



## **SCANDIC INTERNATIONAL WARRANTY**

Scandic International Ltd. warrants the following:

### 9 Warranty of quality

#### 9.1 Guarantee of material and workmanship

The SELLER, for a period of 12 months following delivery to the BUYER of the VESSEL, guarantees the vessel, her hull and machinery and all parts and equipment thereof that are manufactured or furnished or supplied by the BUILDER and/or his sub-contractors under this Contract against all defects which are due to defective materials, and/or poor workmanship.

The SELLER for a period of further 24 months guaranties the body of the WESSEL and its permanently fixed components that are manufactured or furnished or supplied by the BUILDER and/or his sub-contractors under this Contract against all defects which are due to defective poor workmanship.

Guarantee beyond 12 months for engines, auxiliary engine, gear and propeller system, steering system navigational equipment and emergency equipment provided by manufacturing suppliers will bear the warranty issued by each manufacturer. Notice of defect by the BUYER to the SELLER as stipulated by paragraph 9.2 will apply during the warranty period of each item as well as paragraphs 9.3 and 9.4 regarding remedy of defects and extent of liability.

Guaranty beyond 12 months of electrical system and electrical equipment provided by manufacturing suppliers will bear the warranty issued by each manufacturer. Notice of defect by the BUYER to the SELLER as stipulated by paragraph 9.2 will apply during the warranty period of each item as well as paragraphs 9.3 and 9.4 regarding remedy of defects and extent of liability. Possible replacement of faulty equipment will, after 12 months, be in the form of supply of a new item to be installed by the BUYER.

#### 9.2 Notice of defects

The BUYER shall notify the SELLER by e-mail, in writing, or by Fax confirmed in writing, as promptly as possible, after discovery of any defect of deviations for which a claim is made under this guarantee. The BUYER's written notice shall describe the nature of the defect and the extent of the damage caused thereby. The SELLER shall have no obligation under this guarantee for any defects discovered prior to the expiry date of



## **Scandic International Ltd.**

the guarantee, unless notice or such defects, is received by the SELLER not later than twenty (20) days after such expiry date. Faxed advice with brief details explaining the nature of such defect and extent of damage within twenty (20) days after such expiry date and that a claim is forthcoming will be sufficient compliance with the requirements as to time.

### 9.3 Remedy of defects

The SELLER shall remedy at his expense any defects, against which the VESSEL or any part of the equipment thereof is guaranteed under this Article by making all necessary repairs and/or replacement. The BUILDER will make such repairs and/or replacement.

However, if it is impractical to make the repair by the BUILDER, and if forwarding by the SELLER or the BUILDER of replacement parts, and materials can not be accomplished without impairing or delaying the operation or working of the VESSEL, then in any such event, the BUYER shall, cause the necessary repairs or replacements to be made elsewhere at the discretion of the BUYER provided that the BUYER shall first and in all events, will, as soon as possible, give the SELLER notice in writing, or by Fax confirmed in writing of the time and place such repairs will be made and, if the VESSEL is not thereby delayed, or her operation or working is not thereby delayed, or her operation or working is not thereby impaired, the SELLER shall have the right to verify by its own representative (s) or that of Classification Society the nature and extent of the defects complained of. The SELLER shall, in such cases, promptly advise the BUYER, by Fax, after such examination has been completed, of its acceptance or rejection of the defects as ones that are subject to the guarantee herein provided. In all minor cases, the Guarantee Engineer, as hereinafter provided for, will act for and on behalf of the SELLER.

In any circumstances as set out below, the SELLER shall immediately pay to the BUYER in EUROS by telegraphic transfer the actual cost for such repairs or replacements including forwarding charges, or at the average cost for making similar repairs or replacements including forwarding charges as quoted by a leading shipyard:

- (a) Upon the Seller's acceptance of the defects as justifying remedy under this Article, or
- (b) If the SELLER neither accepts nor rejects the defects as above provided, nor request arbitration within thirty (30) days after its receipt of the BUYER's notice of defects. Any dispute shall referred to arbitration in accordance with the provisions of Article xii hereof.

### 9.4 Extent of the seller's liability.



## **Scandic International Ltd.**

The SELLER shall have no obligation and/or liabilities with respect to defects discovered after the expiration of the period of guarantee specified above.

The SELLER shall be liable to the BUYER for defects and damages caused by any of the defects specified in Paragraph 9.1 provided that such liability of the SELLER shall be limited to damage occasioned within the guarantee period specified in Paragraph 9.1 above. The SELLER shall not be obligated to repair, or to be liable for, damages to the VESSEL, or to any part of the equipment thereof, due to ordinary wear and tear or caused by the defects other than those specified in Paragraph 9.1 above, nor shall there be any Seller's liability hereunder for defects in the VESSEL, or any part of the equipment thereof, caused by fire or accidents at sea or elsewhere, or mismanagement, accidents, negligence, or willful neglect, on the part of the BUYER, its employees or agents including the Vessel's officers, crew and passengers, or any persons on or doing work on the VESSEL other than the SELLER/BUILDER, his employees agents or sub-contractors. Likewise, the SELLER shall not be liable for defects in the VESSEL, or the equipment or any part thereof, due to repairs or replacement, which made by those other than the SELLER/BUILDER and/or their sub-contractors.

Upon delivery of the VESSEL to the BUYER, in accordance with the terms of the Contract, the SELLER shall thereby and thereupon be released of all responsibility and liability whatsoever and howsoever arising under or by virtue of this Contract (save in respect of those obligations to the BUYER expressly provided for in this Article) including without limitation, any responsibility or liability for defective workmanship, materials or equipment, design or in respect of any other defects whatsoever and any loss or damage resulting from any act, omission or default of the SELLER. The SELLER shall not, in any circumstances, be liable for any consequential loss or special loss, or expenses arising from any cause whatsoever including, without limitation, loss of time loss of profit or earnings or demurrage directly from any commitments of the BUYER in connection with VESSEL. The Guarantee provided in this Article and the obligations and the liabilities of the SELLER hereunder are exclusive and in lieu of and the BUYER hereby waives all other remedies, warranties, guarantees or liabilities, express implied, arising by Law or otherwise (including without limitation any obligations of the SELLER with respect to fitness, merchantability and consequential damages) or whether or not occasioned by the Builder's negligence. This Guarantee shall not be extended, altered or varied except by a written instrument signed by the duly authorized representatives of the SELLER, the BUILDER, and the BUYER.

### 10. Warranty Period and After Sales Service:



## **Scandic International Ltd.**

10.1 The warranty period shall begin on the day when the products under the Contract (each individual completed vehicle) are sold to the first end user.

10.2 The warranty period shall be subject to that explicitly specified in writing by the Seller on condition that the Buyer properly uses and maintains the products under the Contract according to the Users Manual for the products and the Users Manual for the relevant components explicitly designated by the Seller.

10.3 The after-sales service of the products under the Contract shall be borne, in accordance with the regulations of the after-sales service stipulated by the Seller, by the service agent authorised by the Seller.

10.4 After-sales services shall be implemented according to, including but not limited to, the terms and conditions specified in Warranty Manual and Users Manual of the products and the Users Manual of the relevant components, which are delivered along with the products by the Seller.