

Section 1

GENERAL TERMS AND CONDITIONS

1. GENERAL

Bulgarian Register of Shipping (BRS) is an independent organization of technical experts.

BRS acts impartially and objectively.

The right of interpretation of their technical Rules rests with BRS alone.

The respective latest version of the General Terms and Conditions as well as the pertinent technical Rules are applicable to all services rendered by BRS, included those rendered within the scope of their statutory functions, even if no separate agreement has from case to case been reached regarding their applicability. Where contractual relations are established between BRS and any persons others than the client, the relevant technical Rules and the provisions of 7.1 to 7.7 below will also apply to such third parties.

2. RESERVATION CLAUSE

No confirmation or certification (certificates) with regard to compliance of technical facts or products with the technical Rules issued by BRS must be given or issued by anybody other than BRS.

A confirmation given or certificate issued will not release the client from his contractual obligations towards third parties.

Certificates are issued by BRS subject to withdrawal at any time. The right of withdrawal may, for instance, be exercised in the event of adaptations of the technical Rules to the state of the art or of the client failing to comply in due time with recommendations or instructions issued by BRS.

Without relevant certificates being issued by BRS, no statements must be made to the effect that the product in question was manufactured in accordance with the Rules of BRS.

The technical Rules of BRS will be applied without prejudice to any protective rights of third parties.

3. SCOPE AND PERFORMANCE

The kind and scope of services rendered by BRS are based on the relevant agreements concluded, subject to the Rules for Classification and Construction applicable at the time of survey and/or inspection unless otherwise provided by separate express agreements. It is the client's obligation to ensure that the services of BRS can be rendered smoothly and without delay. BRS will, to the extent requested, be granted unrestricted access and the right of inspection.

Any information, drawings, etc. required for performance of the functions and activities of BRS must be made available in due time.

4. CONFIDENTIALITY

BRS maintains confidentiality with respect to all documents and other kinds of information received in connection with the orders entrusted to the Society. Documents and information can only be made available to third parties, with the approval of the person authorized to permit such disclosure. However, this shall not apply to the obligations BRS has towards the administrations of flag states.

5. REMUNERATION

For services rendered by BRS fees are to be paid in accordance with the tariffs of BRS or on the basis of the price quoted in the offer. In addition thereto, BRS will charge any extra expenses incurred in connection with the services rendered (e.g. traveling or other expenses and, where applicable, any value added/ turnover tax).

Additional expenses, which are incurred, for instance, as a result of poor organization on the part of the client or of repetition of tests and for which BRS is not responsible, will be charged separately at the respective current cost rates.

6. PAYMENT OF INVOICES

6.1 The fees for all services rendered by BRS are due for payment 30 days after the date of invoice. On default BRS is - without prejudice to any further rights - entitled to charge interest, to withhold certificates and other documents and/or to suspend or revoke the validity of certificates.

6.2 Any rights of lien or retention in favor of the client, statutory or otherwise are hereby excluded. Likewise excluded are any rights of set-off with client's counter-claims, unless such counter-claim is undisputed or finally adjudicated upon the courts.

7. LIABILITY

7.1 Liability of BRS for defects as to quality shall in the context of a contract for work and services be limited to remedying such defects. In the event this is unsuccessful, the client shall have the right to claim a reduction in the contractual price or to withdraw from the contract.

7.2 Claims of the client for defects as to quality shall become time barred one year after acceptance by the client of the performance by BRS of its obligations, in so far as such defects shall not have been wrongfully concealed by BRS or caused by the willful misconduct of BRS.

7.3 Furthermore, except in case of breach by BRS of an essential contractual obligation, liability of BRS for negligent performance of its obligations towards the client shall be limited to five times the remuneration of the individual obligation to which the breach relates. This limitation of liability shall also apply to claims for damages by the client based on the tortious negligence of BRS. In the event of willful misconduct or gross negligence on the part of BRS, the liability of BRS shall be determined as provided for by law.

7.4 Personal liability of the organs of BRS or persons to whom BRS resorts to perform its obligations is excluded except in case of their willful misconduct or gross negligence.

7.5 The provisions of paragraphs 7.3 and 7.4 above regarding limitation of liability shall not apply to claims for death, personal injury or damage to health.

7.6 The attention of the client is expressly drawn to the fact that it has the possibility of agreeing with BRS that the liability of BRS can be extended beyond what is provided for in these General Terms and Conditions. However, such extension of liability is subject to the client demanding this of BRS, to the insurers of BRS accepting to take on such additional risk and to the client bearing any additional insurance cost associated with such increase in liability.

7.7 Claims for damages which are not claims for defects pursuant to paragraph 7.1 hereof, with the exception of tortious claims and/or claims brought under the law on product liability, shall be time barred one year after acceptance by the client of the performance by BRS of the obligation in question, in so far as there was no willful misconduct on the part of BRS.

8. PLACE OF PERFORMANCE, JURISDICTION - GOVERNING LAW

8.1 The place of performance for all obligations resulting from or in connection with the respective order is Varna, unless otherwise provided.

8.2 The exclusive place of jurisdiction for any legal action against BRS is Varna, provided the client is a merchant in the legal sense.

8.3 Bulgarian law will govern the performance of the order and all claims resulting from or in connection with the order.

9. SEVERABILITY CLAUSE

In the event of individual provisions of the Order or these General Terms and Conditions being or becoming partly or as a whole ineffective, this will not affect the effectiveness of the remaining conditions. In the event of doubts as to the interpretation of the present General Terms and Conditions, the Bulgarian text will be authoritative.