justified, the Supplier will bear the costs of shipping the replacement unit.

7.5 Claims as a result of defects are forfeited if the Customer modifies the delivered item on his own or through third parties without the Supplier's prior consent and these modifications make correcting the defect impossible or unreasonably impedes it. In any case, the Customer must bear the increased costs for correcting the defects that have resulted from the modification.

7.6 If the defect complaint is not justified, the Supplier is entitled to demand reasonable compensation from the Customer for any expenses incurred in the context of examining and, where applicable, correcting the flaw incorrectly reported as defect. In this case, the Supplier will submit to the Customer on request an offer for repairing and/or replacing the defective item at the Customer's expense at his discretion and to the extent that this is possible. If the Customer does not desire to obtain such an offer, or if he does not accept such an offer within ten business days, the Supplier returns the examined item to the Customer, whereby they must perform the return shipment only concurrently with compensation for their examination expenditures and return shipment costs.

7.7 Defects or apparent deficiencies caused by improper storage, installation, mounting, commissioning, use, maintenance, repairs, or any other handling of the delivered items do not constitute defects and do not constitute grounds for warranty claims

7.8 In case of material defects for delivered items that have been sold on to third parties by the Customer, warranty claims against the Supplier can still only be asserted by the Customer.

7.9 In the event that the Customer wishes to return non warranty items the Supplier may, at their sole discretion, accept items for restocking providing they are currently stocked in the normal course of business, are at current hardware and software revision levels, are in saleable condition in original packaging and are not tailored or modified in any way. In this event a restocking fee of 15% will be applicable.

8. LIABILITY FOR DAMAGES

8.1 The Supplier's liability for damages, irrespective of the legal basis for such liability, in particular including (without limitation) any liability due to delay, defective or incorrect delivery, breach of contract, violation of obligations during contract negotiations, or under tort law, is limited pursuant to this section.

8.2 The Supplier is not liable in the case of simple negligence by any director, employee or other agents, unless there is a violation of essential contractual obligations. Essential to the agreement are the obligations to deliver – and if so agreed – install, and commission the delivered item on time, to deliver the item free of defects which may impair its functionality and fitness for use to no more than an insignificant degree, as well as the consulting, protection and due care obligations allowing the Customer the contractually agreed use of the delivered item, or the protection of the health and life of the Customer's personnel, and the protection from significant damage to his property.

8.3 If and to the extent that the Supplier is in principle liable for damages pursuant to paragraph 8.2, this liability is limited to damages the Supplier has anticipated as a possible consequence of a contractual violation at the time of contract signing or which he should have anticipated by applying customary due diligence. Furthermore, indirect and subsequent damages caused by any defect of the delivered items are eligible for compensation only if such damages can normally be expected in the course of the delivered items intended use.

8.4 In case of liability for simple negligence, the Supplier's liability for damages is limited as follows:

- in case of damages resulting from activities on vessels (property damage as well as any consequential financial loss) to an amount of GBP 1,000,000 per instance,
- for damages resulting from defect spare parts delivered by the Supplier to an amount of GBP 500,000 per instance,
- for any other property loss to an amount of GBP 10,000,000,

The foregoing limitations also apply if the liability is based upon a violation of essential contractual obligations.

8.5 The above stated exclusions and limitations of liability also apply to the same extent for the benefit of the Supplier's directors, legal representatives and employees.

8.6 Insofar as the Supplier provides technical information or acts in advisory capacity, and this information and/or advice is beyond his required contractually agreed scope of services, this is done free of charge and under exclusion of any liability.

8.7 The limitations to the Supplier's liability pursuant to this section do not apply in case of intent, guaranteed characteristics, loss of life or limb, injury to body and health, or in case of liability stipulated by product liability law.

9. RETENTION OF TITLE

9.1 The Supplier retains title to the goods delivered by the Supplier to the Customer until all secured claims have been satisfied in full. Such goods, as well as all goods that may be included into the retention of title pursuant to the following provisions in lieu of them, are known hereafter as "Reserved Goods." The Customer will store the Reserved Goods for the Supplier free of charge. They are required to handle the Reserved Goods with care and adequately insure them at their expense. The Customer is not permitted to pledge or assign Reserved Goods as security.

9.2 Should third parties claim possession of the reserved goods, especially in the event of seizure, the Customer must immediately indicate the Supplier's ownership and inform the Supplier, so that he can assert his rights of ownership. If the third party is unable to reimburse the Supplier for the ensuing legal and out-of-court costs, the Customer is liable to the Supplier for these costs.

9.3 The Supplier will immediately release the reserved goods as well as those goods taking their place or claims, once their value exceeds 50% of the secured claims. The Supplier chooses which items will be released thereafter.

9.4 If the Supplier withdraws from the agreement because the Customer behaves in a manner contrary to its terms, especially default in payment, he is entitled to demand the return of the reserved goods.

10. FINAL TERMS

10.1 Any notice required or permitted to be given by either party to the other under these Conditions shall be in Writing addressed to that other party at its registered office or principal place of business or such other address as may at the relevant time have been notified pursuant to this provision to the party giving the notice.

10.2 No waiver by the Seller of any breach of the contract by the buyer shall be considered as a waiver of any subsequent breach of the same or any other provision.

10.3 If any provision of these Conditions is held by any competent authority to be invalid or unenforceable in whole or in part the validity of the other provisions of these Conditions and the remainder of the provision in question shall not be affected thereby.

10.4 The relationships between the Supplier and Customer are exclusively subject to the laws of England and Wales.