



FÖRDE REEDEREI SEETOURISTIK IBERIA S.L.U.

General Terms and Conditions of Purchasing

1. General

- 1.1 These General Terms and Conditions of Purchasing shall apply to all products acquired or services hired by FRS Iberia. No other terms and conditions of the supplier conflicting with the present document shall apply, unless specifically agreed and accepted by FRS Iberia in writing. The acceptance or payment of goods and services from the supplier does not constitute agreement.
- 1.2 Oral agreements of any kind – including subsequent modifications and supplements to our Terms and Conditions of Purchase – must be confirmed by FRS Iberia in writing to become effective.

2. Offers

- 2.1 Offers, modifications and supplements must be placed in writing by suppliers to be effective.
- 2.2 Order confirmations must be always placed in writing by FRS Iberia to be effective.
- 2.3 Prices in supplier's offers are considered fixed and not susceptible to be modified by the supplier. Any price rise must be duly notified in writing to FRS Iberia with one month notice period prior its implementation
- 2.4 Cost estimates are binding and are not to be compensated unless otherwise expressly agreed by the Purchasing Department of FRS Iberia.
- 2.5 Offer validity shall be of at least 60 natural days
- 2.6 Unitary prices established in offers shall never include VAT.
- 2.7 Offers, in general terms must include:
 - 2.7.1. Parts definition, brand, model and reference number
 - 2.7.2. Unit price and total price
 - 2.7.3. Service providers must always include in their offers a price breakdown, differentiating between labor force, materials, displacements and any other cost included in the total value of the offer.
 - 2.7.4. Those Works or parts not included in the final Price in the offer, considered necessary to provide the service and/or supply products must be clearly defined in the offer.
 - 2.7.5. Delivery time
 - 2.7.6. Validity of the offer
 - 2.7.7. Payment terms
 - 2.7.8. Reference: FRS order number
 - 2.7.9. Technical and Security Data Sheet of offered products or services must be attached to the offer
 - 2.7.10. Likewise, transport costs, insurances or import duties shall be specified in the offer so as in the sales invoice, clearly differentiating between the ex Works value of the items and other expenses to be included up to their final destination.

- 2.8 Prices in offers from vendors from countries outside the European Union, unless no other delivery terms has been duly accepted by FRS Iberia in writing, shall be Delivery at Place (DAP, Incoterms 2010). Prices shall not include VAT.
- 2.9 Prices in offers from vendors within the European Union shall be CIP to the address specified in the FRS Purchase Order.
- 2.10 Supplier shall bear the risk of damage or loses occurring to goods after the sale has been completed, but before delivery has occurred at FRS Iberia premises or at the point it has established in the Purchasing order (CIP).

3. Inspection

- 3.1 FRS has the right to examine the goods at the manufacturing or store plant so as to control that services contracted meet agreed standards. In order to do so, FRS personnel shall have free Access anytime and during the contract long to the contractor premises or their subcontractors.
- 3.2 Those inspections shall be conducted in a way that won't delay delivery/work completion. As inspection finalizes, a quality control shall follow. In case contracting works to not meet agreed conditions, FRS Iberia shall inform the provider that must bear the adaptation works expenses.

4. Supply

- 4.1 Agreed periods and dates are binding.
- 4.2 Punctual compliance with delivery periods and dates is determined by the date of receipt of the goods by FRS Iberia.
- 4.3 In case delivery terms was not agreed as DAP or DDP (2010 Incoterms), suppliers must provide items in time, considering the estimated time it shall take loading and shipping the goods.
- 4.4 All shipment must include a packing list. Invoice shall not be sent together with the goods.
- 4.5 Should the provider be responsible for setting up or installing the purchased items, it will bear – including a Price breakdown in its offer and invoice – all expenses incurred in order to do so, e.g. displacement expenses, equipment rentals, personnel fees.
- 4.6 Shall providers do not meet agreed delivery times, actions could be taken by FRS Iberia, accomplishing the current legal framework. Supplier shall be fully liable for damages and losses due to late delivery. Should the supplier anticipates difficulties to meet agreed delivery deadlines for any reason, it should immediately inform FRS Iberia purchaser.
- 4.7 The acceptance of delayed supplies or services contracts, do not imply a rejection, from FRS Iberia side, to claim compensation caused by the delay of goods delivery or service completion.
- 4.8 Only the number of items received and controled by FRS Iberia will be recognised as valid. In case the number of items received exceeds the number of items ordered by FRS Iberia, returning costs shall be borne by supplier.
- 4.9 Items delivery to FRS Iberia personnel does not imply acceptance of the goods, that must be always verified after its reception. Shall a non conformity occur, they will be returned to the provider, assuming the later incurring expenses.
- 4.10 Goods packaging must be appropriate to transport preserve and store them. Any damaged caused by an unsuitable packaging shall be assumed by the supplier.
- 4.11 FRS Iberia does not accept partial deliveries unless it has been duly accepted in writing.

5. Force majeure

In the event FRS Iberia, by a cause beyond its control or risk suffers the inability to perform all or any part of its obligations under this agreement, the company shall be excused from such performance for as long as and to the extent to which such event causes such inability to perform. FRS Iberia by any such events shall immediately notify the supplier and indicate

the expected duration of such interruption. In the event the force majeure continues beyond a period of thirty days, FRS Iberia has the right to terminate the Order concerned by written notice, without having to pay any form of compensation.

6. Payment terms

Unless otherwise agreed, payment due date will be always 60 working days from the reception of the invoice, to be sent to the fiscal address and to the attention of the finance department. For these purposes, working days will be considered those in Tarifa, Cadiz, where FRS Iberia HQ are located. Payment term, unless explicitly agreed, is bank transfer. Vendors must facilitate FRS Iberia an IBAN and SWIFT code. Any negotiation in regards to FRS payment terms and conditions shall be duly accepted in written by FRS Iberia personnel. Payment date will be always on the 5th, 10th, 15th, 20th, 25th, 30th or 31st of each month or the next following working day.

7. Invoice

- 7.1 Invoices shall be sent to the fiscal address of the company, to the attention of the finance department, specifying any fiscal data required by the Spanish law in force, so as the purchasing order and the purchaser name. The invoice shall not be sent together with the goods.
- 7.2 It will be acceptable receiving invoices by email to the email address accountspayable@frs.es, as long as an acknowledge of reception and acceptance is sent in written by FRS Iberia personnel.
- 7.3 For non-Spanish companies, FRS won't accept payments of invoices not including the following information: TARIC Code by Item, Incoterm and port/airport of loading, Transport mode, Country of Origin of items and packing list, that must differentiate between net and gross weights⁹. Besides this, invoices must specify any fiscal data required by the Spanish law in force.
- 7.4 Service providers must always include in their invoices in order to be accepted, a price breakdown, differentiating between labor force, materials, displacements and any other cost included in the total value of the offer.

8. Claims based on defects

- 8.1 The acceptance of an order by FRS Iberia is subject to the inspection of it after its reception to verify there are no defects, the order is correct and it is complete. Any defect founded during the inspection of the order shall give rise to a claim for damages. Within this context, suppliers refuse to impugn any claim for damages formulated by FRS Iberia out of the schedule.
- 8.2 Suppliers ensure that their products, services or works are free from defects during the time frame established and from the moment they are put into service. During that guarantee period, supplier ensures the Replacement or reparation o the failing part so as to provide any additional service or work to match the standards agreed, including any required material, with no additional costs for FRS Iberia.

9. Execution of Works

- 9.1 When works or goods destination are any of FRS vessels, by accepting orders the supplier or contractor automatically accepts the responsibility that all goods or works are certified for SOLAS Ships, or under the latest provisions of EC Directive 2008/67/EC (MED Certified). Furthermore all major components are to be supplied with BV Class approval Certificates and / or all related documentation. It is the sole responsibility of providers or contractors to obtain work permissions from the Port Authorities where required.
- 9.2 All Contractors or providers attending FRS Iberia vessels must report to the crew and obtain a Permit to Work before commencing any works.

10. Confidentiality

The supplier ensures that any commercial or technical information provided by FRS Iberia is confidential and is only accessible to the personnel that necessarily need to be involved in the use of it. Same way, the information must be inaccessible to third parties. The information is property of FRS Iberia and may not be copied or used without any previous written consent of FRS Iberia. When required by FRS Iberia, the supplier must immediately return all information received so loaned items.

11. Statistic control of European imports.

Providers from the ECC must send to FRS at the time of dispatching the goods, a soft copy of the original invoice and packing list to the email address of the purchaser from FRS Iberia, with the sole purpose of accomplishing with European law and Intrastat requirements

12. General Conditions Validity

If one of the clauses in these Terms and Conditions becomes ineffective for any reason, it shall not affect the validity of the rest of them. The parties hereto are obliged to agree upon a new clause to replace the ineffective one with a regulation whose economic effect would be as similar as possible to the one caused by the ineffective clause.

13. Applicable legislation

The parties agree to resolve any type of discrepancy by mutual agreement, otherwise any dispute arising from the interpretation and implementation of these terms and conditions shall be submitted to Algeciras Court. The present contract is under the Spanish Law in terms of interpretation, compliance, resolution and nullity consequences.

14. Provider conformity with these Terms and Conditions

The supply of goods by the vendor, after having received an order where the current general terms and conditions of purchasing are shown, will be considered, to all intents and purposes as evidence of compliance of the present T&C.

