



General service Terms and Conditions for the Torm Group 2018

APPLICATION

These general purchasing terms and conditions (“Conditions”) shall apply to all purchase agreements concluded by companies in the Torm Group, i.e. by Torm A/S and/or by any affiliates of Torm A/S (“Buyer”) unless a separate written agreement has been concluded with buyer to specifically amend or deviate from these conditions. Any general terms and conditions of buyer’s counterparty (“Supplier”) shall NOT apply. Where there is an already existing frame agreement in place between the parties, such agreement prevails.

ORDER CONFIRMATION

Buyer will issue, a purchase order of requisition type ‘Service order’, which shall be confirmed by supplier by email or sertica e-mail link.

TERMS AND TIME OF DELIVERY

Delivery shall be deemed not to have taken place until the services ordered have been performed and acknowledged within full conformity with the purchase order and with all certificates of approval, test certificates and other certification and documentation required according to the purchase order.

Delivery date is the date when the services are to be completed at the required place of delivery. If the delivery is defective or incomplete, the delivery shall not be considered effected until the breach has been remedied.

Any delay or expected delay in delivery shall be communicated instantly in writing (Email vesselmanagement@torm.com) to buyer together with new date of delivery. Eventually, supplier can also use other specified contact information provided by the buyer. If buyer cannot accept the new date of delivery, buyer shall be entitled to cancel by written notice to supplier the purchase order in part or in full.

DELAY CONFLICTING WITH DEPARTURE OF VESSEL

If any delay due to supplier's neglect of timeliness, time estimation or similar the buyer shall have the right to decide whether or not the supplier shall continue performance of services, during voyage, at a normal rate.

If conflict arises due to unknown challenges of the service from both buyer and supplier, they shall mutually agree whether or not the supplier shall remain on board until service is fully performed. This will be at a normal rate.

Partial delivery is not accepted unless specifically agreed with buyer's representative (vessel manager) and must be stated clearly in delivery notes and invoices.

If supplier claims that failure to deliver is due to a Force Majeure situation, supplier must document the Force Majeure situation and the impact on the delivery.

For the purpose of these conditions, a Force Majeure situation shall be limited to the following:

- (i) Riot, war, invasion, act of foreign enemies, hostilities (whether war be declared or not), acts of terrorism, civil war, rebellion, revolution, insurrection of military or usurped power;
- (ii) Earthquake, flood, fire or other natural physical disaster, but excluding weather conditions as such.

DELAY IN DELIVERY

If supplier fails to deliver the services partly or in full on the delivery date as referred to above, buyer shall be entitled to either:

- reject any delayed delivery, or
- demand delivery of competent personnel via the fastest means of transportation at the cost of supplier (airfreight-transportation), including sub-contracting from supplier to 3rd party

In addition to the above remedies, in case of supplier's delay in delivering any services, buyer shall be entitled to cancel, at any time after the delivery date, any future deliveries under the affected purchase order.

Whichever of the above remedies buyer chooses, buyer can claim either:

- damages for any loss (direct and/or consequential) incurred as a consequence of the delay, for which loss supplier shall indemnify and hold buyer harmless, or

- liquidated damages of 2 percent of the expected total value of the purchase order per commenced week of delay, effective from the calendar day following the delivery date. For the avoidance of doubt, supplier confirms that liquidated damages referred to in this clause are a genuine pre-estimate of the loss that would be caused to buyer for failure to deliver the services on the delivery date

Supplier shall meet its obligation to deliver the services and is not entitled to any right of suspension or to withhold any goods and/or services to be delivered even if a dispute between supplier and buyer, including buyer's nonpayment of any invoice issued by supplier, exists.

Throughout the term of any purchase agreement, buyer may require from supplier adequate assurances of future performance, which supplier shall be obligated to deliver.

SUB-CONTRACTING

Supplier shall be liable to company in accordance with the agreement for all of the services performed or failed to be performed by a sub-Supplier as if performed or failed to be performed by supplier. Each Sub-Supplier shall be responsible only to supplier, who in turn shall be responsible to company.

HSSE AND ETHICS

Supplier's Group is responsible for the safe performance of the services and shall give the highest priority to safety in order to avoid injury to any person and/or damage to any property. Supplier must strive for continuous improvement of health, safety, security and environmental performance and ensure that management of health, safety, security and environment is an integral and visible part of supplier's work planning and execution processes. Supplier shall ensure that both supplier and its subcontractors shall comply with any applicable local or international health, safety and environmental Legislation and any other requirements referred to by company as may be varied or supplemented from time to time. Supplier shall bring safe workwear and wear same when performing the service. Supplier must comply with the safety standards and rules onboard supplier's vessel.

TITLE

For deliveries of services involving implementation, risk and title to know how shall transfer upon buyer's acceptance of the delivery and the implementation. In case trials are needed, the risk shall not transfer to buyer until such trials have been completed to the satisfaction of buyer.

TORM's RIGHTS IN RESPECT OF SPECIFICATIONS, PLANS, DRAWINGS, PATTERNS AND OTHER DATA

Any specifications, plans, drawings, patterns, designs and similar information supplied by buyer to supplier in connection with the purchase order shall remain the property of buyer. Any specifications, plans, drawings, patterns, design, statistical information and other data which may in buyer's opinion be necessary or relevant to the use, repair or modification of the goods and/or services, shall be made available to buyer upon buyer's request whether before or after the purchase.

INVOICING

Supplier will ensure to send only one invoice per pdf file. Invoices have to be sent to Workflow@torm.com detailing Purchase Order No. clearly and at all times.

Supplier's invoices must be submitted in English and as a minimum contain information about quantity and description of the goods and/or services, buyer's purchase order number and name of the consignee.

CUSTOMS INVOICE/DELIVERY NOTE

Customs invoice and delivery note shall be issued in English in duplicate.

PAYMENTS

Absent any agreement to the contrary, terms of payment are 45 days from receipt of correctly presented invoice. Payment shall only become due, when buyer is satisfied as to quantity and quality of the services, the documentation covering the delivery and the invoice being correct. Credit notes received due to additional discounts etc. will be deducted in the next due invoice.

LIABILITIES, INDEMNITIES AND INSURANCE

Without limitation to supplier's obligations and responsibilities under these conditions, supplier shall at its own cost have and maintain insurance coverage with a reputable insurance company in accordance with good international industry practices, including commercial general liability insurance (including product liability and employer's liability), transport insurance on all risk terms covering the goods and/or services whilst in transit, comprehensive automobile liability insurance and workers compensation insurance. Supplier shall upon request furnish buyer with insurance

certificates confirming that the coverage is in effect. Supplier shall ensure that the insurance company waives any rights of recourse against buyer and any other company within the Torm Group.

If a third party raises a claim in damages against either supplier or buyer related to the services, the affected party shall immediately notify the other party. Should buyer be liable to a third party for loss or damages caused by the services delivered by supplier, the supplier shall hold harmless and indemnify buyer from and against any such claims whether in contract or in tort and for all associated costs.

INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS - INDEMNITY

Supplier shall hold harmless and indemnify buyer from and against any and all claims (including costs) raised by any third party for alleged violation of patents, licenses, protection of trademarks and/ or design, copyright, know-how etc.

UNSATISFACTORY PERFORMANCE

In the event of any failure to perform any part of services (including but not limited to workmanship, services, materials, supplies, machinery, equipment and documentation) in a safe, efficient, manner and/or in accordance with any other of the requirements of the agreement, company may without prejudice to its other rights or remedies under the agreement or at law, suspend the performance of any or all parts of services. The company may give notice of default to supplier stating details of such failure and require supplier to remedy, at no cost to company, any such failure in performance including re-performance of any part of services in order to conform with the requirements of the agreement within the period of time specified by company. Supplier shall, at no cost to company, carry out such further inspections or tests on other parts of services which company may reasonably require in order to ensure that there are no similar parts of services that fail to conform with the requirements of the agreement.

Without prejudice to company's other rights and remedies under the agreement or at law, if supplier does not commence within two (2) days after issue of such notice or having commenced does not continuously proceed with action in a manner satisfactory to company to remedy such failure, company shall be entitled to engage another supplier and any costs for employing another supplier to remedy such failure shall be paid to company by supplier. In addition, and without prejudice to its other rights and remedies under the agreement and at law, company has the right to suspend the agreement in accordance with "Delay conflicting with departure of vessel" or to

terminate the agreement in whole or in part in accordance with "Delay conflicting with departure of vessel".

CONFIDENTIALITY

Supplier shall keep confidential all information and knowledge which may be acquired in connection with any purchase order. The supplier must not use the buyer's name, or the name of a company associated with buyer or the commercial relation with buyer, for the purpose of advertising or as a reference, without prior written consent from buyer.

CHOICE OF LAW AND ARBITRATION

Any disagreement relating to the purchase agreement or to these conditions shall be decided under Danish law (not including CISG) by a sole arbitrator appointed by the President of the Maritime and Commercial Court of Copenhagen. The decision of the sole arbitrator shall be final and binding upon the parties. The seat of the arbitration shall be Copenhagen.

If possible according to the Danish Administration of Justice Act, buyer has the option to demand that any such disagreement be decided by the Maritime and Commercial Court of Copenhagen, as an alternative to arbitration. If the Maritime and Commercial Court of Copenhagen is not competent to decide the disagreement, buyer has the option to demand that the disagreement be decided by the City Court of Copenhagen.

ISO14001

The buyer is ISO14001 certified. A supplier also supporting or having implemented ISO14001 certification will, everything else being equal, be considered as a preferred supplier.