

## **Section 1**

### **General Terms and Conditions**

#### **A.      General**

Germanischer Lloyd (GL) is an independent organisation of technical experts.

GL act impartially and objectively.

The right of interpretation of their technical Rules rests with GL alone.

The respective latest version of the General Terms and Conditions as well as the pertinent technical Rules are applicable to all services rendered by GL, including those rendered within the scope of their statutory functions, even if no separate agreement has from case to case been reached regarding their applicability. Where contractual relations are established between GL and any persons other than the client, the relevant technical Rules and the provisions of G.1. to 7. below will also apply to such third parties.

#### **B.      Reservation Clause**

No confirmation or certification (certificates) with regard to compliance of technical facts or products with the technical Rules issued by GL must be given or issued by anybody other than GL.

A confirmation given or certificate issued will not release the client from his contractual obligations towards third parties.

Certificates are issued by GL subject to withdrawal at any time. The right of withdrawal may, for instance, be exercised in the event of adaptations of the technical Rules to the state of the art or of the client failing to comply in due time with recommendations or instructions issued by GL.

Without relevant certificates being issued by GL, no statements must be made to the effect that the product in question was manufactured in accordance with the Rules of GL.

The technical Rules of GL will be applied without prejudice to any protective rights of third parties.

#### **C.      Scope and Performance**

The kind and scope of services rendered by GL are based on the relevant agreements concluded and always, in the absence of an express special agreement, on the Rules for Classification and Surveys applicable

at the time of class inspections and/or surveys and, with respect to the review of construction documents, on the Rules for Construction of GL applicable at the time the contract was made between the shipyard and the buyer ordering the vessel.

Safety-relevant changes to the Rules for Construction made after the date of the contract between the shipyard and the buyer shall be taken into consideration.

In addition, the rules of the flag-State shall be applied to flag-State-relevant services performed by GL.

It is the client's obligation to ensure that the services of GL can be rendered smoothly and without delay. GL will, to the extent requested, be granted unrestricted access and the right of inspection.

Any information, drawings, etc. required for performance of the functions and activities of GL must be made available in due time.

#### **D.      Confidentiality**

GL maintains confidentiality with respect to all documents and other kinds of information received in connection with the orders entrusted to the Society. Documents and information can only be made available to third parties with the approval of the client or the person authorized by the client to permit such disclosure. However, this shall not apply to the obligations GL has towards the administrations of flag states and other international organisations as well as legal requirements and international conventions.

#### **E.      Remuneration**

For services rendered by GL fees are to be paid in accordance with the tariffs of GL or on the basis of the price quoted in the offer. In addition thereto, GL will charge any extra expenses incurred in connection with the services rendered (e.g. travelling or other expenses and, where applicable, any value added / turnover tax).

Additional expenses, which are incurred, for instance, as a result of poor organisation on the part of the client or of repetition of tests and for which GL are not responsible, will be charged separately at the respective current cost rates.

**F. Payment of Invoices**

1. The fees for all services rendered by GL are due for payment without deduction two weeks after the date of invoice. On default GL are – without prejudice to any other rights – entitled to charge default interest, to withhold certificates and other documents and/or to suspend or revoke the validity of certificates.

2. Any rights of lien or retention in favour of the client, statutory or otherwise, are hereby excluded. Likewise excluded are any rights of set-off with client's counter-claims, unless such counter-claim is undisputed or finally adjudicated upon by the courts.

**G. Liability**

1. Liability of GL for defects as to quality shall in the context of a contract for work and services ("Werkvertrag") be limited to remedying such defects. In the event that this is unsuccessful, the client shall have the right in accordance with § 637 of the German civil code to claim a reduction in the contractual price or to withdraw from the contract.

2. Claims of the client for defects as to quality shall become time barred one year after acceptance by the client of the performance by GL of its obligations, in so far as such defects shall not have been wrongfully concealed by GL or caused by the wilful misconduct of GL.

3. Furthermore, except in case of breach by GL of an essential contractual obligation, liability of GL for negligent performance of its obligations towards the client shall be limited to five times the remuneration of the individual obligation to which the breach relates. This limitation of liability shall also apply to claims for damages by the client based on the tortious negligence of GL. In the event of a negligent breach by GL of one of its cardinal contractual obligations, the liability of GL shall be limited to typical contractual foreseeable damage

In the event of wilful misconduct or gross negligence on the part of GL, the liability of GL shall be determined as provided for by law.

4. Personal liability of the organs of GL or persons to whom GL resorts to perform its obligations is excluded except in case of their wilful misconduct or gross negligence.

5. The provisions of paragraphs 3. and 4. above regarding limitation of liability shall not apply to claims for death, personal injury or damage to health.

6. The attention of the client is expressly drawn to the fact that it has the possibility of agreeing with GL that the liability of GL be extended beyond what is provided for in these General Terms and Conditions.

However, such extension of liability is subject to the client demanding this of GL, to the insurer of GL accepting to take on such additional risk and to the client bearing any additional insurance cost associated with such increase in liability.

7. Claims for damages which are not claims for defects pursuant to paragraph 1 hereof, with the exception of tortious claims and/or claims brought under the German law on product liability, shall be time barred one year after acceptance by the client of the performance by GL of the obligation in question, in so far as there was no wilful misconduct on the part of GL.

**H. Place of Performance - Jurisdiction - Governing Law**

1. The place of performance for all obligations resulting from or in connection with the respective order is Hamburg, unless otherwise provided in the order.

2. The exclusive place of jurisdiction for any legal action against GL is Hamburg, provided the client is a merchant in the legal sense.

3. German law will govern the performance of the order and all claims resulting from or in connection with the order.

**I. Severability Clause**

In the event that individual provisions of the contract between GL and the client or these General Terms and Conditions are or become partly or as a whole ineffective, this will not affect the effectiveness of the remaining terms.

In the event of doubts as to the interpretation of the present General Terms and Conditions, the German text will be authoritative.