



Phoenix Poland Sp. z o.o. Sp. k.

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General Terms of Contract Implementation

I. General Provisions

1. The hereby presented General Terms of Contract Implementation ("**GToCI**") shall be applied if the contracting parties did not decide otherwise.
2. In case of disputes between the content of the GToCI and the Contract the regulations of the Contract shall be applied.
3. The Polish version of the GToCI is the binding one.

II. Awarding the Contract, subject of the Contract, necessary extension of the scope of the Contract, changing the subject of the Contract

1. The scope of services supplied by Phoenix is specified in the Contract, particularly in the Agreement (including the order of the Client accepted by Phoenix specifying the scope of work in detail) together with annexes to the Contract and the GToCI. The order of the Client is considered as accepted if Phoenix confirms the acceptance of the order in electronic form, in writing or by fax.
2. Phoenix commences implementing the Contract in time and place specified in the Agreement.
3. Phoenix guarantees performing the works subject to the Contract in time specified in the Contract on condition that the Client performs all the actions necessary (including provision of appropriate equipment to Phoenix, making the subject of the Contract available, obtaining of the permits and licences required and the like) for adequate implementation of the Contract by Phoenix. The Client is in particular responsible for delivering, on time and at his own expense, the technical documentation as well as all the materials, spare parts, tools, paints or any other equipment in suitable quantity and of suitable quality necessary to perform the type of work ordered.
4. The costs of transport to/from the place where the contracted work is to be performed, the costs of local transport, of utilities - including consumption of power, gases, ventilation, internal communication; accommodation, meals or the costs of accommodation and meals for the people performing the Contract which are necessary to perform the works subject to the Contract are charged to the Client. The costs of accommodation and meals shall be charged to the Client even in the event of inability to perform the works subject to the Contract for reasons beyond Phoenix's control (including inability to perform the works subject to the Contract confirmed by a medical certificate).
5. A delay on the side of the Client in performing the duties enabling Phoenix to commence and perform the contracted works does not exempt the Client from remunerating Phoenix for the readiness to implement the Contract in the amount specified in the Contract, for the whole period of delay. In addition to the above-mentioned right to remuneration, in case of any delay on the side of the Client which exceeds 7 days, Phoenix reserves the right to withdraw from the Contract.



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6. Should it be necessary for the correct implementation of the Contract to perform additional works not stipulated in the Contract (necessary extension of the scope of the Contract), Phoenix will present a list of necessary additional works to the Client. The Client accepting the additional works agrees to suitable remuneration. Should the Client not to accept the additional works or not agree to suitable remuneration forthwith, Phoenix shall be entitled to withdraw from the Contract retaining the right to remuneration specified in the Contract.

7. The Client is obliged to specify the way of collecting waste produced during the works performed under Contract, the way of their disposal, as well as to ensure that the Contract is implemented in accordance with current legal regulations concerning environmental protection.

8. Should the provision of services require supervision, including audits of quality during and after performing all the works subject to the Contract or part of them, the cost of supervision, of audits by classifying associations or other qualified authorities and institutions, as well as of preparation of appropriate technical documentation are charged to the Client.

9. Phoenix reserves the right to entrust the performance of the works subject to the Contract to a third party.

10. The Client can at any time demand a change to the subject of the Contract. In such case, besides the agreed remuneration, the Client is obliged to pay the remuneration increased in accordance with the broadened scope of works and to cover any additional costs connected with the change to the subject of the Contract. In case of a change to the subject of the Contract resulting in a decrease in the value of the works or in a lack of increase in the value of the works, the Client is obliged to pay the agreed remuneration and to cover additional costs connected with the change to the subject of the Contract.

11. The date of completion/partial completion of the Contract and of the receipt of the subject of the Contract by the Client will be the date when the final timesheet or partial (weekly) timesheet used by Phoenix during implementation of the Contract has been signed.

12. The Client is obliged to take out an insurance on the subject of the contract against the risks connected with the performance of the ordered works.

13. Any faults in the performance of the works subject to the Contract confirmed in writing by both parties shall be repaired by Phoenix within the time agreed with the Client.

III. Liability

1. The liability of Phoenix is limited to the value of actual damage suffered by the Client (excluding liability for loss of profits and clean property losses), if the damage was caused as a result of unintentional action or abandonment by Phoenix or by a person used by Phoenix to perform works subject to the Contract.



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2. Phoenix is only liable for actual damage arising as a result of direct consequences of actions or abandonment which resulted in the damage.

3. In the event of injury to a person used by Phoenix to perform works subject to the Contract arising while performing the works subject to the Contract on the facility owned by the Client, the Client is obliged to ensure appropriate care for the person, including medical care. Should the injury to the person be caused by actions or abandonment by the Client or other persons for whom Phoenix is not liable, the Client is obliged to pay damages to the injured person.

4. Phoenix is not liable for any damage arising as a result of materials (including but not limited to individual components as well as entire engines) or documentation provided by the Client which are inappropriate or unsuitable for performing works subject to the Contract correctly.

5. Should the Client provide Phoenix with used materials, renovated materials or materials with faults to perform works subject to the Contract, the liability of Phoenix stemming from warranty is excluded.

6. Phoenix hereby declares that the company has a third-party insurance falling within the scope of company's activity and possessions excluding liability for the product and performed services up to 500,000 EUR.

IV. Warranty

1. Phoenix grants a guarantee for services provided on the basis of Contracts and Orders, under the conditions indicated in the following paragraphs.

2. The warranty period, counted from the date of service, is as follows:

- a. In the case of engine repairs carried out and supervised by Phoenix - 6 months.
- b. In the case of workshop works involving the regeneration of components - 6 months.
- c. For the installation of the synchronization and power distribution system designed by Phoenix - 12 months.
- d. For the installation of the control system for Sole Diesel/Baudouin aggregates designed by Phoenix - 12 months.

3. In the case of delivery and/or installation of new electrical parts, electronic modules and the sale or delivery of spare parts offered by Phoenix, the warranty period specified in the manufacturer's warranty for the assembled/delivered/sold part applies. All warranty claims regarding the assembled/delivered/sold parts should be reported to the parts manufacturer.

4. The Phoenix's warranty covers only the incorrect performance of the repair service and does not cover, in particular, faults resulting from the parts used for repairs (including but not limited to materials, components or engines provided by the Client or Phoenix) as well as defects caused by improper operation or mechanical damage.

5. During the warranty period Phoenix is obliged to eliminate defects/faults free of charge, referred to in paragraph 4 above, disclosed after receiving the services. The removal of defects/faults will take place through repair (in particular, correction of faulty services).



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6. All complaints must be reported to Phoenix within the warranty period, in writing or via e-mail sent to: tech@phoenix-poland.com , within 3 days from the moment the defect/fault was discovered. The warranty does not cover defects that have been reported in a way other than indicated above.

7. After receiving a complaint in accordance with paragraph 6 above, Phoenix will check its validity within 14 days and issue a statement confirming that the claim is/is not valid. For this purpose, Phoenix may use the expertise of another entity or conduct an inspection through its representative.

8. The applicant of warranty claims shall refrain from using the object in which the defect was discovered and from any interference in the object until the Phoenix issue the statement referred to in paragraph 7 above. In the event that the complaint is accepted by Phoenix, the applicant will follow the instructions provided by Phoenix. In the event of non-compliance by the applicant with the provisions of this paragraph, the warranty shall expire.

9. Performing an independent inspection or dismantling the object in which the defect occurred without the participation of the Phoenix representative will be treated as failure to comply with the provisions of paragraph 8 above and will lead to the expiration of the guarantee.

10. The defect will be removed by Phoenix as soon as possible from the moment the complaint is accepted.

V. Remuneration

1. The amount of remuneration and the principles of its payment are regulated by the Contract in all the aspects not regulated by the GTOCI.

2. The hourly rates in the Contract also applies during the travel to/fm place of work. Travel wage is calculated as an hourly rate multiply by number of travelling hours but not more than 8 hours per day (every 24 hrs).

3. Work during Polish National Holidays will be charged double (100% more).

4. Phoenix is entitled to remuneration specified in the Contract for readiness to perform the works subject to the Contract by the person used by Phoenix to implement the Contract even if the company's inability to provides its services was caused by the Client or persons for whom the Client is liable, who are his subordinates or who are connected with him.

5. The invoice for performing works subject to the Contract is issued on the basis of timesheet used by Phoenix while implementing the Contract and signed by the Client.

6. The amount due is payable within 14 days of invoice.

7. The costs of bank transfers will be charged to the Client.



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8. Should the term of contract exceed 30 days, it will be possible to issue down payment invoices on conditions agreed by both parties.

9. Should payments not be made on time, Phoenix shall charge interests at the rate of 20% per annum.

VI. Payment of remuneration and procedure of debt collection

1. After the half of the payment period of Phoenix's remuneration specified in the VAT invoice, the Phoenix representative will contact the Client's payment department to confirm receipt of the VAT invoice by the Client and the date of the planned payment. If Client did not receive a VAT invoice, for whatever reason, Phoenix will send a VAT invoice to the e-mail address indicated by the Client and the e-mail address of the superintendent responsible for the ship on which the Phoenix services were provided. Re-submission of the VAT invoice does not extend the payment period, unless the nondelivery of the VAT invoice was due to the fault of Phoenix.

2. On the day preceding the payment date of Phoenix's remuneration specified in the VAT invoice, the Phoenix representative will contact the Client's payment department and ask for confirmation of the payment order. In the event of non-payment of remuneration due to: (1) the lack of the superintendent's signature - Phoenix will contact the competent person directly to determine the reasons for withholding the payment transfer, (2) the lack of funds on the part of the client - Phoenix is authorized, but not obliged, to agree with the Client a new payment deadline or repayment schedule.

3. Within 3 - 5 days after the date of payment of Phoenix's remuneration specified in the VAT invoice, Phoenix will send the first request for payment to the Client's payment department and the superintendent responsible for the ship on which the Phoenix's services were provided.

4. Within 7 - 10 days after the payment of Phoenix's remuneration specified in the VAT invoice, Phoenix will send a demand for payment to the Client's payment department and the superintendent responsible for the ship on which the Phoenix services were provided, stating that non-payment will result in billing by Phoenix interest for untimely payment.

5. Within 14 days of the date of payment of Phoenix's remuneration specified in the VAT invoice, Phoenix will send a demand for payment to the Client's payment department and the superintendent responsible for the ship, with an interest note.

6. Within 21 - 28 days after the payment of Phoenix's remuneration specified in the VAT invoice, Phoenix will send a demand for payment to the Client's payment department and the superintendent responsible for the ship on which the Phoenix services were provided, with an interest note and at the same time Phoenix will forward further collection to legal department.

VII. Withdrawal

1. If the works subject to the Contact are not finished, the Client may withdraw from the Contract at any time paying full remuneration to Phoenix.



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2. In case of breach of any of the terms of the Contract Phoenix may at any time:
 - a. Suspend performing all or part of the works subject to the Contract; the aforementioned situation does not exempt the Client from ensuring services specified in the Contract to the people used by Phoenix to implement the Contract; or
 - b. Withdraw from the Contract.
3. The Parties may withdraw from the Contract in other cases specified by law or the Contract.

VIII. Penalty Clause

1. For non-performance or improper performance of duties by the Client, including delay in provision of materials or documentation or equipment necessary for Phoenix to implement the Contract correctly, other than payment of remuneration, Phoenix is entitled to calculate and charge a fine of 2,000 EUR for each day of delay or for each failure.
2. The payment of contractual fine does not mean that Phoenix renounces the right to claim compensation in accordance with general rules of law.

IX. Force Majeure

1. For the time of occurrence of a force majeure the obligations of the Party unable to perform its obligations on time as a result force majeure are suspended.
2. A delay of either Party signing the Contract in implementation of the Contract which is due to a force majeure does not make the Contract duly implemented.
3. Force majeure denotes an event whose occurrence is beyond the contracting Parties' control and whose occurrence they cannot prevent even if they proceed with greatest caution, in particular: war, states of emergency, natural disasters, epidemics, restrictions connected with quarantine, embargo, revolution, riots and strikes, climatic conditions restricting or making it impossible to provide services on time.
4. Each of the Parties is obliged to inform the other Party about the occurrence of a force majeure forthwith. Lack of such information in due time shall be understood as non-occurrence of force majeure. Unless the other Party indicates otherwise in writing, the Party informing about the force majeure shall continue to perform its obligations resulting from the Contract to the extent to which it is legitimate, as well as take all possible alternative actions to provide the services whose provision is not blocked by the occurrence of the force majeure.
5. As soon as the force majeure ceases to exist the Parties shall continue to perform their obligations in relation to the Contract.
6. Should the existence of the force majeure exceed 30 days, each of the Parties has the right to terminate the Contract.



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X. Contact

1. Contact persons as well as means of contact (address, e-mail, fax and the like) are specified by the Parties in the Agreement, that is the Client specifies them in the order and Phoenix in the confirmation of the order.

2. The other Party is to be informed about any amendments to the contact data of the contact persons. Otherwise any information sent to the last known address or to the last known contact person shall be deemed successfully delivered.

XI. Final Provisions

1. Only the regulations of Polish law are applicable to the Contract.

2. Should a regulation of the GToCI be in conflict with any articles of law, the remaining regulations of the GToCI remain binding.

3. Any amendments to the Contract are to be done in accordance with specifications agreed by the Parties in the Contract (in the Client's order and the confirmation of the order by Phoenix).

4. Any conflicts between the parties shall be settled out of court. In case of lack of possibility of an out-of-court settlement, the competent court to adjudicate on a conflict is the court having jurisdiction over the area where Phoenix's seat is situated.