

NEWBUILDCON - Standard Newbuilding Contract - PART II

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machinery and equipment.	807
(b) The <del>Buyer</del> <b>Builder</b> shall provide the Guarantee Engineer with accommodation and provisions	808
<del>to a standard comparable to the Vessel's Chief Engineer, at no cost to the Builder</del> <b>Buyer. The Builder shall pay all other costs, charges and expenses howsoever incurred in relation to Buyer shall pay the Builder the monthly lump sum stated in Box 24, or pro rata thereof for part of a month, as compensation for part of the cost and charges to be borne by the Builder in connection with the Guarantee Engineer. The Buyer shall also arrange and pay for the transportation of the Guarantee Engineer between the Vessel and his home country.</b>	809 810 811 812 813 814
(c) The Guarantee Engineer shall, at all times and in all respects, be deemed to be the employee of the Builder.	815 816
(d) If the Buyer decides not to exercise its right to require the Builder to provide a Guarantee Engineer on board <del>the</del> <b>Vessel or the Vessels</b> , this shall not prejudice the Buyer's rights under the provisions of <b>Clause 35</b> (Builder's Guarantee).	817 818 819
<b>37. Responsibilities and exclusions from liabilities</b>	820
<i>Builder's exclusion Clauses</i>	821
(a) Liability for Defects discovered before or at the time of delivery	822
The Buyer's remedy for delay in delivery of the Vessels, or for Defects discovered before or at the time of such delivery, are set out in <b>Clauses 8 to 13</b> inclusive, <del>and Clause 27(d)</del> (Sea Trials – Method of Acceptance or Rejection) <b>and Clause 54 (Delivery Acceptance Trials – Method of Acceptance or Rejection).</b>	823 824 825
(b) Liability for Defects discovered after delivery	826
Except to the extent expressly provided in <b>Clause 35</b> (Builder's Guarantee), the Builder shall have no liability in contract, tort (including negligence), breach of statutory duty or otherwise for:	827 828 829
(i) any Defect discovered after delivery of the Vessels or	830
(ii) any loss, damage or expenses caused as a consequence of such Defect (which shall include, but not be limited to, loss of time, loss of profit or earnings <del>or demurrage</del> directly or indirectly incurred by the Buyer).	831 832 833
(c) Liability for third party replacement or repair	834
The Builder shall not be responsible for any Defects in any part of the Vessels which may, subsequent to delivery of the Vessels, have been replaced or in any way repaired by any contractor, other than the Builder or its Sub-contractors, or for any such Defects which have been caused in whole or part by omission or improper use or maintenance of the Vessels on the part of the Buyer or by ordinary wear and tear.	835 836 837 838 839
(d) Implied terms	840
The guarantee contained in <b>Clause 35</b> (Builder's Guarantee) replaces and excludes any other liability, guarantee, warranty and/or condition and/or innominate term imposed or implied by the law, customary, statutory or otherwise, by reason of the construction and sale of the Vessels by the Builder for and to the Buyer.	841 842 843 844

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<i>Mutual exclusion Clauses</i>	845
(e) Liability following termination	846
In the event of termination in accordance with the provisions of <a href="#">Clause 39</a> (Suspension and Termination), neither Party shall have any liability to the other whatsoever or howsoever arising, except as expressly provided in that Clause.	847 848 849
In the event, however, that a Party fails to perform the Contract, or unequivocally indicates its intention not to perform it, in a way which thereby permits the other Party to treat the Contract as at an end other than under the terms of the Contract, any such claim that the other party may have shall not be limited or excluded by the terms of this Contract.	850 851 852 853
<i>Responsibility Clauses</i>	854
(f) Responsibility for death and personal injury	855
Each Party to this Contract shall accept responsibility and liability for the death and personal injury of its Personnel, unless the death or personal injury was inflicted by the other Party or its Sub-contractors with the intent to cause such death or injury, or recklessly and with knowledge that such death or injury would probably result.	856 857 858 859
Each Party further agrees to indemnify and hold harmless the other Party, as regards both liability and legal costs, in the event of claims relating to or resulting from death or personal injury of its Personnel against the Party who is not responsible for them under this <a href="#">Sub-Clause 37(f)</a> .	860 861 862 863
(g) Responsibility for damage to or loss of property	864
Unless otherwise provided in this Contract, each Party shall accept responsibility and liability for damage to or loss of its property and the property belonging to its Personnel unless such damage or loss was caused by the other Party or its Sub-contractors with the intent to cause such damage or loss, or recklessly and with knowledge that such damage or loss would probably result.	865 866 867 868 869
Each Party further agrees to indemnify and hold harmless the other Party, as regards both liability and legal costs, in the event of claims relating to or resulting from damage to or loss of property against the Party who is not responsible for them under this <a href="#">Sub-Clause 37(g)</a> .	870 871 872 873
<b>38. Insurances</b>	874
(a) Builder's Insurances	875
For each Vessel, from the time of first steel cutting or equivalent (or delivery of the Buyer's Supplies, whichever is earlier) until the Vessels are-is completed, delivered to and accepted by the Buyer, the Builder shall (in the joint names (as assureds) of the Builder and the Buyer) effect and maintain at no cost to the Buyer, Builder's Risk Insurance for the Vessels and Buyer's Supplies. Such Builder's Risk Insurance shall:	876 877 878 879 880
(i) be provided by insurers reasonably acceptable to the Buyer; and	881
(ii) be on terms no less wide than Institute Clauses for Builder's Risk terms (1/6/88) including Institute War and Institute Strike Clauses ; and	882 883
(iii) be in an amount not less than the aggregate of the payments made by the Buyer to the Builder plus the value of the Buyer's Supplies at the Shipyard.	884 885
If specifically requested by the Buyer, the Builder shall increase the amount insured under the policy to cover the rebuilding costs of the Vessels or such other amount as the Buyer	886 887

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may request. Any additional premium charged for this shall be paid by the Buyer.	888
The Builder shall provide the Buyer with copies of the insurance policy as placed.	889
The Buyer shall notify the Builder of the value of any subsequent changes in the value of the Buyer's Supplies for insurance purposes. Upon receipt of notice of change in value the Builder shall amend the insured value for the Buyer's Supplies accordingly.	890 891 892
<b>(b) Allocation of Insurance Proceeds</b>	893
(i) In the event that a Vessel or the Vessels (as the case may be) is/are at any time prior to or at delivery damaged by any insured cause and provided such damage does not constitute an actual or constructive total loss of the Vessel or Vessels (as the case may be), the Builder shall make good such damage and shall apply any amounts recovered under the insurance referred to in <u>Sub-Clause (a)</u> to the costs of any repair or replacement, including repair or replacement of lost or damaged Buyer's Supplies. Such damage shall be made good so as to comply with this Contract and all repairs shall be carried out in compliance with the requirements of the Classification Society and Regulatory Authorities as appropriate without qualification.	894 895 896 897 898 899 900 901
(ii) Should <del>the</del> a Vessel or the Vessels (as the case may be) become an actual or constructive total loss from any insured cause:	902 903
(1) the Builder and the Buyer may agree that a new vessel (or vessels) is/are built or the Vessel(s) is/are reconstructed in accordance with the terms of this Contract provided agreement is reached in writing to an extension of the Delivery Date and/or any other necessary amendment to the Contract, in which case any amounts recovered under the insurance referred to in <u>Sub-Clause (a)</u> will be applied to the construction or reconstruction of the Vessel(s) if appropriate; or	904 905 906 907 908 909
(2) If the Builder and Buyer are unable to agree within a reasonable time on an extension to the Delivery Date and/or any other necessary amendment to the Contract as provided for in <u>Sub-Clause (b)(ii)(1)</u> the Builder shall:	910 911 912
(i) promptly refund to the Buyer the full amount of sums paid by the Buyer to the Builder for the Vessels together with interest thereon at a rate per annum as stated in <u>Box 30</u> from the date of payment to the date of refund; and	913 914 915
(ii) make payment to the Buyer of the insured value of the Buyer's Supplies or alternatively, at the Builder's cost, deliver the Buyer's Supplies to the Buyer in undamaged condition.	916 917 918
Once all payments have been made by the Builder to the Buyer in accordance with <u>Sub-Clause (b)(ii)(2)</u> this Contract shall be deemed terminated and all future rights and obligations of each of the Parties to the other shall cease whereupon the guarantees provided under this Contract shall be returned.	919 920 921 922
<b>39. Suspension and Termination</b>	923
<b>(a) Builder's Default</b> <del>Buyer's Termination</del>	924
<del>The Buyer shall have the right to terminate this Contract forthwith upon giving notice in the event that</del> Each of the following events constitutes a "Builder's Default":	925 926



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(i) the guarantor providing the Refund Guarantee on behalf of the Builder in accordance with <u>Clause 14(b)</u> (Guarantees – Builder's Refund Guarantee) or the Builder is deemed insolvent	927
<del>pursuant to Sub-Clause (d) below</del> , unless in the case of insolvency of the guarantor, the Builder provides a replacement Refund Guarantee acceptable to the Buyer within 30 days of the Buyer's notice requiring a replacement Refund Guarantee to be provided, during which period no further payments shall be made to the Builder by the Buyer <del>and provided that notice of termination is given before an acceptable replacement Refund Guarantee is received by the Buyer. The Builder or the guarantor shall be deemed insolvent if proceedings are commenced against the Builder or the guarantor for winding up, dissolution or reorganisation (otherwise than for the purpose of amalgamation or reconstruction), liquidation, the appointment of a receiver, trustee or similar officer, bankruptcy, suspension of payments or similar events;</del> or	928
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(ii) the Builder fails to perform any work relating to the construction of a Vessel or the Vessels for a running period of at least the number of days stated in <u>Box 22(i)</u> , excluding Permissible Delays, provided that thereafter the Buyer gives the Builder at least the number of days' written notice stated in <u>Box 22(ii)</u> to remedy its breach of its intention to terminate this Contract under this Clause and within that period the Builder fails to remedy its breach and provided further that the notice of termination is given before the Builder has remedied its breach; or	935
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(iii) (1) the delivery of the Vessels is delayed by more than <del>100180</del> days by virtue of events that fall within <u>Clause 34(a)(i)</u> (Permissible Delays – Force Majeure events); or	942
(2) the delivery of the Vessels is delayed by more than <del>100180</del> days by virtue of events which do not fall within <u>Clause 34(a)(i)</u> or <u>34(a)(ii)</u> (Permissible Delays); or	943
(3) the aggregate of delays to the delivery of the Vessels in (1) and (2) above is more than <del>150270</del> days.	944
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The Builder may at any time after the occurrence of <u>Clause 39(a)(iii)(1), (2) or (3) above</u> <del>right to terminate has occurred</del> give notice requesting that the Buyer either agrees to a new delivery date or exercises its rights pursuant to <u>Clause 39(e)</u> <del>terminates this Contract</del> . Such new delivery date shall be a reasonable estimate by the Builder of the date when the Vessels will be ready for delivery. Within fifteen (15) days of the Builder's request, the Buyer shall notify the Builder of its decision. If the Buyer does not exercise its rights pursuant to <u>Clause 39(e)</u> <del>terminate this Contract</del> then the new delivery date shall be deemed to be the	948
Delivery Date provided it does not occur later than thirty (30) days prior to the expiry of the Refund Guarantee ( <u>Clause 14(b)</u> ) (Guarantees – Builder's Refund Guarantee).	949
Notwithstanding <u>Clause 34(a)(i)</u> (Permissible Delays – Force majeure events) and this <u>Clause 39(a)(iii)(1), (2) or (3)</u> but subject to <u>Clause 34(a)(ii)</u> (Permissible Delays - Other events), if the Vessels are is not delivered by that date, this too shall be deemed a Builder's Default for the purposes of this Sub-Clause (a)(iii) <del>the Buyer shall have the right to terminate this Contract</del> . The Builder's right to request the Buyer to agree a new delivery date shall operate on each and every occasion the events stated in this	950
<u>Sub-Clause (a)(iii)</u> give rise to a Builder's Default for the purposes of this Sub-Clause (a)(iii) <del>the Buyer's option to terminate</del> .	951
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(iv) The reduction in speed for either Vessel would entitle the Buyer to a reduction in the Contract Price for the relevant Vessel	962

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greater than the amount stated in <u>Box 13(ii)</u> ; or	963
(v) <del>The Buyer rejects the main engine and terminates the Contract in accordance with Clause 9(c)(ii)(2); or</del>	964 965
(vi) The reduction in deadweight for either Vessel would entitle the Buyer to a reduction in the Contract Price for the relevant Vessel greater than the amount stated in <u>Box 15(iii)</u> ; or	966 967
(vii) <del>The reduction in cubic capacity would entitle the Buyer to a reduction in the Contract Price greater than the amount stated in <u>Box 16(iii)</u>; or</del>	968 969
(viii) <del>The condition of the Vessel is deficient in the manner stated in <u>Clause 12 (Other Deficiencies)</u> and <u>Box 17</u>; or</del>	970 971
(ix) The Builder is in breach of <u>Clause 14</u> (Guarantees).	972
(b) Builder's Termination	973
The Builder shall have the right to terminate this Contract forthwith upon giving notice to the Buyer in the event that:	974 975
(i) <del>The guarantor providing the Instalment Guarantee or Performance Guarantee on behalf of the Buyer under <u>Clause 14(a)</u> (Buyer's Instalment/Performance Guarantee) is deemed insolvent pursuant to <u>Sub-Clause (d)</u> below, unless the Buyer can provide a replacement Performance Guarantee acceptable to the Builder within 30 days and provided that notice of termination is given before an acceptable Buyer's Instalment or Performance Guarantee is received by the Builder, or</del>	976 977 978 979 980 981
(ii) The Buyer fails to pay any sums due under this Contract for a period of twenty-one (21) Banking Days provided that the Builder thereafter gives the Buyer at least 5 Banking Days notice of its intention to terminate under this Clause, and within that period the Buyer fails to remedy the breach and provided that notice of termination is given before the Buyer pays the outstanding sums due, or	982 983 984 985 986
(iii) The Buyer fails to take delivery of the Vessels tendered in accordance with this Contract, or	987 988
(iv) <del>The Buyer is in breach of <u>Clause 14</u> (Guarantees)</del>	989
(v) <del>The Buyer is deemed insolvent. The Buyer shall be deemed insolvent if proceedings are commenced against the Buyer for winding up, dissolution or reorganisation (otherwise than for the purpose of amalgamation or reconstruction), liquidation, the appointment of a receiver, trustee or similar officer, bankruptcy, suspension of payments or similar events.</del>	
(c) Suspension of Work	990
Without prejudice to <u>Sub-Clause (b)</u> above the Builder shall have the right to suspend work under this Contract if the Buyer fails to pay any instalment stated in <u>Box 11</u> due for a period of fifteen (15) Banking Days until payment of such outstanding sums.	991 992 993
(d) <del>Deemed-Insolvency</del>	994
<del>A Party or the guarantor providing the Refund Guarantee shall be deemed insolvent if proceedings are commenced against the insolvent Party or the guarantor for winding up, dissolution or reorganisation (otherwise than for the purpose of amalgamation or reconstruction), liquidation, the appointment of a receiver, trustee or similar officer,</del>	995 996 997 998

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<del>bankruptcy, suspension of payments or similar events.</del>	999
<del>A Party shall have the right to terminate this Contract forthwith upon giving notice if the other Party or the guarantor is deemed insolvent.</del>	1000
<del>other Party or the guarantor is deemed insolvent.</del>	1001
<b>(e) Effect of Builder's Default</b>	1002
<del>Buyer's Termination</del>	1003
<b>Upon the occurrence of a Builder's Default, the Buyer shall be entitled to terminate this Contract following which, at the Buyer's sole option, either:</b>	
<b>(i) <del>If this Contract is terminated by the Buyer, the Builder shall refund all sums paid by the Buyer to the Builder under Clause 7 (Contract Price) and Clause 15 (Payments) hereof for both Vessels</del></b>	1004
<b>plus interest thereon at the rate stated in Box 30 per annum from the date of payment to the date of refund. The Builder shall also return the Buyer's Supplies, or if they cannot be returned, the Builder shall pay to the Buyer's reasonable cost for such Buyer's Supplies. If the Parties are in dispute regarding what represents a "reasonable cost" for such Buyer's Supplies, the dispute shall be resolved in accordance with Clause 42 (Dispute Resolution) <del>an amount equal to the Buyer's cost for such Buyer's Supplies; or</del></b>	1005
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<b>(ii) the Buyer shall, in accordance with the terms of Annex F, take title to and possession of the Vessels in their incomplete state and arrange for the transportation of the Vessels to, and completion of the Vessels at, an alternative location or shipyard of the Buyer's choosing.</b>	
<b>(f) Effect of Builder's Termination</b>	1009
<b>If this Contract is terminated by the Builder, the Builder shall have the right to retain the Buyer's Supplies together with any instalments paid by the Buyer and shall have the right and power either to complete or not to complete the Vessel as it deems fit but in any event shall sell the Vessels (either in its <del>their</del> complete or incomplete form), including those Buyer's Supplies which are installed or have been utilised on board the Vessels, at the best price reasonably obtainable at a public or private sale on reasonable terms and conditions.</b>	1010
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<b>(i) In the event of the sale of the Vessels in <del>their</del> complete form the proceeds of the sale received by the Builder shall be applied in the following order:</b>	1016
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<b>(1) to payment of all expenses incurred by the Builder in respect of the sale and otherwise incurred by the Builder as a result of the Buyer's default;</b>	1018
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<b>(2) to payment of all unpaid instalments of the Contract Price including any which would have been payable after the date of termination and interest on such instalments at the rate of interest stated in Box 30 from the respective due dates thereof to the date of application.</b>	1020
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<b>(ii) In the event of the sale of the Vessel in its incomplete form the proceeds of sale received by the Builder shall be applied in the following order:</b>	1024
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<b>(1) to payment of all expenses incurred by the Builder in respect of the sale and otherwise incurred by the Builder as a result of the Buyer's default;</b>	1026
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<b>(2) to payment of all unpaid instalments of the Contract Price to the extent due but not yet paid at the date of termination and interest on such instalments at the rate of interest stated in Box 30 from the respective due dates thereof to the date of application;</b>	1028
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<b>(3) to payment of all costs of part construction of the Vessels less any paid instalments</b>	1032

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and less any sums credited under (2) above;	1033
(4) to payment of the Builder's reasonable net loss of profit caused by the Buyer's default.	1034 1035
(iii) In either of the above events if the proceeds of sale exceed the sums to which such proceeds are to be applied as aforesaid the Builder shall promptly pay any such excess to the Buyer without interest thereon, provided that the amount of such payment to the Buyer shall in no event exceed the total amount of instalments paid by the Buyer. The Builder shall at the same time either permit the Buyer to remove the Buyer's Supplies which are not installed or utilised onboard the Vessels (if any) from the Shipyard for the cost and expense of the Buyer, or give credit to the Buyer for the full value thereof.	1036 1037 1038 1039 1040 1041 1042 1043
(iv) If the proceeds of sale are insufficient to pay the Builder the total amounts due from the Buyer as aforesaid, the Builder may sell the Buyer's Supplies which are not installed or utilised onboard the Vessels (if any) at the best price reasonably obtainable at a public auction or private sale on reasonable terms and conditions, applying the proceeds of such sale toward the unsatisfied amounts due from the Buyer, and giving credit to the Buyer for any excess.	1044 1045 1046 1047 1048 1049
(v) If the proceeds of sale are still insufficient to pay the Builder the total amounts due from the Buyer as aforesaid, the Buyer shall pay to the Builder the amount of such deficiency, plus interest at the rate stated in <a href="#">Box 30</a> to cover periods whenever payments from the Buyer became overdue.	1050 1051 1052 1053
<b>40. Copyrights, Trade Marks and Patents</b>	1054
(a) Where they are owned and supplied by a Party, that Party shall retain all copyright, trade mark, patent or similar rights (hereinafter called "Intellectual Property Rights") with respect to the Specification, Plans and Drawings, technical descriptions, calculations, test results and other data, and information and documents concerning the design and construction of the Vessels. The other Party undertakes not to disclose the same or divulge any information contained therein to any third parties without the prior written consent of the first Party, except where it is necessary for usual operation, repair and maintenance of the Vessels and to subsequent owners.	1055 1056 1057 1058 1059 1060 1061 1062
(b) Each Party shall ensure that any manufacture and/or supply according to specifications, drawings, models or other instructions supplied by it shall not infringe any Intellectual Property Rights of third parties. Should claims nevertheless be made against the other Party in respect of Intellectual Property Rights arising out of or in any way related to the performance of the Contract, the first Party shall keep the other Party indemnified against the cost of such claims, including any legal costs in connection therewith.	1063 1064 1065 1066 1067 1068
(c) For the purpose of this <a href="#">Sub-Clause (c)</a> , "Information" means technical information relating to the Vessels designated by one Party as confidential, except information which corresponds in substance to information which:	1069 1070 1071
(i) was developed by and in possession of the other Party prior to first receipt from the first Party; and/or	1072 1073
(ii) at the date hereof or hereafter, through no wrongful act or failure to act on the part of the other Party, enters the public domain.	1074 1075
Where it is necessary during the performance of this Contract for the first Party to make information available to the other Party, the other Party shall hold all such Information in confidence and not disclose it to any third parties or use it for any purpose other than	1076 1077 1078



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as provided herein without the prior written consent of the first Party, which shall not be unreasonably withheld.	1079 1080
<b>41. Governing law</b>	1081
This Contract shall be subject to English law unless another law is stated in <a href="#">Box 23(a)</a> in which case the law stated in <a href="#">Box 23(a)</a> shall apply.	1082 1083
<b>42. Dispute Resolution</b>	1084
<b>(a) Classification/Regulatory Authorities</b>	1085
Any dispute concerning <del>the either</del> Vessel's compliance or non compliance with the rules, regulations and requirements of the Classification Society or other Regulatory Authorities shall be referred to the Classification Society or other Regulatory Authorities, as the case	1086 1087 1088
may be, the final decision of which shall be final and binding upon the Parties hereto. All other disputes shall be referred to expert determination or arbitration in accordance with <a href="#">Sub-Clauses (b)</a> through <a href="#">(e)</a> .	1089 1090 1091
<b>(b) Expert determination</b>	1092
Unless <a href="#">Sub-Clause (a)</a> applies or <a href="#">Sub-Clauses (c)</a> to <a href="#">(e)</a> apply, in the event that a dispute arises under this Contract either Party may require by notice in writing to the other Party that such dispute be referred to an independent third party (an "Expert") as the Parties jointly nominate in writing, subject to the following procedure:	1093 1094 1095 1096
(i) if the Parties fail to nominate an Expert within seven (7) days of the date of the notice referred to in this <a href="#">Sub-Clause (b)</a> , the dispute shall be resolved in accordance with <a href="#">Sub-Clauses (c)</a> to <a href="#">(e)</a> below;	1097 1098 1099
(ii) the Expert shall act as an expert and not as an arbitrator and his decision shall be final and binding upon the Parties;	1100 1101
(iii) the Expert's determination shall be conducted in accordance with the following rules, unless otherwise agreed by the Parties:	1102 1103
(1) the Parties may make written representations within seven (7) days of the Expert's appointment and shall copy in full such written representations to the other Party within such time period;	1104 1105 1106
(2) the Parties shall have a further seven (7) days to make written comments on each other's representations and shall copy in full such written comments to the other Party within such time period;	1107 1108 1109
(3) the Expert may call for such other documents and written evidence from the Parties as the Expert may reasonably require and the Parties shall provide such documents and written evidence within the period specified by the Expert. The Parties shall copy, in full, such documents and written evidence to the other Party within such time period provided that if either Party claims any such information is confidential to it then, provided in the reasonable opinion of the Expert that Party has properly claimed the same as confidential, the Expert shall not disclose the same to the other Party or to any third party;	1110 1111 1112 1113 1114 1115 1116 1117
(4) the Expert shall decide whether or not to take oral representations from or on behalf of either Party, but if he does so he shall give the other Party the opportunity to be present;	1118 1119 1120
(5) the Expert shall have regard to all representations and evidence before him when	1121



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making his decision, which shall be in writing, and give full reasons for his decision; and	1122 1123
(6) the Expert shall use all reasonable endeavours to publish his decision within twenty-eight (28) days of his appointment.	1124 1125
(iv) Unless the Parties agree otherwise, each Party shall bear its own costs of a reference to the Expert, and fees and expenses of the Expert shall be borne equally between the Parties.	1126 1127 1128
(v) Without prejudice to the rest of this <a href="#">Sub-Clause (b)</a> the Parties shall consider on an ongoing basis whether or not it would be suitable to refer any dispute to an Expert or to enter into mediation in accordance with <a href="#">Sub-Clause (e)</a> .	1129 1130 1131
(c) * Arbitration and Mediation	1132
Unless <a href="#">Sub-Clause (a)</a> or <a href="#">(b)</a> applies and unless <a href="#">Box 23(b)</a> states a place other than London, any dispute arising out of or in connection with this Contract shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.	1133 1134 1135 1136 1137
The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.	1138 1139 1140
The reference shall be to three arbitrators. A Party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other Party requiring the other Party to appoint its own arbitrator within fourteen (14) calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other Party appoints its own arbitrator and gives notice that it has done so within the fourteen (14) days specified. If the other Party does not appoint its own arbitrator and give notice that it has done so within the fourteen (14) days specified, the Party referring a dispute to arbitration may, without the requirement of any further prior notice to the other Party, appoint its arbitrator as sole arbitrator and shall advise the other Party accordingly. The award of a sole arbitrator shall be binding on both Parties as if he had been appointed by agreement.	1141 1142 1143 1144 1145 1146 1147 1148 1149 1150 1151
Nothing herein shall prevent the Parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.	1152 1153
In cases where neither the claim nor any counterclaim exceeds the sum of <del>US\$</del> EUR(€)100,000 (or such other sum as the Parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.	1154 1155 1156 1157
<del>(d) *Unless <a href="#">Sub-Clauses (a)</a>, <a href="#">(b)</a> or <a href="#">(c)</a> apply, any dispute arising out of or in connection with this Contract shall be referred to arbitration at the place stated in <a href="#">Box 23(b)</a>, subject to the procedures applicable there.</del>	1158 1159 1160
(e) Notwithstanding <a href="#">Sub-Clauses (c)</a> and <del>(d)</del> above, the Parties may agree at any time to refer to mediation any difference and/or dispute arising out of or in connection with this Contract.	1161 1162 1163
In the case of a dispute in respect of which arbitration has been commenced under <a href="#">(c)</a>	1164



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or <del>(d)</del> above, the following shall apply:	1165
(i) Either Party may at any time and from time to time elect to refer the dispute or part of the dispute to mediation by service on the other Party of a written notice (the "Mediation Notice") calling on the other Party to agree to mediation.	1166 1167 1168
(ii) The other Party shall thereupon within fourteen (14) calendar days of receipt of the Mediation Notice confirm that they agree to mediation, in which case the Parties shall thereafter agree a mediator within a further fourteen (14) calendar days, failing which on the application of either Party a mediator will be appointed promptly by the Arbitration Tribunal ("the Tribunal") or such person as the Tribunal may designate for that purpose. The mediation shall be conducted in such place and in accordance with such procedure and on such terms as the Parties may agree or, in the event of disagreement, as may be set by the mediator.	1169 1170 1171 1172 1173 1174 1175 1176
(iii) If the other Party does not agree to mediate, that fact may be brought to the attention of the Tribunal and may be taken into account by the Tribunal when allocating the costs of the arbitration as between the Parties.	1177 1178 1179
(iv) The mediation shall not affect the right of either Party to seek such relief or take such steps as it considers necessary to protect its interest.	1180 1181
(v) Either Party may advise the Tribunal that they have agreed to mediation. The arbitration procedure shall continue during the conduct of the mediation but the Tribunal may take the mediation timetable into account when setting the timetable for steps in the arbitration.	1182 1183 1184 1185
(vi) Unless otherwise agreed or specified in the mediation terms, each Party shall bear its own costs incurred in the mediation and the Parties shall share equally the mediator's costs and expenses.	1186 1187 1188
(vii) The mediation process shall be without prejudice and confidential and no information or documents disclosed during it shall be revealed to the Tribunal except to the extent that they are disclosable under the law and procedure governing the arbitration.	1189 1190 1191
<i>(Note: The Parties should be aware that the mediation process may not necessarily interrupt time limits.)</i>	1192 1193
* <u>Sub-Clauses (c)</u> and <u>(d)</u> are alternatives; state place of dispute resolution in <u>Box 23(b)</u> .	1194 1195
If <u>Box 23(b)</u> is not appropriately filled in, <u>Sub-Clause (c)</u> of this Clause shall apply.	1196



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**SECTION 6 – SUNDRY**

<b>43. Notices</b>	1197
(a) All notices given by either Party or their agents to the other Party or their agents in accordance with the provisions of this Contract shall be in writing and shall, unless specifically provided in this Contract to the contrary, be sent to the address for that other Party as set out in <a href="#">Box 2</a> or <a href="#">Box 3</a> as appropriate or to such other address as the other Party may designate in writing.	1198 1199 1200 1201 1202
(b) A notice may be sent by post, facsimile, electronically or delivered by hand in accordance with <a href="#">Sub-Clause (a)</a> .	1203 1204
(c) Any notice given under this Contract shall take effect on receipt by the other party and shall be deemed to have been received:	1205 1206
(i) if posted, on the seventh (7th) day after posting;	1207
(ii) if sent by facsimile or electronically, on the day of transmission;	1208
(iii) if delivered by hand, on the day of delivery.	1209
And in each case proof of posting, transmission or handing in shall be proof that notice Has been given.	1210 1211
<b>44. Effective date of Contract</b>	1212
(a) This Contract shall become effective when the conditions stated in <a href="#">Box 25</a> have been satisfied. If no conditions are stated in <a href="#">Box 25</a> then the effective date of the Contract shall be the date stated in <a href="#">Box 1</a> . The Parties shall immediately notify each other when the conditions stated in <a href="#">Box 25</a> relevant to that Party have been satisfied.	1213 1214 1215 1216
(b) If any of the conditions referred to above have not been satisfied within the number of days stated in <a href="#">Box 26</a> after the date of this Contract stated in <a href="#">Box 1</a> , this Contract shall be deemed null and void and both Parties shall immediately be relieved of any obligations or liabilities to the other Party under this Contract.	1217 1218 1219 1220
<b>45. Assignment</b>	1221
(a) Builder's assignment	1222
The Builder shall have the right to assign the benefits of this Contract to the Builder's financiers for the purpose of securing the Builder's financing.	1223 1224
(b) Buyer's assignment	1225
(i) The Buyer shall have the right to assign the benefits of this Contract to the Buyer's financiers for the purpose of securing the Buyer's financing.	1226 1227
(ii) The Buyer shall have the right, subject to the Builder's consent which shall not be unreasonably withheld, <b>conditioned or delayed</b> , to assign, transfer or novate this Contract to any other third party.	1228 1229 1230
<b>46. Options</b>	1231
<del>The Buyer shall have the option for the construction by the Builder of additional vessels as stated in <a href="#">Box 27</a> at the contract price and delivery dates stated in <a href="#">Box 28</a>, but otherwise on the same terms and conditions as this Contract with logical amendments. Such option must be declared by the Buyer to the Builder within the number of months stated in <a href="#">Box 29</a> following the Effective date of this Contract referred to in <a href="#">Clause 44</a> (Effective date of</del>	1232 1233 1234 1235 1236

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<del>Contract).</del>	1237
<b>47. Entire Agreement</b>	1238
This Contract constitutes the entire agreement between the Parties and no promise, undertaking, representation, warranty or statement by either Party prior to the date of this Contract stated in <a href="#">Box 1</a> shall affect this Contract. Any modification of this Contract shall not be of any effect unless in writing signed by or on behalf of the Parties.	1239 1240 1241 1242
<b>48. Third party rights</b>	1243
Unless expressly identified in this Contract, no third parties shall have the right to enforce any term of this Contract.	1244 1245
<b>49. Corrupt Gifts and Payment of Commission</b>	
The Builder shall not, and shall ensure that its Personnel and Sub-contractors do not, pay any commission, fees or grant any rebates to any employee, officer or agent of any member of the Buyer Group nor favour any employee, officer or agent of any member of the Buyer Group with gifts or entertainment of significant cost or value nor enter into any business arrangement with employees, officers or agents of any member of the Buyer Group other than as a representative of the Buyer, without the Buyer's prior written approval.	
<b>50. Confidentiality and Announcements</b>	
(a) Subject to Clause 51, the Builder will keep confidential:	
(i) the terms of this Contract; and	
(ii) any and all Confidential Information that it may acquire in relation to the Buyer.	
(b) The Builder will not use the Buyer's Confidential Information for any purpose other than to perform its obligations under this Contract. The Builder will ensure that its Personnel and Sub-contractors comply with the provisions of Clause 50(a).	
(c) The obligations on the Builder set out in Clause 50(a) will not apply to any Confidential Information:	
(i) which either of the Parties can demonstrate is in the public domain (other than as a result of a breach of this Clause 50);	
(ii) which a Party is required to disclose by order of a court of competent jurisdiction but then only to the extent of such required disclosure; or	
(iii) to the extent that such disclosure is to the Secretary of State for Transport (or the government department responsible for public transport in London for the time being) or any person or body who has statutory responsibilities in relation to transport in London and their employees, agents and sub-contractors.	
(d) The Builder shall keep secure all materials containing any information in relation to the Contract and its performance.	
(e) The Builder shall not communicate with representatives of the general or technical press, radio, television or other communications media in relation to the existence of the Contract or in relation to any matter under or arising from the Contract unless specifically granted permission to do so in writing by the Buyer. The Buyer shall have	

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the right to review and approve any announcement before it is made.

(f) The provisions of this Clause 50 will survive any termination of this Contract for a period of 6 years from termination or expiry.

51. Freedom of Information and Transparency

(a) For the purposes of this Clause 51:

(i) "FOI Legislation" means the Freedom of Information Act 2000, all regulations made under it and the Environmental Information Regulations 2004 and any amendment or re-enactment of any of them; and any guidance or statutory codes of practice issued by the Information Commissioner, the Ministry of Justice or the Department for Environment Food and Rural Affairs (including in each case its successors or assigns) in relation to such legislation;

(ii) "Information" means information recorded in any form held by the Buyer or by the Builder on behalf of the Buyer; and

(iii) "Information Access Request" means a request for any Information under the FOI Legislation.

(b) The Builder acknowledges that the Buyer:

(i) is subject to the FOI Legislation and agrees to assist and co-operate with the Buyer to enable the Buyer to comply with its obligations under the FOI Legislation; and

(ii) may be obliged under the FOI Legislation to disclose Information without consulting or obtaining consent from the Builder.

(c) Without prejudice to the generality of Clause 51(b), the Builder shall and shall procure that its Sub-contractors (if any) shall:

(i) transfer to the Contract Manager (or such other person as may be notified by the Buyer to the Builder) each Information Access Request relevant to the Contract or any member of the Buyer Group that it or they (as the case may be) receive as soon as practicable and in any event within two (2) Banking Days of receiving such Information Access Request; and

(ii) in relation to Information held by the Builder on behalf of the Buyer, provide the Buyer with details about and copies of all such Information that the Buyer requests and such details and copies shall be provided within five (5) Banking Days of a request from the Buyer (or such other period as the Buyer may reasonably specify), and in such forms as the Buyer may reasonably specify.

(d) The Buyer shall be responsible for determining whether Information is exempt from disclosure under the FOI Legislation and for determining what Information will be disclosed in response to an Information Access Request in accordance with the FOI Legislation.

(e) The Builder shall not itself respond to any person making an Information Access Request, save to acknowledge receipt, unless expressly authorised to do so by the Buyer.

(f) The Builder acknowledges that the Buyer is subject to the transparency commitment.

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Accordingly, notwithstanding Clause 50(a) and this Clause 51, the Builder hereby gives its consent for the Buyer to publish the Contract Information to the general public.

(g) The Buyer may in its absolute discretion redact all or part of the Contract Information prior to its publication. In so doing and in its absolute discretion the Buyer may take account of the exemptions/exceptions that would be available in relation to information requested under the FOI Legislation.

(h) The Buyer may in its absolute discretion consult with the Builder regarding any redactions to the Contract Information to be published pursuant to Clause 50(g). The Buyer shall make the final decision regarding both publication and redaction of the Contract Information.

### 52. Timber Standards

(a) For the purposes of this Clause 52, unless the context indicates otherwise, the following expressions shall have the following meanings:

(i) "Independent Report" means an independent report by an individual or body: (1) whose organisation, systems and procedures conform to both ISO Guide 65:1996 (EN 45011:1998) and all general requirements for bodies operating product certification systems; and (2) who is accredited to audit against forest management standards by a national or international body whose organisation, systems and procedures conform to ISO Guide 61 General Requirements for Assessment and Accreditation of Certification Bodies.

(ii) "Legal Timber" means Timber in respect of which the organisation that felled the trees and/or provided the Timber from which the wood supplied under this Contract derived: (1) had legal rights to use the forest; (2) holds a register of all local and national laws and codes of practice relevant to forest operations; and (3) complied with all relevant local and national laws and codes of practice including environmental, labour and health and safety laws and paid all relevant royalties and taxes.

(iii) "Recycled Timber" and "Reclaimed Timber" means recovered wood that has been reclaimed or re-used and that has been in previous use and is no longer used for the purpose for which the trees from which it derives were originally felled. The terms recycled and reclaimed are interchangeable and include, but are not limited to the following categories: pre-consumer recycled wood and wood fibre or industrial by-products but excluding sawmill co-products (sawmill co-products are deemed to fall within the category of Virgin Timber), post-consumer recycled wood and wood fibre and drift wood. Recycled or Reclaimed Timber must be capable of being evidenced as such to the Buyer's satisfaction in order to satisfy this definition.

(iv) "Sustainable Timber" means Timber, which in order to meet the Buyer's criteria for sustainable timber, must be: (1) Recycled Timber; or (2) Sustainably Sourced Timber; or (3) a combination of Recycled Timber and Sustainably Sourced Timber.

(v) "Sustainably Sourced Timber" means Timber sourced from organisational, production and process methods that minimise harm to ecosystems, sustain forest productivity, ensure that both forest ecosystem health and vitality, and forest biodiversity is maintained. In order to satisfy this definition, Timber must be accredited to meet the Forest Stewardship Council (FSC) or equivalent. Where it is not practicable to use Forest Stewardship Council (FSC) standard accredited timber, the Buyer will accept timber accredited through other schemes approved by the Central Point of Expertise on Timber (CPET), as follows: (1) Canadian Standards Association (CSA); (2)

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Programme for the Endorsement of Forest Certification (PEFC); or (3) Sustainable Forestry Initiative (SFI); or (4) such other source as the Builder may demonstrate to the Buyer's satisfaction is equivalent.

(vi) "Timber" means wood from trees that have been felled for that purpose, but excludes any item where the manufacturing processes applied to it has obscured the wood element (by way of example only, paper would not be treated as timber). Where the term Timber is used as a generic term it includes both Virgin Timber and Recycled Timber.

(vii) "Virgin Timber" means timber supplied or used in performance of this Contract that is not Recycled Timber.

**(b) Builder's Obligations and the Buyer's Rights**

(i) The Builder shall ensure that all Timber supplied or used in the performance of this Contract shall be Sustainable Timber. If it is not practicable for the Builder to meet this condition the Builder must inform the Buyer in writing prior to the supply of any Timber that is not Sustainable Timber, and stating the reason for the inability to comply with this condition. The Buyer reserves the right, in its absolute discretion, to approve the use of Timber that is not Sustainable Timber. Where the Buyer exercises its right to reject any Timber, the provisions of Clause 52(b)(iv) shall apply.

(ii) Without prejudice to Clauses 52(b)(i) and 52(e), all Virgin Timber procured by the Builder for supply or use in performance of this Contract shall be Legal Timber.

(iii) The Builder shall ensure that Virgin Timber it procures for supply or use in performance of this Contract shall not have derived from any species of tree that is protected under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) unless the supplier can prove, by producing official documentation, that he has complied with the CITES requirements that permit trading in the particular species of tree so listed under that Convention.

(iv) The Buyer reserves the right to reject at any time any Timber that does not comply with the conditions of this Contract. Where the Buyer exercises its right to reject any Timber, the Builder shall supply contractually compliant alternative Timber, at no additional cost to the Buyer and without causing delay to the performance of this Contract.

(v) The Builder shall maintain records of all Timber supplied and used in the performance of this Contract. Such information shall be made available to the Buyer promptly if requested at any time.

**(c) Buyer's Reporting Requirements**

(i) Unless the Buyer has given its written approval in accordance with Clause 52(b)(i) that Timber that is not Sustainable Timber may be used, then, if requested, the Builder shall promptly provide evidence to the Buyer's satisfaction that the Timber is Sustainable Timber.

(ii) Upon a request by the Buyer referred to in Clause 52(c)(i), in the event that the Builder does not promptly provide such evidence, or the evidence provided does not satisfy the Buyer's requirements, then (and without prejudice to Clause 52(d)), the Buyer reserves the right to retain 25% of any monies payable to the Builder under this Contract until such date as the Buyer is in receipt of such evidence and the Buyer is

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satisfied that the evidence establishes that the Timber is Sustainable Timber.

(iii) The Builder shall report quarterly on its use of Sustainable Timber in the performance of this Contract, in accordance with the Timber Standards Appendix set out at Annex C.

(iv) The Builder shall report on the amount of Timber that has been supplied to the Buyer in accordance with Clause 52(b)(i) which is not Sustainable Timber.

### (d) Verification/Evidence of Sustainable Timber

The Buyer reserves the right to determine whether the evidence supplied by the Builder is sufficient to satisfy it that the conditions of this Contract have been fully complied with. In the event that the Buyer is not so satisfied, the Builder shall, on written request by the Buyer, commission and meet the costs of an Independent Report to: (1) verify the source of the Timber; and (2) assess whether the forests of origin were managed in accordance with the specified local laws and regulations.

### (e) Verification/Evidence of Legal Timber

(i) The Builder shall, before delivering any Virgin Timber under this Contract, obtain documentary evidence to the Buyer's satisfaction that the Timber is both Legal Timber and Sustainable Timber. If requested in writing by the Buyer, the Builder shall submit such documentary evidence to the Buyer either prior to delivery or at such other times as the Buyer may require. For the avoidance of doubt, the Builder shall identify, as part of the evidence submitted, a chain of custody from the source of the Timber through to delivery of the final product.

(ii) The Buyer reserves the right at any time during the execution of this Contract and for a period of 6 years from final delivery of any Timber under the Contract to require the Builder to produce the evidence required for the Buyer's inspection within 14 days of the Buyer's written request.

## 53. Ethical Sourcing

(a) The Buyer is committed to ensuring that workers employed in its supply chains throughout the world are treated fairly, humanely and equitably. In the course of complying with this Contract, the Builder shall comply with and shall procure that its Sub-contractors (as applicable) comply with those principles of the Ethical Trading Initiative (ETI) Base Code as are detailed in the Ethical Sourcing Appendix set out at Annex D, or an equivalent code of conduct (the "Ethical Sourcing Principles").

(b) As soon as practicable following the execution of this Contract by the Parties, the Builder shall be registered with an ethical supplier database, such as SEDEX (Supplier Ethical Data Exchange). The Builder agrees that for the duration of this Contract, it shall permit and enable the Buyer to have access to the information relating to the Builder that subsists in such ethical supplier database.

(c) During the course of this Contract, the Buyer has the right to request the Builder to carry out one or more audits using a reputable auditor to verify whether the Builder is complying with the Ethical Sourcing Principles. The identity of the auditor is to be approved by the Buyer, such approval not to be unreasonably withheld or delayed. The costs of the audit shall be borne by the Buyer.

(d) During the course of this Contract, if the Buyer has reasonable cause to believe that

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the Builder is not complying with any of the Ethical Sourcing Principles, then the Buyer shall notify the Builder and the Parties shall agree an action plan with appropriate timeframes for compliance by the Builder (the "Action Plan"), such Action Plan to be agreed by the Parties by no later than 30 days from the date of the Buyer notifying the Builder that remedial action is required or such other period as the Parties may otherwise agree in writing. The costs of the creation and implementation of the Action Plan shall be borne by the Builder.

(e) Following the agreement of the Action Plan, the Buyer reserves the right to conduct one or more audits, (either itself or via a third-party auditor approved by the Buyer) in relation to compliance by the Builder with the Action Plan.

(f) For the avoidance of doubt, the rights of audit contained in this Clause 53 shall include without limitation the right of the Buyer (or a Buyer-approved auditor) acting reasonably to undertake physical inspections of relevant sites/factories, to conduct interviews with relevant personnel and to inspect relevant documents. The Builder shall co-operate and shall procure that its Sub-contractors (as applicable) co-operate with the Buyer in relation to all aspects of any audit.

54. Delivery Acceptance Trials

Within forty-eight (48) hours (or such other period as the Parties may agree) of the arrival of each Vessel at or near Woolwich on the River Thames, each Vessel will be subjected to Delivery Acceptance Trials.

(a) Notice

The Buyer's Representative, together with a suitable number of assistants, officers and crew, shall have the right to be present at the Delivery Acceptance Trials of each Vessel. For each Vessel the Builder shall give the Buyer at least three (3) running days notice of the time and date of the Delivery Acceptance Trials and the Buyer shall promptly acknowledge receipt of such notice.

(b) Weather Conditions

The Delivery Acceptance Trials for each Vessel shall be conducted at or near Woolwich on the River Thames. If the Delivery Acceptance Trials are interrupted or prevented by weather conditions which the Builder and the Buyer's Representative agree represent a reasonable danger to the safe navigation/operation of the Vessel(s), any resulting delay in delivery of the Vessels shall be deemed a Permissible Delay in accordance with Clause 34 (Permissible Delays). In such an event, the Delivery Acceptance Trials shall be discontinued or postponed until the first favourable day thereafter when weather conditions permit.

(c) Conduct of the Delivery Acceptance Trials

(i) The Delivery Acceptance Trials shall be conducted in the manner described in the Specification and shall be limited in length to one day per Vessel.

(ii) The Builder shall provide sufficient crew necessary for the safe operation of the Vessels. The Buyer will provide a crew member with the necessary local knowledge of the River Thames required for safe navigation.

(iii) All expenses in connection with the Delivery Acceptance Trials of each Vessel, including the provision of bunkers, lubricating oil, grease, fresh water and stores needed to undertake the Delivery Acceptance Trials shall be for the Builder's cost and expense. Together with the Final Instalment, the Buyer shall reimburse the Builder at cost price for any quantities of bunkers and unbroached lubricating oil, grease, fresh

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water and stores remaining on board each Vessel at delivery.

(d) Method of Acceptance or Rejection

(i) Upon completion of the Delivery Acceptance Trials for both Vessels the Builder shall give the Buyer the results of the Delivery Acceptance Trials in writing. Within twenty-four (24) hours after receipt of the Delivery Acceptance Trial results for both Vessels in writing, the Buyer shall notify the Builder in writing of its acceptance for delivery or rejection of the Vessels.

(ii) If the results of the Delivery Acceptance Trials demonstrate that either Vessel, both Vessels or any part or equipment thereof does not conform to the requirements of this Contract and/or the Specification, or if the Buyer rejects either Vessel or both Vessels for other reasons which the Builder accepts as valid, the Builder shall take all necessary steps to rectify such non-conformity. If necessary the Builder shall for its own cost and expense carry out further Delivery Acceptance Trials in accordance with this Clause and the Specification to ascertain that both Vessels comply with the terms of this Contract and the Specification. Upon demonstration by the Builder that the deficiencies have been corrected, the procedure set out in this Sub-Clause (d) shall apply.

(iii) If the Buyer gives notice of rejection for the Vessels under (d)(i) above or rejects either Vessel or both of the Vessel under (d)(ii) above, the Buyer shall state in which respects the Vessels do not conform to the requirements of this Contract (hereinafter "Delivery Defects").

(iv) If the Delivery Defects are of minor importance and do not affect Class or the operation of the Vessels in their intended trade but the Builder is unable to rectify the matter within a reasonable time and in any event before the accrual of the Buyer's right to terminate in accordance with Clause 39 (Suspension and Termination), the Builder may nevertheless require the Buyer to take delivery of the affected Vessel or Vessels (as the case may be), on condition that the Builder first:

(1) undertakes to remedy the Delivery Defects for its own cost and expense as soon as possible; and

(2) agrees in writing to indemnify the Buyer for any loss incurred as a consequence thereof, including loss of time; and

(3) provides the Buyer with a guarantee issued by the party named in Box 32 (or if Box 32 is not filled in, a bank guarantee from a first class bank) substantially in the form and substance set out in Annex A(iv) for a sum which the Buyer reasonably requests to cover (1) and (2) above, failing agreement such sum to be resolved in accordance with Clause 42 (Dispute Resolution);

whereupon the Buyer shall accept delivery of the Vessels.

(v) If the Builder disputes the rejection of the Vessels by the Buyer, the dispute shall be resolved in accordance with Clause 42 (Dispute Resolution).

55. Technical Support Agreement

(a) Each Vessel shall be fitted with a diesel electric hybrid propulsion system (the "System"). As per the Specification any batteries in the System shall provide a guaranteed life of a minimum of five (5) years commencing on the delivery of the Vessels under this Contract.