

BUSINESS REGULATIONS

The business regulations are valid for all shipyard customers of Brodogradilište Punat d.o.o. and shipyard subsidiaries (hereinafter "Shipyard").

1. GENERAL PROVISIONS

The use of the ship is permitted only to the owner or his authorized representative.

The shipyard customers, persons using the shipyard facilities and equipment shall observe as follows:

- To bound to the business and port regulations of "Brodogradilište Punat d.o.o." and "Marina Punat d.o.o."
- Fire extinguishers on board shall, at all times, be in good working order and ready for use. Should the shipboard fire system not be sufficient the shipyard shall require additional fire fighting equipment.
- To take care of the shipyard facilities in a manner of a good host. Otherwise the shipyard shall undertake measures to protect its facilities on the expense of the contracting party.
- Connection to the power switchboard is only allowed with a proper cable and a safety fuse for the max. allowed socket power.
- Connection to the water supply system is only allowed with a proper hose and a closing valve at the end.
- After leaving the ship the customer shall disconnect all power and water supply systems, otherwise the shipyard personnel shall have the right to do so without preliminary informing.
- To bound to the current law regulations regarding the stay and navigation within the borders of the coastal sea of the Republic of Croatia.
- The ship shall be equipped with quality and appropriate ropes and tends. Otherwise the shipyard shall have the right to eliminate the defaults on the owner's expense without preliminary informing.
- The customer shall be liable for damages on boats, cars and equipment of third parties caused by his crew or simply by bad servicing care of his ship or equipment.
- Mooring of the ship shall be carried out safely and under instruction of the shipyard personal. Otherwise the shipyard shall undertake the mooring at the expense of the customer.
- For the work to be carried out the customer shall deliver the ship technical documentation which will be necessary to solve the technical problem.
- Especially by hauling the ship the customer shall draw attention to the underwater ship equipment and to deliver accurate data about their position.
- If the Customer neglects the ship the shipyard shall have the right to undertake action to protect the asset and bill the Customer for the incurred cost.

- The ship, tender, trailer and car shall be labeled in a visible place with the ship name or berth number.
- In the shipyard area closer than 200 m, it is not allowed: skimming, swimming, surfing and fishing.
- The shipyard determines the berths and shall have the right to shift the ship.
- Parking is forbidden in the shipyard area. The shipyard is not responsible for eventual damages to the cars.

2. DAMAGES

The Contracting party shall be obliged to insure the ship and equipment from general risks, otherwise no responsibility shall be taken.

2.1. The Shipyard shall not be liable to compensate following damages:

- Damage caused by a third party.
 - Damage caused by the act of God.
 - Damage caused by stealing the ship or car, which could not be prevented.
 - Damage caused as a result of malicious act or rough negligence of the owner, crew or other persons on the ship.
 - Damage caused by incorrect or incompetent handling of the owner, crew or other persons on the ship.
 - Damaged caused by bad servicing care or neglecting the ship and equipment.
 - Damage under the title of hidden fault.
 - Damage under the title of loss of time, earnings, taking late holidays etc.
 - Damage caused on the equipment or by disappearance of equipment, which was not appropriately locked or that disappeared without the use of force.
 - Damage caused by robbery of arts and artifacts, money, and securities.
 - Damage and expenses caused by a wreck removal.
 - Damage caused by malfunctioned electrical or plumbing installations on the ship malfunctioned installation from the ship to the pier connection.
 - Damage caused by snapping of the rope that belongs to the ship.
 - Damage caused by neglecting the business and port regulations.
 - Damage caused by neglecting the custom, harbour and other administration provisions.
 - Damage caused by freezing.
 - Damage caused by disappearance of fenders, anchors, ropes, propellers and other equipment, which could have been taken off without force.
 - Damage caused by rodents.
 - Damage caused on boats us a result of a third part act.
- 2.2. Person who shall cause damage in the shipyard area is obliged to compensate the damage to the shipyard or third person.

2.3. The shipyard shall exclusively be liable for damage according to the law regulations, which includes damage caused by its employees. The shipyard is in possession of an insurance policy for Ship repair liabilities upon third parties by the insurance company «Croatia» Osiguranja d.d. Zagreb.

3. WORK ORDER

The work order shall be in the written form. The customer shall be authorized for ordering work and the shipyard shall have the right to examine the owner evidence or authorization. By signing the work order the customers shall observe these business regulations.

4. CONTRACT

The contract shall be in a written form. By signing the contract the customer confirms his authorization for ordering work. Insofar no contract shall be made, the accepted offer shall be considered as a contract.

5. SERVICES

The work in the shipyard is only permitted to the crew of the ship, the shipyard subsidiaries and the registered subcontractors. Registered subcontractors are persons or companies, which have an authorisation and permission to work in the shipyard. The shipyard, the shipyard subsidiaries and the registered subcontractors only carry out the work on the ship underwater part and propulsion. Work that can cause damage to the alongside ships HP pump, compressor varnishing grinding, welding and etc is strictly forbidden without a preliminary agreement of the shipyard management and an appropriate protection.

6. FACILITY USE

It is not allowed to use the shipyard facilities without the preliminary permission of the authorized manager. The shipyard facilities and equipment shall be used on the own responsibility. The further rental of the equipment is forbidden.

7. PROTECTION OF THE ENVIRONMENT

To protect the environment following shall be observed:

- Only bio detergent shall be used.
- In the bilge system an oil and grease absorbent shall be placed.
- It is not permitted to use the sanitary facility – toilet without having a black tank.
- Waste oil, petroleum, detergents, batteries and all other dangerous waste shall be deposited into appropriate waste containers. Drainage into the sea is strictly prohibited and the shipyard shall notify the harbourmaster.

- The customer shall keep the working area in appropriate condition and clean up the place after leaving. Otherwise the shipyard shall bill the party for the cost incurred therewith.
- In the shipyard and marina area it is not allowed to make or cause fire. The ship shall be equipped with a fire fighting system.

8. PAYMENT

Payment shall be carried out according to the valid price list or written offer, after act of delivery by receiving the invoice. The payment shall be carried out the Yacht service reception or by transfer to the shipyard deposit account. The customer shall overtake the payment duty. Only the director or the sales manager of the company shall have the right to negotiate an eventually discount.

9. OVERDUE DEBTS

The customer shall observe the payment deadlines. For all late payments official default interest shall be applied.

10. COMPLAIN

The complain to the work carried out shall be in the written form, latest 7 day from the handover.

11. WARRANTY

Insofar no other agreement is made the warranty is given for 6 months. The shipyard shall not guarantee for work, which has not been agreed upon.

12. OTHER

The shipyard shall be authorized to exercise the right of retention and shall acquire the legal right of mortgage on the ship and equipment in cases of overdue debts. All disputes shall be submitted to the competent court in the shipyard headquarter. In case of disputes the document in Croatian shall be used as governing. Unless the Croatian law provides a different custom protection, the law regulations shall be applied. The Regulation herein shall enter in force on 01.07.2006. and are valid upon new changes. By entering in force the former Regulations shall become invalid.

Punat, 01.07.2006.

BRODOGRADILIŠTE PUNAT d.o.o.

