

SERVICE AND SUPPLY CONDITIONS.

PRECISION MARINE ENGINEERING SL "PME"

1. WORKING WEEK.

- A. 08.00 hrs till 17.00 hrs.
- B. Lunch-13.00 till 14.00 hrs.
- C. Summer times July, August and first 2 weeks of September 8.00 till 15.00 hrs. (7hr days)

2. LABOUR RATES

- A. Apprentice @ - *
- B. Mechanics @ - *
- C. Electrician @ - *
- D. Engineers @ - *
- E. Technician @ - *
- F. Service works and General engineering are charged @ *
- G. Consultation, Commissioning, Faultfinding, calibrations, alarm and load testing @ Technicians hourly rate.
- H. Emergencies/Urgent call out rates (see below E.C.O.).

3. OVERTIME RATES

- A. 5pm till 9pm = time and half.
- B. 9pm till 12pm = double time.
- C. 12pm till 8am = triple time.
- D. Saturday 8am till 1pm= time and half.
- E. Saturday 1pm till 6pm double time.
- F. Saturday 6pm till 12pm triple time.
- G. Sundays = triple time.
- H. Bank holidays = double time.
- I. Written request from the client required.

4. E.C.O: EMERGENCY CALL OUT (out of hours)

TEL: Mechanical issues +34 687 405767
Engineering issues +34 679953864

5. U.C.O.: URGENT CALL OUT (during working hours)*

6. SERVICE/SUPPLY CONDITIONS

- A. Removal & reinstallation of generator sound shields are never included in our offers unless stated otherwise.
- B. Cost of lifting frames, crane, etc. not included in our offers unless stated otherwise.
- C. PME cannot be held responsible for any 3rd party system failure when modifications/redesigning are forced upon us at the request of ship's Captain/Engineer.

- D. Sea Trials when requested are completed at client's expense irrespective of their results.
- E. It is the Client's responsibility to arrange surveyor for class society inspections and always to allow PME minimum two days notice.
- F. Paralleling, load sharing, test set uptime, shutdown systems, pre alarms, Engine or generator Class society approval test, elect fault finding, charged out at Technician's hourly rate.
- G. PME is responsible solely for works carried out by its staff and subcontractors /or the materials supplied and installed. Under no circumstances shall Precision Marine Engineering SL be held liable for any loss of charters, profits or use of Vessel.
- H. Labour charges will start once the worker receives the work order, preparing tools, parts, technical data, loading vehicle, driving time to the client location, works, research materials, meetings, return to workshop, time sheets, etc. All man-hours dedicated to the projects will/can be charged at PME hourly rate.
- I. PME will not guarantee any third party parts supply. (See warranty).
- J. Our offers are based on all parts in serviceable condition. Any replacements found to be required are not included and will be charged additionally.
- K. PME cannot be held responsible when loading engines or generators to their maximum 110% load, failure or faults appear.
- L. Double walled fuel pipes: during service works which entail the removal of these pipes, p.m.e. has at times observed that over torqueing has occurred; a practice which can cause stretching of the pipe flaring plus cracking. P.m.e. will refit the pipes if there is no visible damage, tightening them to 27nm, the correct torque. If leaking occurs at this setting, their replacement will be necessary. Over torqueing to stop leaks is not recommended and is carried out entirely at the discretion of the boat's engineer/captain. P.m.e. cannot be held responsible for any future leaks or damage.
- M. Old replaced parts will be stored on PME premises for 6 months before their subsequent disposal

7. ADDITIONAL CHARGES

- A. Consumables and supplements. (See quotes/estimates)
- B. Parking & vehicles. (Please read 19 Vehicle fees/parking fees)
- C. Shipyard conditions. (Please read 22 Shipyard conditions)
- D. Packing, freight or customs charges when applicable (n.b. all materials purchased off the island will incur transport costs).
- E. Please read special tools.
- F. Overtime rates. (See overtime conditions).
- G. Reports @ *
- H. Consultation charged @ *
- I. Please read VAT conditions.
- J. Tank cleaning if required, cost to the boat unless stated in our offers.
- K. Project Management Services charge (see Estimations and Quotations conditions).

8. LOAD BANK HIRE (PER DAY)

- A. Minimum hire, (one day).
- B. 230 KW 3 ph unit @ *
- C. 150 KW 3ph unit, @ *
- D. 90 KW 3ph unit @ *
- E. 40 KW 1ph unit @ *
- F. Technician hourly rate*
- G. Help man hourly rate*
- H. Cable: The first 20m is free.

- I. Extension cable X4, charged @ * per meter from the Junction box to Generator or buzz bar.
- J. Deliver and pick up @ * each way.
- K. Load banks and weather: it is the boat's responsibility to turn off the load bank in wet conditions or provide a good cover-tent.
- L. Reports @ *
- M. Renting conditions apply for the entire duration of the hire including bank holidays and weekends.
- N. **Installation and operation:** Load bank installation should be carried out by PME technicians. PME will not be liable for any damages / injury which derivate from wrong installation / operation / re-positioning of the load bank when this is carried out by non PME staff. In case that the installation/ operation is not carried out by PME technicians, the load bank shall be operated by qualified engineers with the proper experience and knowledge. It is the boat's responsibility to liaise with the marina/shipyard to ensure that all safety measures are in place prior to set-up.

9. LOAD BANK HIRE (WEEKLY)

- A. Minimum hire, (seven days).
- B. 230 KW 3 ph unit @ *
- C. 150 KW 3ph unit, @ *
- D. 90 KW 3ph unit @ *
- E. 40 KW 1ph unit @ *
- F. Technician hourly rate.
- G. Help man hourly rate.
- H. Cable, The first 20m is free.
- I. Extension cable X4, charged @ * per meter from the JB to Generator.
- J. Deliver and pick up * each way.
- K. Load banks and weather: it is the boat responsibility to turn off the load bank in wet conditions or provide a good cover-tent.
- L. Reports @ *
- M. Renting conditions apply for the entire duration of the hire including bank holidays and weekends.
- N. **Installation and operation:** Load bank installation should be carried out by PME technicians. PME will not be liable for any damages / injury which derivate from wrong installation / operation / re-positioning of the load bank when this is carried out by non PME staff. In case that the installation/ operation is not carried out by PME technicians, the load bank shall be operated by qualified engineers with the proper experience and knowledge. It is the boat's responsibility to liaise with the marina/shipyard to ensure that all safety measures are in place prior to set-up.

10. HIGH VOLTAGE GENERATOR ENDS

- A. Remove from the engine, split rotor, clean, change bearing, service diode kit, new relays, check wiring loom condition and clean junction box.
- B. Unforeseen problems may occur when we try to move the unit back away from the engine and depends on the shipyards electrical installation and clamping system. More labour time maybe needed to remove and remount the wiring looms.
- C. Extra labour cost can/will be charged depending on the condition of the rotor and stator after we disassemble the Generator end.
- D. Lifting frame or platforms not included.

- E. Change the rear oil seal not included. *
- F. Mega test reports *

11. SERVICE ADVISOR (ELECTRONIC ENGINES)

- A. Laptop plug-in soft ware hire @ *
- B. Technician hourly rate. *
- C. Reports at *

12. BOROSCOPE (VIDEO OR PHOTOS)

- A. Equipment hire *
- B. Technicians hourly rate *
- C. Reports at *

13. HPCR FUEL FLUSHING SYSTEM

- A. Machine hire.
- B. Technician.
- C. Chemicals.
Fuel filters not included.
- D. First flush per engine *
- E. Second flush if needed *
- F. Reports *

14. SPECIALIZED EQUIPMENT (TEST EQUIPMENT)

- A. Mega/Voltage testers, engine compression tester, alignment and puller, ECT will be reflected in invoice at *
- B. Reports at * each

15. ESTIMATIONS

- A. Are surrendered for budget pricing only, the final cost of which we would not expect to exceed more than 25%. (Unless unforeseen problems).
- B. Consumables charged at 1% of the bill before vat, (Minimum charge*).
- C. Transport cost to be added (see 19).
- D. PROJECT MANAGER SERVICES: PME reserves the right to apply a 5% surcharge on labour for all works that require the services of our Project Manager. Its application will depend on designing and consultations requirements as well as the scope and complexity of the project as a whole. (This charge is not applied on general service works). Pls ask our office for further details.
- E. Validity of estimates: 60 days.

16. QUOTATIONS

- A. Fixed price, which is related solely to, the completion of the works detailed therein. However these vary when affected by exceptional circumstances as listed below (see point 17).
- B. Consumables and/or supplements charged at 1% of the bill before vat, (Minimum charge*).
- C. Transport cost to be added (see 19).
- D. PROJECT MANAGER SERVICES: PME reserves the right to apply a 5% surcharge on labour for all works that require the services of our Project Manager. Its application will depend

on designing and consultations requirements as well as the scope and complexity of the project as a whole. (This charge is not applied on general service works). Pls ask our office for further details.

- F. Validity of quotes: 60 days.

17. QUOTES/ESTIMATES UNFORSEEN CHARGES

- A. Manpower hour's can/will increase due to poor access.
- B. Boat out of the Water unknown prior to PME offer.
- C. Congested working area, unsafe working area, stop and start works to accommodate third party contractors or crew, parking and loading time.
- D. Boat closed with out any prior warning.
- E. All offers are based on parts being found in serviceable condition prior to disassembling.

18. EMAIL OFFERS

- A. Offers sent by email with no prior visual inspection are calculated and based upon a good access, clean and safe working area with no third party employees or crew members working in the same area and that the boat is afloat.

19. VEHICLE FEES/ PARKING FEES

- A. All Offers are calculated with parking close to the boat, within 100m.
- B. If parking is not permitted or unavailable therefore loading, unloading, parking, walking time is at cost to the boat.
- C. Vehicle daily charge: Arenal, Palma, Portals, @ *
- D. Outside of the above area - @ *
- E. Daily Travel Charges cover costs of running PME fleet including petrol, insurance, maintenance, taxes, parking, access to marinas etc.

20. WORKS OFF THE ISLAND

- A. Works requested off the island (Mainland Spain and Southern Europe) * per day per person including travel days.
- B. Taxi, Hotel, food, travel expenses are cost to client.
- C. Over time at week-ends will be subject to additional charge. *

21. WORK ORDERS

- A. Commencement dates can only be confirmed once deposit has been received. Starting dates will depend on our workshop's on-going commitments.

22. SHIPYARD CONDITIONS

- A. In the case of Offers made directly to the boat with no acknowledgement of shipyard period, shipyard commissions are cost to the boat.
- B. When re-launch date is delayed due to causes beyond PME's control/responsibility, and finishing date is not moved forward, all overtime will be charged which the boat agrees to pay @ PME's overtime rates. (See overtime rates).
- C. Should a new finishing date be requested once works have started and an original finish date agreed, then PME overtime rates will be applied in the eventuality that overtime then be needed to meet the new dead line.
- D. Commissioning request on "machinery" not purchased through PME/installed by PME, a 10% handling charge of total unit cost will be applied plus Technicians rate. Any

variance on this will invalid any warranty claims.

- E. Installation inspection will be completed prior to commissioning. One visit will be free of charge. Any subsequent inspection visits will be charged to the client.
- F. Materials purchased directly from manufacturers which PME are requested to install: PME decline any responsibility. All risk will be to the client's account, OR a 10% handling charge of the unit's cost and then PME will accept full responsibility for all works and any warranty claims.

23. GENERAL SALES CONDITIONS (shop department only)

- A. Orders (for parts not in stock) must be confirmed by written by the customer.
- B. We will require a 50% deposit for all orders above 1000€. Final payment on receipt of goods unless customer has credit with PME.
- C. Please read: payments, warranty, deposits and VAT.
- D. Special orders: Full payment before goods leave our supplier's premises.
- E. Packing, freight or customs charges, when applicable will be added.
- F. Returned parts, (see warranty).
Faulty parts (see warranty).
- G. Delays due force majeure or courier companies will not justify cancellation of an order not shall any indemnity be requested. Partial shipments are allowed.
- H. Prices are to be considered as net prices tax excluded.
- I. Validity of shop offers is one month.
- J. Our property right regards to the supplied materials remain valid until full payment has been received for the corresponding invoices. Any unjustified delay in the agree payment shall allow us to exercise our rights to demand immediate return shipment of the goods supplied carriage paid.
- K. Special/custom orders not in stock are non-returnable.
- L. PME stock, parts can be returned providing we have taken from our stock or a local supplier and the supplier agrees. 15% parts sales value.

24. SPANISH HOLIDAYS

- A. The Client acknowledges and respects all local and national holidays when ordering works. Should the client request our service over this period then our overtime rate will be applied. (See point 3)

25. WARRANTY/ GUARANTEES

- A. The customer must surrender the model number, serial number, bill number and a photo.
- B. Warranty will be suspended until full payments of invoices are received. (Date of warranty starts as from invoice date).
- C. All Claims must be surrendered to the office with a written report plus photos.
- D. Repairs or replacements: the client must obtain P.M.E.'s prior agreement before organizing any third party repair works. If ignored, all warranty claims will be void.
- E. Mechanical repairs' warranty 6 months or 1000 HRS (whichever comes first).
- F. New parts are guaranteed one year.
- G. All materials must be supplied by PME for the full warranty cover.
- H. Hot works with new materials carry a 6 months guarantee.
- I. Hot works with used materials one-month guarantee.
- J. When the client insists on installing materials from the boats onboard stock and PME supply the manpower only, these works and parts are installed with full risk to the client

- account.
- K. PME cannot be held responsible for any replacement parts, damage or malfunctioning resulting from this type of work.
 - L. Should any new parts be sent out to the boat under warranty then the defective parts are to be returned to our premises for inspection within 5 working days from the date the vessel received the new parts. Failure to return the defective part within this period the customer herewith agrees to pay the cost of the new parts sent out including both carriage expenses.
 - M. The client agrees to return any/all defective parts to PME at total transport cost to the client account.
 - N. Upon inspection of the returned part either the claim will be accepted under warranty or, in the case of the claim being rejected, the customer will be liable for all costs.
 - O. Defective parts or machine Tests can be carried out in our premises and in the presence of clients if requested.
 - P. Warranty excludes materials dismantled, replaced, repaired, or in any way handled by persons not expressly authorized by PME. Under no circumstances however, shall the guarantee imply any possibility of requesting indemnity.
 - Q. Warranty shall be limited to replacement or repair onboard or at our premises and under our direction, of the material or piece recognized as being defective.
 - R. We decline any responsibility for damage to property or injury to third parties.
 - S. The client agrees any Service warranty claims to be carried out in Palma de Mallorca, Spain.
 - T. The laws of Spain shall govern this contract and the parties submit to the jurisdiction in Palma de Mallorca, Spain. (See point 35)
 - U. Warranty claims against companies for which PME is agent (e.g. Northern Lights, Hamann, etc.): in the occurrence of said claim being rejected, the customer is liable for the costs of all the works that have been completed including prior investigation, repairs, etc. In the case of a partial acceptance of claim (i.e. a proportion only of the man hours/material dedicated), the customer accepts liability for the remaining cost.
 - V. Once a warranty claim has been presented, the customer accepts and understands that any further use of machinery, without PME's specific permission, will be under the boat's sole responsibility as this could cause greater direct or lateral damage.
 - W. During resolution of any warranty claims, any further costs incurred such as extended dry dock, loss of revenue, extra mooring charges, use of travel lifts, sea trials etc. will be at the client's expense.

26. VAT/IVA

- A. VAT will be added to all bills.
- B. Exempt requirements, any material delivered, repairs and/or maintenance completed on a yacht that has a VAT number, that is registered in the EC and that will navigate outside the Spanish waters, must present PME the following:
 - EC Certificate of Registry, stating that it is a commercial yacht and complies with the international navigation law and is exercising commercial activities.
 - Copy of the captain's passport.
 - Letter of departure giving scheduled date and destination.In the cases of VAT exempt invoices, should there be a revision or inspection, the client will be responsible for the payment of the VAT and any charges incurred as a consequence of a VAT non exemption case.
- C. The exemption will not be applied to any pleasure yacht, sporting activities or private use

according to the article 22 from the Law regulation 37/1992.

- D. The VAT export law allows refunds to be claimed on most goods exported from the European Community, after producing a receipt and completing a document to Customs at the point of departure from the EC.
- E. It is the client's responsibility to inform our office at the start of any works or material orders should the boat qualify for VAT exemption.
- F. To remove the IVA once a bill has been issued will incur an admin charge of 35€.

27. TPA "ADMISION TEMPORAL PARA PERFECCIONAMIENTO ACTIVO"

- A. TPA number is for temporary importation, vat exemption for refit only.
- B. Registration can be done through PME agent.
- C. If a yacht has a "TPA" number, and requires our services all documents must be surrendered to PME main office before works can commence.
- D. It is the client's responsibility to inform our office at the start of any works Or material orders should the boat qualify for VAT exemption, to remove IVA once a bill has been issued will incur an admin charge of 35€.

28. DEPOSITS

- A. All deposits received against any PME offer imply that the client understands, agrees and thus accepts P.M.E. SL. General service and sales Conditions.
- B. Please reflect the offer number when transferring moneys.

29. INVOICE PAYMENTS

- A. Services Department invoices: immediate payment.
- B. Service invoices are payable on sight or by the procedure established and accepted by both parties at the moment of placing a work order.
- C. Shop: immediate payment or 30 day Credit from date of invoice.
Providing application form has been accepted and CC cards are active. See below (SHOP CREDIT.)
- D. Cash.
- E. Bank transfers. (Bank charges to the client).

30. SHOP: CREDIT ACCOUNTS

- A. Shop Department only, credit application form must be filled in completely and surrendered to our main office for approval.
- B. Successful candidates will be given 30 days credit from the date of Invoice.
- C. Credit is cancelled when the Credit Card expiry date is reached.
- D. The client agrees PME can use the Credit Card if the outstanding balance is not settled at 40 days from the date of invoice.
- E. The client agrees a 2% charge can be added for delayed payments commencing 30 days from invoice date.

31. INTERIM PAYMENTS

- A. Service and shop offers state 50% on order and (INTERIM PAYMENTS WILL/CAN BE REQUESTED).
- B. Outstanding moneys on receipt of invoice.

32. DELAYED PAYMENT

- A. Service invoices: 5% surcharge will be made as from 14 days from invoice date of issue. Further 5% charges will be made for each consecutive 30 days of non-payment until invoice is settled. (For SHOP invoices please see clause 30.E).
- B. Any delays in receiving final settlement could/will affect future shop Dep't credit.
- C. Failure to settle payments in accordance with established times; No warranty is offered.

33. DISCOUNTS FOR PROMPT PAYMENTS.

- A. Service invoices paid within 5 working days from the date of invoice will qualify for a 5% labour discount to be credited from the "next" service invoice.
- B. It is solely the client's responsibility to track and claim any discount.
- C. Discount cannot be transferred.

34. CONTRACT CONDITIONS

- A. These conditions are subject to modifications/changes without prior notice.
- B. Service conditions; note reference number and date, these conditions only will apply.
- C. Conditions are active against receipt of deposit.
- D. Please request the latest PME conditions from our main office.

35. JURISDICTION

The contract between the client and PME shall be governed by the laws of Spain and both parties submit themselves to the jurisdiction of the Spanish Courts, expressly excluding from this submission the petitions of Ship Arrest and the following claim, that will be Submitted to the Courts that are the competent according to the Applicable Law and/or Convention.

*Ref. * :- Please contact our office for current tariffs and prices. Many thanks*