

# Contract for Ship Repairs

This Contract for Ship Repairs (hereinafter referred to as “this Contract”) is made on this \_\_\_ day of \_\_\_\_\_ by and between the following parties:

Name of Principal (hereinafter referred to as the “Ship Owner”)

And

Name of Contractor (hereinafter referred to as the “Shipyard”)

The parties are collectively referred to as the “Parties”, and separately each “Party”.

The Ship Owner agrees to entrust the Shipyard to repair its ship “ ” (hereinafter referred to as the “Ship”), and the Shipyard agrees to repair “ ”. The Parties hereby agree on the terms and conditions as follows:

## Clause 1 Description of Ship

Name of Ship: \_\_\_\_\_

IMO No.: \_\_\_\_\_

Flag: \_\_\_\_\_

Name of Registered Owner: \_\_\_\_\_

Whether under demise charter: No

Yes, Name of charterer: \_\_\_\_\_

Period of charter: \_\_\_\_\_

Whether registered: NoYes

If the Ship is under demise charter, a copy of the demise charter and a certificate of demise charter (if applicable) shall be provided by the Ship Owner as **ANNEX 1** to this Contract.

## Clause 2 Performance of Works

2.1 Before or upon the execution of this Contract, the Ship Owner shall furnish the Shipyard with specifications for the work (including alterations or modifications subsequently made by the Parties, hereinafter collectively referred to as the “Works”) and the key drawings (including but not limited to the docking plan, general arrangement, capacity plan and mid-ship section) and necessary technical

data for the Works, and the Shipyard shall perform the Works in accordance with the provisions of this Contract and the usual work standards prevailing in the ship repair industry.

2.2 If any alteration or modification of the Works is requested by either Party, the requesting Party shall promptly notify the other Party in writing and the Parties shall mutually decide whether such alteration or modification should be included into the Works. If any alteration or modification of the Works is agreed by the Parties, the Contract Price as defined in Clause 8 and the Working Period as defined in Clause 3.2 for the Works shall be adjusted accordingly.

2.3 If the alteration or modification of the Works is necessary or indispensable to the performance of the Works, the Ship Owner shall not unreasonably withhold its consent to such alteration or modification as requested by the Shipyard. If the Ship Owner fails to give its consent to the alteration or modification of the Works within 2 days of its receipt of the notification of the same from the Shipyard, the Shipyard is entitled to suspend the Works and extend the Working Period accordingly and any extra expenses and losses incurred therefrom shall be paid by the Ship Owner.

2.4 During the Working Period and with the Shipyard's prior written consent, the Ship Owner is entitled to appoint qualified repair service providers other than the Shipyard (including but not limited to the Ship Owner itself, the master or the crew) to carry out any other relevant works to the Ship provided that such works are beyond the Shipyard's capacity, but the Ship Owner shall advise the specific scope of such works to the Shipyard, remain responsible for all of such works. If such works interfere with or delay the progress of the Works, the Shipyard is entitled to extend the Working Period accordingly. The Shipyard is entitled to, before the commencement of the aforementioned works, refuse the service providers appointed by the Ship Owner with reasonable causes. If the Working Period is delayed due to the Shipyard's unreasonable refusals, the Shipyard is not entitled to extend the Working Period.

2.5 During performance of the works by the Ship Owner's appointed service providers mentioned in 2.4 above, the Shipyard is entitled to charge reasonable management fees against such service providers before the commencement of relevant works. If the service providers fail to pay such management fees, the Shipyard is entitled to refuse such service providers to undertake relevant works, and is entitled to extend the Working Period accordingly if the Working Period is

therefore delayed.

2.6 The Shipyard is entitled to appoint sub-contractors to perform all or any part of the Works, provided that the Shipyard shall remain responsible for all of such sub-contractors' performances. The Ship Owner is entitled to, before the commencement of the aforementioned works, refuse the sub-contractors appointed by the Shipyard with reasonable causes. If the Working Period is delayed due to the Ship Owner's unreasonable refusals, the Shipyard is entitled to extend the Working Period accordingly.

### **Clause 3 Delivery, Working Period and Redelivery**

3.1 The Ship shall be delivered by the Ship Owner to the Shipyard's designated safe water or work site (hereinafter referred to as "Repair Site") on \_\_\_\_ (D) \_\_\_\_ (M) \_\_\_\_ (Y) as agreed between the Parties, and shall be safely afloat, gas free, free of cargo, slops or sludge, excessive ballast water and of any substances which are dangerous or harmful to health (hereinafter referred to as "Delivery"). After inspections, the Shipyard will take delivery of the Ship from the Ship Owner and commence the Works. All expenses and risks related to dockage, towage, pilotage and mooring etc. prior to Delivery shall be borne by the Ship Owner.

3.2 The estimated working period, including the period in dry-dock, shall be \_\_\_\_ calendar days (without guarantee, and hereinafter referred to as the "Working Period"), and shall be counted from 0800 hours (local time of the Shipyard) on the next day of Delivery or the day when the Ship Owner has provided the complete set of key drawings and necessary technical data for the Works (whichever is later). If the Shipyard has commenced the Works, and the Ship Owner delayed in providing the key drawings and necessary technical data, the Shipyard is entitled to extend the Working Period accordingly.

3.3 Conditional upon the Ship Owner's performance of its contractual obligations, the Shipyard shall timely redeliver the Ship to the Ship Owner at the Repair Site or other agreed locations (hereinafter referred to as "Redelivery"). If the location of Redelivery is a place other than the Repair Site agreed between the Parties, the Ship Owner shall bear the expenses and risks in moving the Ship to such location.

3.4 As per the Ship Owner's requests, the Shipyard shall keep the Ship Owner informed of progress of the Works and the expected date of Redelivery.

3.5 In case of any change of the Ship's Delivery or Redelivery time, either Party requesting such change shall obtain the prior consent of the other Party.

3.6 The Shipyard is entitled to terminate the Contract if the Ship Owner fails to deliver the Ship as agreed in Clause 3.1 above without prior written consent of the Shipyard. The Shipyard's termination of this Contract shall not prejudice its claims against the Ship Owner for its losses suffered thereby.

3.7 If, at the date of Redelivery, the Ship Owner fails to take delivery of the Ship, the Shipyard is entitled to charge against the Ship Owner at the rate of [ ] per day, and such expenses shall be deemed as a part of the Contract Price. If the Shipyard could provide evidence which indicates that its actual losses exceed the aforementioned expenses, such losses shall be borne by the Ship Owner.

#### **Clause 4 Dry-Docking**

4.1 The Parties may agree on the dry-docking of the Ship. Nevertheless, in the event that there are unexpected underwater damages or defects on other ships lying in the Shipyard's dock, wharf or berth, and if, in the opinion of the Shipyard, immediate and continuous repair is indispensable for the such ship's safety, the Shipyard is entitled to adjust the schedule for the Ship's dry-docking. In the meantime, the Shipyard is entitled to extend the Working Period accordingly provided that it had timely notified the Ship Owner that the Ship's dry-docking schedule has to be adjusted. Under this circumstance, the Shipyard shall arrange the Ship's repair in the dry-dock as soon as reasonably possible.

4.2 In the event that the alterations or modifications in the Works are agreed by the Parties and thus the period for dry-docking has to be extended, the Shipyard is entitled to undock the Ship according to the Shipyard's schedule upon the expiration of the initial dry-docking period and then re-dock the Ship at the earliest possible opportunity. The additional costs and expenses incurred for the docking and undocking shall be on the Ship Owner's account. If the Works could only be conducted during the dry-docking period, such waiting time during the un-dock period of the Ship, which is caused by the aforementioned alterations or modifications, shall not be calculated into the Working Period.

#### **Clause 5 Supervision and Confirmation of Works**

- 5.1 The Ship Owner shall appoint and designate its superintendent(s) to the Shipyard throughout the Working Period to supervise the Works. If the Ship Owner fails to designate its superintendent(s) or the superintendent(s) is (are) unable or refuse(s) to perform duties during the Working Period, the master of the Ship shall be deemed as the Ship Owner's superintendent.
- 5.2 Unless the authority of the superintendent(s) is expressly restricted by the Ship Owner, the Ship Owner's superintendent(s) shall be entitled to deal with all matters under this Contract, including but not limited to the approval of plans, drawings, calculations, documents, giving instructions to the alterations or modifications in the Works, confirming the progress of the Works, executing the Works Completion List, the bill(s) of account and Final Contract Price Agreement on behalf of the Ship Owner.
- 5.3 If the Ship Owner's superintendent(s) fail(s) to perform duties properly, including but not limited to willful or unreasonable delays in giving relevant approvals, instructions, confirmations or opinions, the Shipyard is entitled to request the Ship Owner to replace its superintendent(s) immediately. If such replacement has adverse effects on the progress of the Works, the Shipyard is entitled to extend the Working Period accordingly.
- 5.4 The superintendent(s) shall confirm the completion of the Works by way of executing the Works Completion List prepared by the Shipyard before Redelivery; the Shipyard may also prepare the Works Completion List for particular Works for the Ship Owner's execution during the course of the Working Period. If the superintendent(s) fail(s) to confirm and execute the Works Completion List within [ ] working days upon its receipt of the same, and also fail(s) to raise any written objections, it shall be deemed that the Ship Owner has confirmed and accepted the Works Completion List. If the superintendent(s) raise(s) written objections against the Works Completion List, the Parties shall negotiate or jointly appoint a third-party surveyor or survey organization (hereinafter referred to as "Surveyor") to make a decision on the disputed items in the Works Completion List. The Surveyor's decision shall be binding upon the Parties. If, according to the Surveyor's decision, the Ship Owner's objection does not stand, the Ship Owner shall bear the Shipyard's losses suffered thereof and also the Surveyor's costs; if the Ship Owner's objection stands, the Shipyard shall make adjustments to the Works, re-submit the Works Completion List, and shall also bear the Surveyor's costs.

5.5 The Ship Owner, its superintendent(s), crew or employee(s) shall be cooperative and are obliged to provide assistances in the completion of Works. If the Works could not be completed due to non-cooperation of the aforementioned parties, the Shipyard may demand the Ship Owner to perform its obligations within a reasonable period and is entitled to extend the Working Period accordingly; if the Ship Owner fails to fulfill its obligations within such a period, the Shipyard is entitled to terminate this Contract and claim damages.

#### **Clause 6 Disposal of Waste and Scrap Materials**

6.1 The Shipyard is entitled to dispose of all waste and scrap materials generating from the Works. If such materials are categorized as solid wastes or hazardous wastes in accordance with Chinese environmental laws or regulations, the Shipyard's costs and fees incurred in storing and disposing of such wastes (including entrusting qualified and licensed third parties in storing and disposing of such wastes), after deducting the Shipyard's earnings in disposing of such wastes, shall be borne by the Ship Owner.

6.2 If the Ship Owner requires to retain any specific scrap part or equipment disassembled from the Ship, the Ship Owner shall notify the Shipyard in writing to obtain the Shipyard's prior consent before disassembling from the Ship and shall have the same moved away as soon as possible after disassembling and in accordance with Chinese environmental laws or regulations. The Shipyard's storing costs incurred thereof and losses suffered as a result of the Ship Owner's failure to dispose of the aforementioned scrap part or equipment in proper manners (including but not limited to penalties imposed by local environment protection authority) shall be borne by the Ship Owner.

#### **Clause 7 Ship Owner's Supplies**

7.1 The Ship Owner shall timely deliver all materials of the Ship Owner's supply items to the Shipyard's designated locations as requested by the Shipyard. If the Ship Owner delays in providing its supply items, the Shipyard is entitled to extend the Working Period accordingly or decline any particular work, and also entitled to claim damages against the Ship Owner for losses or damages sustained thereof.

7.2 All paints necessary for the Works shall be supplied by the Ship Owner.

7.3 All of the Ship Owner's supplies, which are in the custody of the Shipyard at the Ship Owner's request, shall be at the sole risk and responsibility of the Ship Owner, provided always that the Shipyard shall perform proper duty of care.

7.4 The Shipyard shall not be liable for any fault, defect, breakdown and/or whatsoever occurrences in the course of or after completion of the Works insofar as they are attributable to the Ship Owner's supply items.

## **Clause 8 Contract Price and Payment**

8.1 Unless otherwise agreed in writing, the Contract price shall be determined in accordance with  the tariff as attached to this Contract (**Annex 2**)  *China Shiprepair Tariff* (2016 edition) without its attachments which was published by China Association of the National Shipbuilding Industry and became effective since 1 June 2016 (hereinafter referred to as the "Contract Price"). The discount ratio of the Contract Price is [ ]. The Ship Owner confirms that it is fully aware of and agrees the contents of the Contract Price and the discount ratio.

8.2 The estimated Contract Price is [ ]. The final price for this Contract shall be determined by the bill(s) of account or the Final Contract Price Agreement signed by both Parties.

8.3 Upon the Ship Owner's execution of the Works Completion List, the Shipyard shall timely issue bill of account or bills of account in instalments to the Ship Owner. The Ship Owner shall confirm and sign the bill(s) of account within [ ] calendar days of receipt of the same, or sign Final Contract Price Agreement (see **Annex 3**, and the Final Contract Price Agreement shall be deemed as a part of this Contract) with the Shipyard.

8.4 Unless otherwise expressly agreed in writing by the Parties, the Ship Owner shall pay the full amount of the Contract Price in U.S. Dollars or any other currency acceptable to the Shipyard without set-off, deduction and not subject to foreign exchange control. All taxes and bank charges etc. related to the Contract Price shall be borne by the Ship Owner.

8.5 The Parties agree that the Ship Owner shall pay [ ] within [ ] calendar days of the execution of this Contract as deposit for the Works. In the event that the Ship Owner fails to pay the deposit, the Shipyard is entitled to suspend the Works, and to terminate this Contract and lodge claims against the Ship Owner for losses

sustained thereby.

8.6 The Shipyard is entitled to request the Ship Owner to pay the estimated Contract Price in [ ] installments before completion of the Works, provided that Parties agree alterations or modifications in the Works and such alterations or modifications are considered to be material to the Works by the Shipyard . In the event that the Ship Owner fails to pay the installments as per the Shipyard's request, the Shipyard may suspend such alterations or modifications until the Ship Owner's payment of the installments and the Ship Owner shall be responsible for the Shipyards' losses sustained thereby.

8.7 If the Shipyard completes the Works prior to the last day of the Working Period, the Ship Owner shall pay to the Shipyard [ ]% of the final Contract Price per day pro rata; if, due to causes not attributable to the Ship Owner, the Shipyard fails to complete the Works within the Working Period (including the Working Period as extended by the Shipyard in accordance with this Contract), the Shipyard shall pay to the Owner [ ]% of the final Contract Price per day pro rata. Under whatever circumstances, the aforementioned payments shall not exceed [ ]% of the final Contract Price. If the difference between the actual completion date and the last day of the Working Period is within 5 days, both Parties shall not bear payment liabilities to each other.

8.8 Unless otherwise expressly agreed in writing by the Parties, the Ship Owner shall pay the total or [ ]% of the final Contract Price to the Shipyard within [ ] calendar days of the completion of the Works or before Redelivery (whichever comes earlier). In the event that the Ship Owner fails to make payment of the Contract Price in accordance with the aforementioned agreement, the Shipyard is entitled to exercise lien on the Ship or otherwise detain the Ship for all sums due until the payment is made in accordance with the relevant agreements under this Contract; The Shipyard shall not assume any liability or responsibility for its exercise of lien on or detention of the Ship and shall be entitled to claim against the Ship Owner for any expenses, losses and/or damages sustained thereby; during the period of the lien or detention of the Ship, the Ship Owner shall be responsible for maintaining the Ship properly and shall be responsible for the safety of the Ship and preventing the Ship from polluting the environment in accordance with Clause 10.4 . If the Ship Owner fails to pay the outstanding debts within 1 month of its receipt of the notice of exercise of the lien from the Shipyard, the Shipyard is entitled to realize its lien by way of auction or sale of the Ship through the court and to the priority of having the debts paid with the proceeds from such auction or

sale .

8.9 Upon confirmation of the final Contract Price, the Parties may agree that the final Contract Price be paid in several installments. In the event that the Ship Owner is in default of payment of one of the installments, all the following installments shall immediately become due, and the Ship Owner shall immediately pay all the amount thus become due together with interest accrued thereon in accordance with Clause 8.10.

8.10 If the Ship Owner fails to pay the full or the agreed amount of the Contract Price on the agreed due date, it shall pay interest at the rate of [ ]% per annum on the unpaid amount from the due date to the date of full payment. If the Contract Price is paid in a currency other than Chinese yuan, and if the Ship Owner fails to pay the Contract Price on the agreed due date, the Ship Owner shall indemnify the Shipyard against any loss arising out of the conversion including any discrepancy between the rate of exchange, which is used to convert the aforementioned Contract Price into Chinese yuan, on the agreed due date and the actual payment date.

8.11 All the classification services, technical service engineers and sea trials shall be arranged by the Ship Owner on its own account, unless otherwise agreed by the Parties.

### **Clause 9 Shipyard's Liability and Responsibility**

9.1 The Shipyard shall not be responsible for any loss of or damage to or in connection with the Ship or her part(s), cargo aboard or any other properties of the Ship Owner and/or its employees, unless such loss or damage is directly caused by willful misconduct or gross negligence of the Shipyard or its employee(s) or sub-contractor(s) in conducting the Works, the employment activities or authorized activities.

9.2 Liability Limitation: The Shipyard's aggregate liability to the losses or damages of the Ship Owner or any other party (including insurers and any other third parties, whether such party has interest in the ownership or operation of the Ship or not) shall be limited to US Dollars [ ]. The Shipyard's aforementioned liability shall include all the losses or damages of the Ship Owner or any other parties, including but not limited to all direct or indirect losses or personal injuries or death, and whether such losses or damages were caused under contract, in tort or by any other reason, or by the fault of the Shipyard, its employees, agents or

sub-contractors. Such limitation shall apply to single or a series of incident(s), losses or damages which was/were caused by a single or a series of cause(s) or incident(s). The Ship Owner agrees and undertakes that it shall be responsible for liabilities for any losses, damages, claims or costs which exceed the limitation of US Dollars [ ], and shall hold the Shipyard harmless under this circumstance, regardless of the causes of the aforementioned liabilities and whether such liabilities were caused by the fault of the Shipyard, its employee(s), agent(s) or sub-contractor(s).

- 9.3 Any tests, sea trials or movements of the Ship shall be at the Ship Owner's sole risk. Any offshore repairs of the Ship shall be at the Ship Owner's sole risk. The Shipyard, its employee(s) or any sub-contractor(s) shall not be under any liability to the Ship Owner for any expenses (excluding repair costs) incurred during the course of, or defaults, losses and damages caused by the sea trials or movements or offshore repairs.
- 9.4 Upon completion of the Works, any and all responsibility of the Shipyard shall be discharged save as provided for in Clause 9.5.
- 9.5 The Shipyard shall take quality warranty responsibility for the defects of its furnished equipment, parts or materials or its workmanship. For fixed parts, the quality warranty period is [ ] months from Redelivery; for moveable parts, the quality warranty period is [ ] months from Redelivery. The Ship Owner shall serve the Shipyard with a written notice within [ ] days of occurrence of the aforementioned defects and shall describe such defects with supporting documents to prove that such defects were completely caused by the Shipyard's negligence. In the event that the Ship Owner fails to serve the aforementioned written claim notice within the aforesaid period, it shall be deemed that the Ship Owner has unconditionally and completely waived its claims.
- 9.6 Upon receipt of the claim notice in 9.5 above, the Shipyard is entitled to investigate the causes of such defects through its authorized representatives, and the Ship Owner shall provide necessary assistance. If the Shipyard confirms that such defects were caused by the Shipyard's negligence, it shall undertake, free of charge, to repair or replace such materials or rectify such defective workmanship at its Repair Site. If it is not practicable or cost effective for the Ship Owner to bring the Ship to the Shipyard's Repair Site, the Ship Owner may cause the necessary repairs or replacement to be made elsewhere subject to the Shipyard's

prior written consent and the Shipyard shall, subject to all the foregoing conditions and upon the Ship Owner's written request, reimburse a sum equivalent to the cost of making repairs or replacement at such other places, but the aforementioned sum shall not exceed (the Parties may choose one of below)  [ ] times of the Contract Price;  [ ] times of the price for the same repairs or replacement at Chinese leading shipyards;  [ ] times of the price for the same repairs or replacement at shipyards in China, Singapore or Middle East areas .

- 9.7 The Shipyard's liability for guarantee repair is limited to Clause 9.5 and 9.6 above, and the Shipyard shall in no event be liable for any other losses, damages or expenses, whether direct or indirect, including but not limited to salvage, towage, dockage, wharfage, any other non-routine service fees charged by the shipyard who actually carried out the guarantee repair, port dues, any other expenses for inspection and supervision, consumables, insurance and transportation etc., or for any loss in the operation of the Ship and/or for any loss of time and profits due to repairs, which were caused by any fault or defect. The Shipyard shall have no liability against any fine or penalty imposed on the Ship Owner and the Shipyard shall have no liability against any third party having an interest in the ownership, operation of the Ship or the ownership of cargo on-board etc. for any liability against any latent or worsening damages.
- 9.8 In any event, any claim in connection with guarantee repair shall not affect the payment obligations of the Ship Owner. Any outstanding Contract Price shall be paid on time, and the Ship Owner shall not withhold such payment in partial or in whole or set off the same with its request for guarantee repair.
- 9.9 The Shipyard did not guarantee the workmanship, quality and/or condition of any painting if the same, which was conducted under the requests of the Ship Owner, was improper and not in accordance with the requirements of the paint maker.
- 9.10 Within the Working Period, the Shipyard shall have adequate ship-repairer's liability insurance, and shall timely provide copies of the policies, evidences and detailed statements in accordance with the Ship Owner's requests.
- 9.11 The Shipyard's obligations and liabilities set out in this Clause are not meant to be exhaustive.

## **Clause 10 Ship Owner's Liability and Responsibility**

- 10.1 The Ship Owner shall be responsible for obtaining all necessary approvals and certificates relating to the Ship, and shall maintain the effects of the same.
- 10.2 During the Working Period, the Ship Owner shall procure relevant insurance for the Ship, crew, equipment on board and other properties owned or controlled by the Ship Owners, including but not limited to the Protection and Indemnity Insurance, the Hull and Machinery Insurance and War Risks Insurance. Upon the Shipyard's request, the Ship Owner shall furnish the Shipyard with related documents such as copies of the insurance policy, evidence, and detailed statement.
- 10.3 The Ship Owner shall solely be responsible for any losses or damages resulting from disregard or non-observance by the Ship Owner or its crew or its employee(s) or other repair service providers appointed by the Ship Owner of the prohibitions specified in the General Regulations at Shipyard attached hereto as **ANNEX 4** or of the Shipyard's safety requirements during the Ship's stay at the shipyard.
- 10.4 The Ship Owner shall at all times solely be responsible for the safety of the Ship, and shall take all necessary measures to protect the safety of the Ship and to prevent the Ship from polluting the environment. The Delivery and Redelivery in this Contract shall not discharge the Ship Owner from the aforementioned liabilities. During the Working Period, the Shipyard may, at the request of the Ship Owner, assist in maintaining the safety of the Ship and preventing the Ship from polluting the environment, and all the expenses related thereto shall be borne by the Ship Owner. The aforementioned expenses shall include but not limited to the labor and material costs the Shipyard incurred in maintaining the safety of the Ship or taking pollution prevention measures, expenses the Shipyard incurred on behalf of the Ship Owner to meet relevant regulations regarding ship safety and pollution prevention, and expenses actually incurred and losses actually suffered by the Shipyard as a consequence of assisting the Ship Owner or taking necessary measures in accordance with the Ship Owner's instructions.
- 10.5 The Ship Owner shall at all times solely be responsible for death, personal injury and disease of the Ship Owner's employee(s) or the Ship's crew or passenger(s) or the employees of sub-contractors appointed by the Ship Owner onboard, unless the death, injury or disease is directly caused by the willful misconduct or gross negligence of the Shipyard and/or its employee(s) or subcontractor(s) in conducting the Works or the employment activities or authorized activities. The

Ship Owner shall hold the Shipyard harmless of and indemnify the Shipyard against any claims in respect of the aforementioned death, personal injury or disease.

10.6 In the duration of this Contract, if the Ship Owner intends to transfer the ownership of the Ship, or terminate the demise charter of the Ship, it shall give the Shipyard prior written notice. In this circumstance, the Shipyard is entitled to request the Ship Owner to pay off the amount of Contract Price already incurred and to provide security acceptable by the Shipyard for the uncompleted Works. Unless the Ship Owner provides security according to the Shipyard's requests, the Shipyard is entitled to terminate this Contract and cease the uncompleted Works.

10.7 The Ship Owner's obligations and liabilities set out in this Clause are not meant to be exhaustive.

#### **Clause 11 Extension of the Working Period**

11.1 In the event of Force Majeure, which refers to events that are unpredictable, and the occurrence and consequence of the same could not be overcome or avoided at the time of the conclusion of this Contract, such as fire, flood, typhoon, earthquakes, extreme weather, orders of the government etc., the Shipyard shall notify the Ship Owner within [ ] calendar days of the occurrence of the same in writing, and shall also notify the Ship Owner within [ ] calendar days after such Force Majeure event ends in writing. The Shipyard is entitled to extend the Working Period accordingly, and its expenses in avoiding or reducing the impacts of Force Majeure events on the Works shall be borne by the Shipyard.

11.2 Besides the provisions of Clause 2.3, 2.4, 2.6, 3.2, 4.1, 5.3, 5.5 and 7.1, if the Working Period is delayed by other reasons attributable to the Ship Owner, the Shipyard is entitled to extend the Working Period accordingly.

#### **Clause 12 Termination of Contract**

12.1 Besides the provisions of Clause 3.6, 5.5, 8.5 and 10.6 of this Contract, this Contract may be terminated under the following circumstances:

12.1.1 if the occurrence of Force Majeure event makes it impossible for the Parties to realize the purposes of this Contract, either Party is entitled to terminate this Contract;

12.1.2 if an order or an effective resolution is passed for the dissolution, winding up or bankruptcy of one Party, or if a receiver/administrator is appointed over the whole or any part of the property of one Party or any similar process or proceeding is initiated under the laws of any relevant jurisdiction, or one Party ceases to carry on its business or makes any special arrangement or composition with its creditors, the other Party is entitled to terminate this Contract;

12.1.3 if one Party clearly indicates by its word or action that it will not perform this Contract, the other Party is entitled to terminate this Contract.

12.2 Even if this Contract is terminated, the Ship Owner shall still pay to the Shipyard the Contract Price already incurred as well as the actual costs incurred including the materials purchased and the goods supplied by the Shipyard for the purpose of completing the Works, within [ ] days of the termination. After termination of this Contract, the Shipyard is entitled to move the Ship from the Repair Site to other locations, and all costs and risks incurred as results of the wharfage, towage, pilotage, docking and berthing shall be borne by the Ship Owner.

### **Clause 13 Trademarks and Patents**

In the event that the Works involves manufacture or renewal of machinery, equipment, fittings or their parts in accordance with drawings, specifications, models or other data/information supplied by the Ship Owner, the Ship Owner shall solely be responsible for infringement of trade mark, patent or similar rights of any third party, and shall hold the Shipyard harmless of and indemnify the Shipyard against any claim by the third party in respect of such infringement. The Shipyard shall have the right to suspend the manufacture and renewal and to lodge claims against the Ship Owner for the losses and damages sustained thereby.

### **Clause 14 Confidentiality**

Drawings, designs, diagrams and other documents prepared by the Shipyard shall remain as the Shipyard's property and shall not be disclosed to any third party without its written consent. Likewise, the Shipyard shall not disclose drawings or information which belongs to the Ship Owner to any third party without the Ship Owner's written consent. It is the Parties' obligations to maintain confidentiality.

### **Clause 15 Assignment**

Save as that provided in Clause 2.6, neither Party shall be entitled to assign its rights and obligations under this Contract to any third party without prior written consent of the other Party.

### **Clause 16 Cooperation in Legal Requirement**

Where it is necessary for the Shipyard to comply with certain procedures of government authorities to satisfy any requirement under the applicable laws and regulations to perform this Contract, the Ship Owner shall, upon request of the Shipyard, cooperate with the Shipyard to facilitate such procedure.

### **Clause 17 Notice**

17.1 Any and all notices and communications in connection with this Contract shall be addressed as follows:

For the Ship Owner:      Address:  
   Attn.:  
   Tel. No.:  
   Fax No.:  
   Email Address:

For the Shipyard:      Address:  
   Attn.:  
   Tel. No.:  
   Fax No.:  
   Email Address:

17.2 Any change of one Party's address shall be communicated in writing by the Party to the other Party and in the event of failure of such notice of change, communications addressed to the Party's last known address shall be deemed sufficient.

17.3 "In writing" or "written" in this Contract shall mean any method of legible communication. A notice may be given in any effective means including but not

limited to cable, telex, facsimile, email, registered or recorded mail, commercial courier or by personal service etc.

17.4 Any and all notices and communications to the Ship Owner's superintendent(s) and the master shall be seen as served to the Ship Owner.

#### **Clause 18 Effectiveness of Contract**

18.1 The undersigned warrant that they have proper authorities to execute this Contract for and on behalf of the relevant Parties.

18.2 This Contract may be executed by facsimile or via email with full legal effect.

18.3 This Contract shall become effective upon the executions by both Parties' representatives. If this Contract is not signed by the master, the validity of this Contract shall not be affected.

18.4 If the Delivery has taken place before execution of this Contract, any written agreement between the Parties shall be deemed as an integral part of this Contract. If there is any conflict, the provisions of this Contract shall prevail.

18.5 All the annexes to this Contract together with the executed Works Completion List, bill(s) of account shall constitute integral parts of this Contract, and shall have the same force of law as this Contract.

#### **Clause 19 Arbitration and Governing Law**

This Contract shall be governed and construed in accordance with the laws of People's Republic of China. Any dispute arising from or in connection with this Contract shall be submitted to China Maritime Arbitration Commission (CMAC) for arbitration which shall be conducted in accordance with CMAC's arbitration rules in effect at the time of applying for arbitration. The arbitral award is final and binding upon both parties

IN WITNESS WHEREOF, the Parties have caused their respective authorized representative to execute this Contract on the date first written above.

**Ship Owner's Representative(s):**

\_\_\_\_\_  
(Signature)

Signed by Name and Position of the signatory

As authorized representative of Name of Company, as Ship Manager (/Ship Operator)  
(/agent)

For and on behalf of

Ship Owner (/Demise Charterer)—Name of Ship Owner or Demise Charterer

Company seal:

Date:

\_\_\_\_\_  
(Signature)

Ship Master: Name of the Master

For and on behalf of

Ship Owner (/Demise Charterer)—Name of Ship Owner or Demise Charterer

Ship seal or master seal:

Date:

**Shipyard's Representative(s):**

\_\_\_\_\_  
(Signature)

Signed by Name and Position of the signatory

For and on behalf of

Name of Shipyard

Shipyard seal:

Date: