

GENERAL TERMS AND CONDITIONS (Rev 1) APPLICABLE FOR THE WORK PERFORM  
BY SUB-CONTRACTORS

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Drydocks World – Dubai LLC, a company organised and existing under the laws applicable to the Emirate of Dubai, and whose principal place of business is located at P.O Box 8988, Jumeira Beach Road, Al Mina, Dubai, United Arab Emirates (the “Yard”)

1. General

1.1 Unless otherwise specifically agreed in writing between the Sub-contractor and the Yard, these General Terms and Conditions shall apply to and be incorporated in any sub - contract for work and/or services to be performed by the Sub-Contractor for the Yard and shall override and be deemed to be substituted for all terms and conditions contained in any other document or form of communication used by the Sub-Contractor in connection with such sub - contract.

2. Definitions

In these General Terms and Conditions (the “Conditions”):

- 2.1 The ‘Yard’ shall mean Drydocks World – Dubai yard and all other premises and/or facilities situated in Dubai.
- 2.2 The ‘Sub-Contractor’ shall mean any person/company who is contracted to perform work for the Yard.
- 2.3 Together referred to collectively as the “Parties” and individually as a “Party”
- 2.4 The "Sub-Contract" means the agreement between the Yard and the Sub - Contractor for the execution of the works constituted by the Sub-Contractor's written acceptance of the award, and any other contract or legal relationship at any time made or entered into between the Yard and the Sub-Contractor, and includes the tender, the specification, the award and these Conditions;
- 2.5 "Delivery" means whichever is the earlier of: (a) completion and acceptance of the Works by the Yard; (b) completion and acceptance of the Works by the Owner as more accurately defined below); and (c) the withdrawal of the Sub-Contractor's workmen from the Vessel following termination of the Sub-Contract by the Sub-Contractor;
- 2.6 The “Owner” of a Vessel is the person, company or an entity registered as the owner of the Vessel in the homeport of the Vessel.
- 2.7 “Person” shall mean any individual, partnership, body corporate or other legal entity.
- 2.8 The “Contract Price” means the amount payable by the Yard for the execution of the work in accordance with the Sub-Contract terms and conditions.

- 2.9 The "Completion Date" shall mean the date for completion of the works stated in the Sub-Contract ( and the same may be extended/varied, in the event of any variation in the scope of the work, be varied either by agreement between the Yard and the Sub-Contractor or, in the absence of any such agreement, as conclusively determined by the Yard).
- 2.10 The "Vessel" means the Vessel and any part of the Vessel, or any floating structure or part thereof, any cargo, machinery or equipment carried on or removed from the Vessel or structure for any purpose, and any equipment, materials, articles and things within the scope of the Works or in respect of which the Sub-Contractor executes, or is to execute, the Works;
- 2.11 The "Work" shall mean the work and/or services to be carried out by the Sub-Contractor for the Yard including but not limited to all equipment, materials, articles and things to be supplied or provided, and all works to be done, by the Sub-Contractor under the Contract; and
- 2.12 In these Conditions, unless the context otherwise requires, any reference to: (a) any "person" shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) or any two or more of the foregoing; (b) the Conditions or any other agreement or document shall be construed as a reference to these Conditions or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, varied, novated or supplemented in a manner acceptable to the Yard; (c) any "Clause" or "Sub-clause" is a reference to such clause or sub-clause of these Conditions; and (d) words importing the singular number include the plural and vice versa. Paragraph headings are for ease of reference only and shall not affect the interpretation of these Conditions.
- 2.13 These Conditions shall govern and be incorporated as an integral part of any Sub-Contract and if there is any conflict or inconsistency between these Conditions and any other conditions, terms, representations or warranties whatsoever, express or implied (and whether statutory or otherwise), these Conditions shall prevail except and to the extent that any part of the Conditions may have been, or may from time to time be, specifically excluded or varied in writing and duly signed by an authorised representative of the Yard.
- 2.14 If any term or condition of the Sub-Contract is held to be illegal, invalid or unenforceable, whether in whole or in part, such illegality, invalidity or unenforceability shall not prejudice the effectiveness of the remainder of the Sub-Contract and each other term and condition or part thereof shall be legal, valid and enforceable to the fullest extent permitted by law.
- 2.15 The rights, powers and remedies conferred on the Yard by the Sub-Contract are cumulative, may be exercised as often as the Yard thinks fit and are in addition to, and are not exclusive of, any rights, powers and remedies provided by law.

### 3. Scope and Performance of Work

- 3.1 The Sub-Contractor undertakes to perform, carry out and provide to the Yard's complete satisfaction, the Work as described in the Sub-Contract, including any drawing, specification or other document referred to therein which shall form part of the Sub-Contract. The Yard, however, reserves the right by written notice to the Sub-Contractor to vary, reduce or add to the scope of the Work from time to time as the Yard deems appropriate.
- 3.2 The Sub-Contractor shall perform and complete the Work to the entire satisfaction of the Yard by the scheduled Completion Date (including any remedy any defects in the Works) strictly in accordance with the standards of skill, care, diligence and professional workmanship adhered to by experienced and competent contractors and sub-contractors specialising in the work of the particular type and magnitude. Failure on the part to provide the Works in accordance with the scheduled Completion Date the Sub-Contractor shall be entitled for all the losses, damages, costs and claims arising as a result of such non delivery/non completion. Further, the Sub-Contractor shall be liable to pay liquidated damages amounting to 5% of the final Contract Price per day of delay
- 3.3 The Work shall be carried out and completed by the Sub-Contractor in accordance with the rules and requirements of any laws, regulations, rules and instructions of any applicable governmental authority and from time to time applicable at the Yard's premises (including, without limitation, the applicable laws and regulations of the competent authorities as well as the oral and written practices, rules and instructions from time to time issued, made or given by or on behalf of the Yard) shall in all respects apply to the Sub-Contractor during the period of the Works.
- 3.4 Unless otherwise specified in the Sub-Contract or agreed in writing by the Yard, the Work shall be performed in full compliance with the practices and rules prevailing from time to time at the Yard and within the Yard's normal working hours. Even where performance outside normal working hours is so specified or agreed, no premium shall be paid in respect thereof unless otherwise specifically provided in writing by the Yard.
- 3.5 The title to all goods and materials to be supplied by the Sub-Contractor under the Sub-Contract or used by the Sub-Contractor in performing the Sub-Contract shall pass to the Yard on entry of the relevant goods and materials into the Yard's premises and the Sub-Contractor shall, as beneficial owner pass such title free from encumbrances to the Yard. Notwithstanding such passing of title, the risk in such goods, equipment and materials shall remain with the Sub-Contractor until completion of the Works in accordance with the Sub-Contract. All goods and materials supplied and used by the Yard shall be fit for purpose they are procured, free from defect arising in any manner out of the manufacture, design or suitability of such materials or the design or suitability of such workmanship and otherwise of first-class quality.

### 4. Drawings and Technical Information

- 4.1 Any particulars of the work given by the Yard to the Sub-Contractor are provided for guidance only. The Sub-Contractor will be responsible for satisfying itself as to the accuracy of all necessary details and dimensions.

## 5. Price

- 5.1 Unless otherwise agreed in writing, the price payable by the Yard in respect of the Work shall either be the lump sum price in the relevant Sub-Contract or be calculated on a time and materials basis in accordance with the rates stated in the relevant Sub-Contract. Rates are to be approved by the Yard in writing.
- 5.2 In the case of a Sub-Contract for a lump sum price, the price for any additional work expressly not covered by the lump sum price or for any reduction of Work covered by that lump sum price, such additional work or reduction of Work being in each case required by the Yard in accordance with clause 3.1 above, shall be determined, unless otherwise agreed in writing, on a time and materials basis in accordance with rates agreed or to be agreed in writing between the Sub-Contractor and the Yard or, in the absence of any such agreement, conclusively determined by the Yard.

## 6. Completion & Invoicing

- 6.1 The Sub-Contractor shall complete the Work by the scheduled Completion Date.
- 6.2 As soon as the Sub-Contractor has in its own opinion completed the Work it shall so notify the Yard in writing and furnish the Yard with its pro-forma invoice in respect of the Work and a full report of the Work performed listing, as applicable, all goods and materials supplied or used, however, not later than 24 hours from completion of the works.
- 6.3 The Sub-Contractor's work shall be deemed fully completed when, and only when all the Work has been completed (including the remedying of all defects) in every particular and detail to the entire satisfaction of the Yard and the Owner, and after successful completion of any sea trials and/or other tests if required by any such representative or Classification Society.
- 6.4 It is the responsibility of the Sub-contractor to submit following documents for the approval of yard's supervisors / Project Manager in charge of the works;
- 1) Work Completion Certificates carrying full details of the Work including all goods and materials supplied.
  - 2) Material reconciliation reports for the materials supplied by the Yard for carrying out the Work.

It is mandatory to submit a duly signed original copy of the Work Completion Certificate and Material Reconciliation Report (where applicable) along with the final invoice.

- 6.5 Upon final agreement on the amounts, Subcontractor shall submit the final invoice directly to Yard's Accounts Department along with duly signed Work Completion Certificates, Material Reconciliation Report (where applicable) and a copy of Yard's Subcontractor Requisition Form (Form No.019).

## 7. Payment

- 7.1 Unless otherwise agreed in writing, payment in respect of the Work shall be made by the Yard to the Sub-Contractor within thirty (30) calendar days from the end of the calendar month in which the invoice is agreed. Payment shall (unless as aforesaid) be in the currency in which the price of the Work is denominated in the relevant Sub-Contract, or as agreed in writing between the Parties.

## 8. Indemnity and Insurance

- 8.1 The Sub-Contractor shall hold each of the Yard, its affiliates and associated companies, and the Owner harmless and fully and effectively indemnified against any and all losses, liabilities, costs, claims, actions or demands which it may incur or which may be made against it and which would not have been so incurred or made against it if the Sub-Contractor had performed the Work strictly in accordance with these Conditions..

- 8.2 The Sub-Contractor shall be solely responsible for and shall hold each of the Yard and their respective employees fully and effectively indemnified against any loss, liability, claims, damage or injury (including death) to persons or property including the Vessel, when such property is in possession or control of the Sub-Contractor or its subcontractors arising during or as a result of the Sub-Contractor's performance of the Work(s) regardless of the passive, concurrent or active negligence of the Yard, its affiliates and associated companies, , (including without limitation property of the Yard and or of any of their respective employees) which may wholly or partly result from or occur in connection with the carrying out of the work and/or the remedying of any defects therein, any other activities of the Sub-Contractor, its staff, labourers, customers or visitors within the area of the Yard's premises , or any failure by the Sub-Contractor to observe or perform any of its obligations or liabilities under the Sub-Contract. In no event shall Yard be responsible for any consequential or special losses, damages or expenses, including but not limited to loss of time, loss of profit in earning or demurrage.

### 8.3 Indemnification for Third Party Damages

- (1) The Sub-Contractor shall be solely responsible for, indemnify and hold harmless the Yard, its affiliates and associated companies, from all claims, losses, damages, costs (including legal costs), expenses and liabilities of every kind and nature resulting from:
- (a) Personal injury, including fatal injury and disease to a third party resulting from any act, omission, negligence or default of the Subcontractor;
  - (b) Loss or damage to property to third parties property arising out of or in connection with the performance of the Work(s) due to the negligence or breach of duty, as governed by the applicable law.
- (2) The Parties obligations for existing liabilities under this clause shall continue notwithstanding the expiry or earlier termination of any Sub-Contract.

- 8.4 The Sub-Contractor shall, from time to time on demand of the Yard, indemnify the Yard against and hold it harmless from all claims and costs whatsoever and howsoever arising which may be brought against the Yard or incurred or suffered by it in connection with the preservation and/or enforcement of any of the rights, powers and remedies of the Sub-Contractor under the Sub-Contract.
- 8.5 The Sub-Contractor shall at its sole cost and expense take out, maintain and continue in full force and effect, from commencement of the Work until the same is duly completed with first class insurers and underwriters or Protection and Indemnity Clubs, fully comprehensive insurance acceptable to the Yard and under policies in the form and substance fully satisfactory to the Yard the type and minimum amounts of insurance coverage as specified hereinafter:
- a) A Vehicle Property and Liability Insurance Policy covering all owned, non-owned, leased and hired automotive equipment and all similar insurance required under relevant legislation for automobiles with unlimited liability for death and personal injury to persons and a limit of liability for loss or damage to property of not less than AED Arab Emirate Dirham One (1) million for any one occurrence; ;
  - b) A Workmen's Compensation and Employer's Liability Insurance Policy providing compensation in accordance with the laws applicable to the Emirate of Dubai and the Federal Laws of the United Arab Emirates providing coverage to the full extent required by all laws applicable to the Sub-Contract, and/or its Subcontractor's employees' contracts of employment. .
  - (c) Liability insurance to cover any all legal liability to third parties in respect of property damage or loss, personal injury or death arising out of its operations under the Sub-Contract,
  - (d) If owned or chartered watercraft are used in the performance of the fabrication, hull and machinery and marine liability insurance, including collision liability and protection and indemnity, each with a limit of at least US One Million Dollars (US\$ 1,000,000) or the value of the water craft, whichever is greater.
  - (e) Adequate insurance on all constructional plant owned or hired by Sub-Contractor and used in connection with the Work in the amount of the full current value of the same.
- 8.6 The Yard shall be entitled at any time during the term of the Sub-Contract to request for copies of or to inspect, the originals of the said policies and premium receipts at any time during normal working hours. However failure of the Yard to inspect or failure to procure adequate insurance shall not relieve the Sub-Contractor of any of its obligations or liabilities hereunder. The insurance requirements provided herein are the minimum requirements necessary and shall not be construed as any form of guidance on insurance requirements. Such policies are to specify that no insurance will be cancelled or materially changed while the Work are in progress without thirty (30) calendar days prior written notice to the Yard.
- 8.7 The Sub-Contractor shall ensure that all subcontractors employed by it in the performance of the Work shall have an acceptable level of insurance coverage for any such subcontracts awarded by the Sub-Contractor.

- 8.8 It is understood by the Parties that all deductibles on the above policies shall be for the sole account of the Sub-Contractor.
- 8.9 The Sub-Contractor agrees to provide the Yard with prompt notification of any claim or anticipated claim arising in connection with the Work.
- 8.10 Without limiting the Sub-Contractor's obligations and responsibilities under the Sub-Contract, the Yard maintains comprehensive shiprepairer's liability insurance covering its liabilities for its direct negligence under a particular contract up to the value of US\$ 15,000,000 (United States Dollars Fifteen Million) per occurrence or in the aggregate. In the case of special projects (conversion, new build) Contracts, the Yard or the Owner of the Vessel will take the required CAR/BAR Insurance policy. The Yard is not obliged to take out any other insurance.

## 9. Covenants

- 9.1 The Sub-Contractor shall at all times strictly comply with and shall ensure that all of its personnel, at all times, strictly comply with the Yard's safety, health and security instructions, rules and regulations as laid down by the Yard's Health and Safety Department from time to time. A copy of such rules and regulations as are for the time being in force, may be obtained from the Yard's Safety Department.
- 9.2 The Sub-Contractor undertakes that at all times it shall maintain appropriate commercial permits, licences, registration (including, where appropriate, Federal registration) in accordance with the requirements of the Federal Companies Law No.8 of 1984.
- 9.3 The Sub-Contractor undertakes that at all times it shall comply in all respects with all laws, statutes, regulations, bye-laws, and other provisions having the force of law in the Emirate of Dubai.
- 9.4 The Sub-Contractor shall ensure that its personnel do not at any time hereafter:
- a) disclose to any person, firm or company whatsoever or whomsoever (except as may be necessary for the proper performance of the Work and authorized accordingly) any information (whether written or not), data, drawings or documents being the property of the Yard or otherwise relating to the Yard premises, the Yard or its business, secrets, dealings, transactions or affairs; or
  - b) take or permit to be taken (except with the prior written consent of the Yard) any photograph of the Yard premises or use or permit to be used ( except as aforesaid) any such photograph which may have been taken without the consent of a duly authorized representative of the Yard.

## 10. Guarantee

- 10.1 The Sub-Contractor warrants that the Work, including all equipment, materials and workmanship furnished by it and any of its subcontractors and sub-suppliers, shall comply in every respect with the requirements and specifications of the Yard and the Sub-Contract and further that the Work are free of defective materials, workmanship and is complete without any omissions.

- 10.2 The Sub-Contractor shall be responsible for expeditiously making good, any defective workmanship or materials, acts, omissions and defects or damage resulting from such omissions and defects in the Work or any portions thereof which may appear or occur during the Warranty Period. The Warranty Period shall be for a minimum of six (6) months from the completion the work and delivery of the vessel or items to the Owner unless otherwise agreed specifically in writing between the parties. For the purpose of clarity in case the Works provided by the Sub-Contractor relate to the repair or to the special projects (conversion and new builds) of the Vessel then the guarantee stipulated in this Clause shall run concurrent and in accordance with the defects liability period mentioned in the respective Contracts with the Owner's of the Vessel.
- 10.3 If any such defect shall appear, or such damage occur, the Yard shall give notice to the Sub-Contractor, stating the nature of the defect or damage. The Sub-Contractor shall, upon receipt of such notice, promptly make good or replace as a duly authorized representative of the Yard may direct, any damaged or defective items or items which do not fully comply with the Sub-Contract. Any remedial work shall be accomplished to the Yard's entire satisfaction, in accordance with the Sub-Contract and at the Sub-Contractor's expense.
- 10.4 All repairs carried out by the Sub-Contractor shall carry the same warranties and guarantees as in this clause 11.2 for a further period of six (6) months from the date when the repair of defective Work, or part of it, is completed and accepted by the Yard and the Owners.
- 10.5 If the Sub-Contractor, after receiving notice pursuant to clause 11.3. fails to commence actions to make good, replace or repair the defective material, equipment or workmanship, or remedy the omission within thirty (30) days, or a critical need arises requiring immediate rectification of the defective Work, the Yard may procure such replacement materials or equipment, or part thereof, or perform repairs from any available source at a reasonable price and at the Sub-Contractor's cost or alternatively, at the Yard's discretion, the Contract Price may be reduced by an amount equal to the actual cost to the Yard for completing all or said part of the Work(s). If the unpaid balance of the total Contract Price is insufficient to cover the Yard's costs, the Sub-Contractor shall promptly pay the difference to the Yard, upon first written demand and issuance of Yard's invoice.
- 10.6 The successive payments to the Sub-Contractor do not indicate by any means the acceptance of the Work or any part thereof. Prior to issuance of the final acceptance certificate, a representative of the Yard has the right to reject any part of the Work until the Sub-Contractor repairs or replaces the defects.
- 10.7 The Sub-Contractor does not warrant the Work against failures due to: (i) faulty operation or maintenance by the Yard or the Owner or (ii) conditions of service more severe than specified in the Sub-Contract or (iii) normal wear and tear or (iv) faulty specifications provided by the Yard and/or defects or deficiencies in or non conformance of materials or equipment provided by Yard.
- 10.8 The yard reserves the rights to change the applicable Guarantee Periods for any specific works on case to case basis and this will be notified at the time of placing the order

## 11. Termination and Suspension

- 11.1 The Yard may by written notice to the Sub-Contractor, terminate the Sub-Contract either in whole or in part (without prejudice to any other rights of the Yard) in the following cases:
- a. In the event of continuing or persistent failure of the Work to meet the test(s) or inspection(s) required by the Sub-Contract;
  - b. In the event of continuing or persistent failure in meeting with agreed completion schedule/Completion Date requirements/ progress milestone dates.
  - c. The Sub-Contractor becomes insolvent, bankrupt or makes an assignment for the benefit of creditors, or a receiver is appointed for a substantial part of its assets;
  - d. The Sub-Contractor dissolves, liquidates or terminates its corporate existence or an order is made by a Court or an effective resolution is passed for the dissolution, liquidation or winding up of the company;
  - e. If the Sub-Contractor assigns the Sub-Contract or subcontracts the Work, in all or in part, without the Yard's prior written consent;
  - f. If the Sub-Contractor fails to comply with current legislation including but not limited to insurance, salaries and wages or in relation to its personnel and safety legislation, including but not limited to all applicable laws and regulations of the Competent Authority as well as oral and written practices, rules and instructions from time to time issued made or given by or on behalf of the Yard;
  - g. If the Sub-Contractor makes a variation(s) to the scope of the Sub-Contract, without the Yard's written authorisation;
  - h. The Sub – Contractor suspends the Work in the event of arbitration;
  - i. The Sub-Contractor fails to meet the Quality Assurance/Quality Control and HSE Requirements during the Work
  - j. Force Majeure events persist for a period exceeding the period of time set out in the Sub-Contract;
  - k. in other cases as may be specified by applicable legislation;
- 11.2 Any termination of the Sub-Contract shall become effective as of the date provided in the termination notice and shall be without prejudice to any claim, which either Party may have against the other Party. On receipt of such notice the Sub-Contractor may, unless otherwise requested by the notice of termination, immediately discontinue the Work and shall, if so requested, use any reasonable effort to cancel all existing commitments upon terms satisfactory to the contracting party. Thereafter the Sub-Contractor shall only perform such portion(s) of the Work as may be necessary to preserve and protect the part of the Work in progress.

- 11.3 The termination of the Sub-Contract pursuant this clause 12 shall not relieve either Party from any of its obligations or liabilities incurred as a consequence of default(s) committed prior to such termination.
- 11.4 The Yard may terminate the Sub - Contract at any time and for any reason whatsoever provided the Yard pays to the Sub - Contractor for the Work completed and the direct documented costs incurred up to the date on which the Sub – Contract was terminated.
- 11.5 Without prejudice to the provisions herein or any other provision of the Sub-Contract, the Yard shall be entitled at any time by not less than twenty-four (24) hours written notice to the Sub-Contractor (without having to provide reasons) to terminate or suspend the Sub-Contract. In the event of termination or suspension in accordance with this clause, the Yard shall pay to the Sub-Contractor within thirty (30) days of such termination or suspension such amount as shall in its conclusive determination compensate the Sub-Contractor for Work carried out up to the date of termination or suspension but shall not be liable to make any other payment to the Sub-Contractor, whether as compensation, loss of profit, consequential loss or otherwise. In the case of a suspension, pursuant to this clause the Sub-Contractor shall resume the Work as and when directed to do so by the Yard, not less than twenty-four (24) hours from the written notice given by the Yard.
- 11.6 The rights of termination or suspension set out in clauses above shall be without prejudice to any other right which may have accrued prior to such termination or suspension.

## 12. Scrap, Old Materials and Equipment

- 12.1 All scrap, old or superseded equipment and other old materials resulting from performance of the Work shall become the property of the Yard without any compensation payable to the Sub-Contractor unless otherwise specified.
- 12.2 Upon completion of the Work or earlier termination of the Sub-Contract, the Sub-Contractor shall at its own expense forthwith remove all its equipment from the Yard's premises (unless the Sub-Contractor has a contractual right to retain such equipment within the Yard's premises pursuant to other written arrangements with the Yard, in which case it shall remove all equipment to such area of the premises where it is entitled to retain such equipment).
- 12.3 In the event that, upon completion of the Work or earlier termination of the Sub-Contract, the Sub-Contractor's equipment is not removed from the Yard premises or any area where it is not entitled to be retained by the Sub-Contractor within the Yard's premises, within three (3) working days, the Sub-Contractor shall be deemed to have waived its rights to such equipment which shall thereupon become the property of the Yard and the Yard shall accordingly be entitled to take such action as it deems appropriate with regard thereto including without limitation disposal of the same and retention of the proceeds of any such disposal.

## 13. No Assignment or Sub-Contracting

- 13.1 The Sub-Contractor shall not, without the prior written consent of the Yard assign, transfer, novate, sub-contract in whole or in part, or otherwise grant rights in or over all or any of its rights or obligations under the Sub-Contract.

- 13.2 Even where such consent for a sub-contract is given, it shall not relieve the Sub-Contractor from any liability or obligation in relation to the Work, and the Sub-Contractor shall be responsible for the acts, defaults and neglects of the person, company or entity to whom it has sub-contracted any or part of the Work and of such person, company or entity's employees or agents as if they were the acts, defaults or neglects of the Sub-Contractor, its employees or agents.

#### 14. Notices

- 14.1 Each party to the Sub-Contract shall from time to time nominate a Person with an address in Dubai to whom all notices and other communications will be sent via registered mail, fax or email.
- 14.2 Any notice given hereunder shall be valid once received by the recipient of such notice.

#### 15. Governing Law and Dispute Resolution

- 15.1 The Sub-Contract shall be governed by, and construed in accordance with, the federal laws of the United Arab Emirates and the laws applicable to the Emirate of Dubai.
- 15.2 Any dispute between the Yard and the Sub-Contractor arising out of the formation, performance, interpretation, nullification, termination or invalidation of the Sub-Contract or these Conditions, or arising there from or related thereto in any manner whatsoever, shall be settled by arbitration in Dubai in accordance with the provisions of the Dubai International Arbitration Centre ("DIAC") Arbitration Rules ("the Rules") from time to time in force, by a single arbitrator appointed in compliance with the Rules.
- 15.3 A Party wishing to commence arbitration under this clause shall send to the DIAC a written request for arbitration ("the Request") in accordance with the Rules. Within twenty-eight (28) days of the respondent Party's receipt of the Request from the DIAC, the Parties shall jointly nominate the arbitrator for appointment by the DIAC, but if, by the end of that period the Parties have failed to make such joint nomination, the arbitrator shall be appointed by the DIAC on the application of either Party in accordance with the Rules.
- 15.4 The arbitration shall be conducted in the English language and in accordance with such procedures as the tribunal may agree provided that no such procedures shall be contrary to any law or procedures for the time being in force in the Emirate of Dubai. The Parties agree that in relation to costs of the arbitrator, the Rules may be varied by mutual agreement should they jointly decide. Costs of the arbitration shall form an issue between the Parties and be borne as provided in the arbitration award.
- 15.5 All awards of the tribunal shall be made in writing and shall be final and binding on the Parties. By agreeing to arbitration under the Rules, the Parties undertake to carry out any award immediately and without any delay; and the parties also waive irrevocably their right to any form of appeal, review or recourse to any state court or other judicial authority, insofar as such waiver may be validly made.

## 16. Force Majeure

- 16.1 "Force Majeure" means an exceptional event or circumstance, which is beyond a Party's control, or any accident occurring at the shipyard which such Party could not reasonably have provided for or against prior to entering into the Sub-Contract. Force majeure includes any event which, having arisen, such Party could not reasonably have avoided or overcome or is not substantially attributable to the other Party.
- 16.2 Force Majeure may include, but is not limited to, exceptional events or circumstances listed as follows, provided the obligations set out in this clause 16 are fully complied with in the event of Force Majeure:  
war, hostilities (whether war be declared or not), invasion, act of foreign enemies; rebellion, terrorism, revolution, insurrection, military or usurped power, or civil war; riot, strike or lockout by persons other than the personnel of the Sub-Contractor and other employees of the Sub-Contractor, their sub-sub-contractor(s) and/or sub-contractor(s); munitions of war, explosive materials, fire, explosion, ionising radiation or contamination by radio-activity, except as may be attributable to the Sub-Contractor's use of such munitions, explosives, radiation or radio-activity; natural catastrophes such as earthquake, hurricane, typhoon or volcanic activity.
- 16.3 If a Party is or shall be prevented from performing any of its obligations under the Sub-Contract by an event of Force Majeure, then it shall immediately notify orally or in writing to the other Party of the event or circumstances constituting the Force Majeure event and shall specify the obligations, the performance of which it is or shall be prevented. The notice shall be confirmed in writing within the following seventy-two (72) hours stating the nature, the date of inception and the expected duration of Force Majeure. The Party then shall be excused of the performance of such obligations for so long as such Force Majeure event prevents it from performing them, from the time at which the Force Majeure event causes the failure to perform such obligations provided notice is given without delay. The affected Party shall recommence the performance of its obligations affected by Force Majeure as soon as is reasonably practical including but not limited to its other commitments.

## 17. Waivers

- 17.1 No waiver of rights made by the Yard shall be effective unless made in writing and signed by or on behalf of the Yard by a duly authorized signatory of the Yard.
- 17.2 No failure or delay on the part of the Yard in exercising any power, right or remedy under the Sub-Contract or in relation to the Work shall operate as a waiver thereof nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise of any such right, power or remedy or the exercise of any other right, power or remedy

## 18. Calendar and Time

- 18.1 All dates and periods of time referred to in the Sub-Contract shall be ascertained in accordance with the Gregorian calendar.

18.2 Time shall be of the essence in relation to the performance by the Sub-Contractor of each and every one of its obligations under the Sub-Contract.

19. Language

The Sub-Contract has been prepared and agreed in the English language. In the event of any translation thereof into Arabic, the same shall continue to be construed and interpreted according to the English language version, which shall therefore prevail in the event of any conflict. If notwithstanding the foregoing, any competent Court should hold that any such Arabic version shall prevail over the English language version, that English language version shall be referred to in order to assist in the interpretation of the Arabic version.

20. Confidentiality

Any confidential Information passed on by the Yard to the Sub-Contractor, shall remain the sole and exclusive property of the Yard and the Sub-contract shall not be operative to transfer any ownership rights, interest or licence therein to the Sub-Contractor.

21. Patent, Trademarks and Copyright

The Sub-Contractor shall defend and save harmless the Yard from any patent liability or claims of patent infringement of any nature or kind including cost, expenses for and on account of patented or patentable invention made or used in the performance of this Sub-Contract and also including costs and expenses of litigation, if any.

22. Notices

Any communication and all notices under or in connection with this Sub-Contract shall be in writing and in English language and be delivered personally or sent by registered mail, fax or email for each Party specified in the Sub-Contract. Changes to the addresses or change of contact person in the Sub-Contract should be conveyed to the other Party in writing in order to become effective.