

GENERAL TERMS AND CONDITIONS
(hereinafter referred to as “**General Terms and Conditions**”)

OF

Adriatic Gate j.s.c.
A. K. Miosica n/n
51000 RIJEKA
Croatia
(hereinafter referred to as “**AGCT**”)

1. Definitions

Cargo

means articles of any kind whatsoever, transported or to be transported in a Container.

Container

means any standard ISO 20', 40' or 45' in length, 8' width and 8'6/9'6 in height including e.g. flat racks, platforms, reefers and tanks with ISO recommended lifting arrangements and consistent with the safety requirements of CSC (Convention for Safe Containers) plates, and which can be handled by means of a spreader.

Container Ship/Container Vessel

means a ship fitted for the carriage of Containers, Non-standard Containers and Uncontainerized Cargo of which the Line is the owner, charterer (including voyage, space or slot charter), operator or manager.

Container Terminal

means the land and premises used by AGCT in or around the Port for the Line in accordance with the General Terms and Conditions and the Contract.

Contract

means a contract entered into between AGCT and the Line, governing the rights and obligations of the parties thereto with respect to Container Terminal services.

Hazardous Cargo

means articles of any kind classified by the International Maritime Organisation, (IMO), as hazardous for man and/or the environment.

Line

means a shipping line who appoints AGCT as its container terminal operator in the port of Rijeka, Croatia, provided that AGCT accepts such appointment.

Non-standard Containers and Uncontainerized Cargo

means Containers or Cargo accepted for transport/carriage on a Container ship which cannot be handled by means of normal use of container spreader, even with special attachments.

Out of Gauge Cargo (OOG)

means a Container which must be handled with the use of special attachments to the spreader.

Port

means Port of Rijeka, Croatia.

Rates/Tariff

means the prices charged by AGCT and agreed upon with the Line in respect of services rendered by AGCT under the General Terms and Conditions and the Contract.

Term/Period/Duration

any reference herein to Term, Period or Duration, as the case may be, shall mean and be understood as the duration of the Contract, inclusive of any extended periods.



2 Operations

2.1 Except as otherwise specifically provided in the Contract, AGCT shall provide its services and perform its functions at the Container Terminal in an efficient, economical and prudent manner subject to the general direction and instructions of the Line, their representatives, and in accordance with sound operating practices. AGCT shall provide the following services at the Container Terminal:

I. Dedicated Berth

AGCT will grant to the Line the dedicated use of a berth within the Container Terminal area according to the following specifications:

Berth to be granted in accordance to separately agreed berthing window.

AGCT guarantees a gross production per crane of 18 moves per hour (gross production defined as total moves divided by total gross crane hours, not excluding meal hours, but excluding :

- ✓ time used for breakbulk, OOG and/or special containers handling
- ✓ Time of stoppages due to weather conditions

ETA (Estimated Time of Arrival) to be advised by the Line in 48 hours, 24 hours and confirmed 12 hours before arrival. Delays for more than 4 hours will cancel the berth guarantee and AGCT will do its utmost in order to serve the vessel as soon as a quay is free without any right of compensation for the Line.

- II Adequate yard space for hauling, sorting, storing and handling Containers carried or to be carried in the Line's services .
- III Vessel stowage planning, co-ordination of physical discharge and loading.
- IV Feeder vessels are guaranteed berth and craneage availability as required meeting line haul vessel schedules.
- V All necessary equipment, materials and supplies as may be contracted for or requested by the Line or their designated agents necessary for carrying out the agreed functions.
- VI The Line may provide AGCT with schedules of their operations from time to time, and AGCT shall provide its services accordingly so as to enable the Line to fully meet and comply with such schedules.



2.2 As required by the Line, AGCT shall arrange for the following services at the Container Terminal for the Containers moving in the Line's services :

- I All receiving and delivering of Containers (gate function), and chassis on behalf of the Line. A Container inspection for apparent external order and condition will be made each time equipment is interchanged. Entry of Container information into computerised marine stowage systems. Extra moves including but not limited to customs inspection, change of status or other request from authorities.
- II All release of Containers for and on behalf of the Line, shall be done only to parties evidencing or demonstrating right to receive such Cargo. Documentation shall be kept by AGCT stating to whom Cargo is released and based on which documentation.
- III Preparation of vessel loading/unloading sequence sheets, vessel stow plans and other required documentation.
- IV Mounting/dismounting of Containers from stack to rail/truck or from rail/truck.
- V Discharge or loading of Containers between vessel and dock, transporting them to/from vessel's side to/from container storage area and stack, as required.
- VI Storage of import and export Containers (full and/or empty) and reefer containers.
- VII Plugging/unplugging, electricity supply and supervision/monitoring of reefer containers.
- VIII All labour and supervision.
- IX All machinery, cranes and equipment necessary for efficient performance of stevedoring and terminal operation.
- X AGCT is to supply main line/slotcharter/barge/feeder vessel upon completion of Cargo work with complete cargo plan/bay list, out of gauge manifest, reefer manifest, hazardous cargo manifest and other reports as may be requested or required.
- XI Rigging of ships gear, opening/closing of hatch covers, removal and reloading of hatch covers on main line vessels as necessary.
- XII Provide security including proper gate system. The intent of this service is to provide ordinary watching functions and to serve as a deterrent measure to prevent pilferage, theft and/or fire.

2.3 Data and reports will be prepared by AGCT on mutually agreed terms.

2.4 The Line will provide AGCT with dock receipts, load lists and such other printed or electronic forms as AGCT may reasonably and specifically request in the discharge of AGCT's obligations.



2.5 The Line will to provide such data lists and information required for AGCT to perform its functions, which may include, but not limited to:

- I. A ship's discharge and loading plan not later than 24 hours before arrival of the ship, to which reasonable modifications can be applied up to 2 hours before commencement of operations Changes thereafter will imply shut out to be charged by AGCT.
- II. Responsibility for a timely delivery of all export containers including nomination of vessel voyage and port of discharge, so that AGCT, under all circumstances, will be able to maintain a continuous and uninterrupted production and timely planning. AGCT recognises the Line's special requirements for transshipment containers and will co-operate fully with the Line to ensure timely loading of such transshipment containers.

2.6 When requested in writing by the Line, AGCT will perform extra services at the best of its ability, at rates charged to Line in accordance with the confidential schedule of rates and charges included in Addendum 1 of the General Terms and Conditions and the Contract (which shall remain in effect as provided for in the Addendum 1) unless otherwise agreed in writing prior to the activity being performed.

3 Subcontractors

AGCT shall be free to subcontract the services to be performed hereunder, subject to the prior written consent of the Line, which consent shall not be unreasonably withheld, delayed or denied. Subcontracting shall in no way relieve AGCT of any of its obligations hereunder and the AGCT shall remain responsible for its subcontractors and their performance hereunder.

4 AGCT's Organisation

AGCT shall use its best endeavours to train, maintain and operate an organisation appropriate to provide all container yard functions in a diligent and efficient manner.

5 The Line's Representative

Although the actual performance and supervision of services to be provided hereunder is the sole responsibility of AGCT, the Line shall have the right to designate one or more representatives who shall at all times have access to the Container Terminal and facilities of AGCT, and with whom AGCT shall co-operate.

6 AGCT's Position (no Partnership, Agency or Employment)

6.1 Nothing in the Contract to be concluded between AGCT and the Line shall give rise to nor be construed as constituting a partnership for any purpose or to any extent. AGCT shall be an independent contractor, and shall not in any way be entitled to bind or commit the Line. Neither party shall be deemed an agent of the other party (hereunder, save for the limited purpose set out in Section 16, and AGCT shall in no respect be regarded as or construed to be an employee of the Line, unless expressly stated in the Contract or agreed to between the parties.



6.2 AGCT shall in no event appear in court, arbitration or mediation on behalf of the Line or accept service of summons, writs or any other notice of legal proceedings on behalf of the Line, but must immediately inform the Line thereof, should AGCT receive any such notice, writ, etc.

6.3 AGCT shall not incur any liabilities nor make any contractual commitment on behalf of the Line other than as herein provided without prior written approval of the Line.

7 Licenses and Permits

7.1 AGCT shall obtain and maintain at its cost and expense all necessary licenses and permits required to operate as a container terminal operator.

7.2 Furthermore, AGCT shall assist the Line at the Line's cost and expense, as the Line reasonably requires and to the extent practical for AGCT, in obtaining and maintaining licenses and permits for the Line's operation in connection with the Contract.

8 Rates and Charges, Invoices and Payment

8.1 Services described in Section 2 of the General Terms and Conditions performed by AGCT will be charged to Line in accordance with the confidential schedule of rates and charges included in Addendum 1 of the General Terms and Conditions, which shall remain in effect as provided for in the Addendum 1.

8.2 AGCT shall without undue delay submit an invoice to the Line covering each port call.

8.3 All invoices shall be properly supported by receipts, work sheets or vouchers as applicable, and as reasonably requested by the Line.

8.4 The Line shall pay within 15 (fifteen) days of invoice date all amounts due hereunder into the designated account of AGCT.

8.5 Without prejudice to any rights of indemnity for loss of, or damage to, AGCT's property, and save as otherwise provided herein, no payment of any kind shall be due from the Line to AGCT other than payment for services under the General Terms and Conditions and the Contract pursuant to Section 8.1 above.

8.6 Any disbursement account shall, unless otherwise mutually agreed, be computed and settled in the same currencies as those in which the expenses were incurred. Any disbursement must be properly accounted for port call by port call and duly supported. All supporting vouchers and sub-vouchers shall be in English and shall clearly state the services rendered and the purpose of same.

8.7 Any termination of the Contract to concluded between AGCT and the Line, regardless of its cause and the party terminating, shall not entitle the Line to withhold all payments to AGCT of amounts otherwise due and/or owed for services previously rendered or undertaken by AGCT in accordance with the Contract.



9 Rights to Audit

- 9.1 AGCT and its subcontractors shall maintain true and complete records and systems in accordance with good business practices and prepare documents, papers and reports in respect of the services provided hereunder, and as may be reasonably required by the Line, or by any competent authority or body.
- 9.2 The Line may from time to time make an audit of all records, books, papers, documents and systems relative to the Line's operation and the services provided by AGCT hereunder. AGCT shall not be required to give access to any data, information or record either in explicit or aggregate form regarding the activity of any of its other customers. Such audit shall be performed during normal office hours and AGCT shall assist in performing such audit, to the extent practical for AGCT.

10 Right to Offset

Neither party shall have the right of offset or setoff in regard to any amounts due to the other.

11 Representation

- 11.1 Both parties shall, at all times, comply fully with all applicable laws and regulations issued by any authority having jurisdiction.
- 11.2 Both parties expressly warrant that the individual executing the Contract on its behalf is a duly authorised representative of the party, and has full authority to execute the Contract on that party's behalf.

12 Confidentiality

AGCT shall preserve strict confidentiality concerning the Line's operation and business. This undertaking shall extend beyond any termination of the Contract, or the parties' co-operation. AGCT shall be responsible for any non-compliance herewith of its employees, its servants, agents, subcontractors or their respective sub-parties.

13 Modifications and Waivers

The Contract shall contain the entire understanding between the parties and supersedes and replaces any prior agreement or understanding, be it written or verbal. Any additions and modifications hereto shall be by written instrument signed by both parties. Failure by a party to insist upon strict performance by the other party of any provisions of the Contract shall in no way be deemed or construed to constitute a waiver of any right of such party to insist upon strict performance at all times.

14 Termination

- 14.1 The Contract may be terminated by the parties serving 90 days notice, in accordance with the provisions of the Contract.



14.2 The Contract may be terminated with immediate effect by any party, if the other party:

- I. Makes an assignment for the benefit of its creditors, is declared insolvent or bankrupt, petitions or applies to any tribunal a receiver or trustee for any substantial part of its property, or (save for the purpose of reorganisation or amalgamation without insolvency) commences a proceeding relating to itself under any reorganisation arrangement, re-adjustment of debt, dissolution or liquidation or statute of any jurisdiction, whether now or hereafter in effect, or if there is commenced against it any such proceeding which remains undismissed for a period of thirty (30) days, or if it by any act indicates consent to, approval of, or acquiescence in any such proceeding or the appointment of any receiver or trustee for it, or a substantial part of its property, or suffers such receivership or trusteeship to continue undischarged for a period of thirty (30) days, or otherwise ceases to carry on business, is unable to pay its debts, suspends the payment of its debts or is dissolved.
- II. Ceases its business, operations or legal existence.
- III. In case of inadequate performance or non-performance of the contractual responsibilities and obligations assumed by AGCT herein, the Line shall notify AGCT in writing of such inadequate performance or non-performance. Upon receipt of such written notification from the Line, AGCT shall within 30 days rectify the cause(s) of the inadequate performance or non-performance, failing which, the Line has the right to terminate the Contract with immediate effect and to claim AGCT for loss(es) and damage(s) caused by the inadequate or non-performance by AGCT under the Contract.

14.3 The Contract may be terminated by the Line giving 90 days notice, in accordance with the provisions of the Contract, in the event of termination or alteration of any part of its corporate alliances which involve the Line's or any of its corporate alliances' calls at the Container Terminal.

14.4 Without relieving any party hereto of any of its obligations under the Contract it is specifically agreed that neither party in case of termination under Section 14.3 hereto shall make any claim or demand against the other party for any loss, damage, expenses or liability of any kind howsoever caused by such voluntary termination of the Contract.

14.5 Upon termination under Section 14.3, the Line shall not be liable nor responsible for any compensation whatsoever, including but not limited to, loss of goodwill, capital expenses incurred by AGCT, termination benefits which may become due to AGCT and/or its employees or consequential damages regardless of form whether direct, indirect or remote, it being the express intention of the parties that these matters, if any, have been considered in establishing AGCT's compensation hereunder.



14.6 In the event of termination, the parties agree to comply with any obligation arising hereunder up to the termination date and, as appropriate, thereafter. The parties shall not knowingly use or permit the use of any information obtained during its relationship to the disadvantage of the other party or for the profit of its own or any third party's interest.

15 Assignment

The Contract, and all rights and obligations thereunder shall in no way be subject to sale, assignment or transfer, either in whole or in part, without the prior written approval of the other party, such approval not to be unreasonably withheld, delayed or denied. AGCT shall still remain responsible for the due and proper performance and execution of this contract and any services provided hereunder in the event of such approved sale, assignment or transfer.

16 Liability and Indemnity

16.1 Each party shall be responsible to the other for its own negligence, wilful misconduct or breach of the Contract. The preceding shall not prejudice either party's right to invoke any defence or limitations of liability in so far as they are available to the party under compulsorily applicable law, the vessel's limitation fund, the Line's bill of lading or other contract of carriage, to the extent possible and permitted.

16.2 AGCT authorises, empowers and directs the Line to act, and the Line hereby agrees to act, as the AGCT's trustee and/or agent for the limited purpose only to stipulate for AGCT to have as against other persons/parties the benefit of all exceptions, exemptions, or limitations of liability as may benefit the Line in all bills of lading or other contracts of carriage entered into by the Line in respect of Cargo and their carriage and handling.

16.3 Without prejudice to any other provisions or clauses in the General Terms and Conditions and the Contract, the Line shall incorporate into its bill of lading or other contracts of carriage being issued in respect of Cargo carried by the Line's vessels, a clause to the effect that while acting in the cause of or pursuant to the Contract, AGCT shall be entitled to the benefit of all provisions or clauses in the Line's bill of lading or other contracts of carriage to the extent such provisions and clauses benefit the Line, but no further, and AGCT for itself and any party for whom he is responsible hereby accepts such benefit.

17 Insurance

17.1 Without in any way detracting from or relieving AGCT from its obligations and liabilities AGCT shall at its own expense procure and maintain during the term of the Contract policies of insurance with first class insurance companies covering and meeting :



- any and all obligations and liabilities assumed under the Contract,
- requirements in law,
- liability to third parties, including public liability and death and injury,
- liability to third party property, including Cargo, Containers and other equipment.

17.2 Should such policies of insurance as outlined in Section 17.1 here of whatever reasons cease to exist without been replaced, this must be informed to the Line in writing without undue delay.

18 Stowaways/Unauthorised Access to Vessels

18.1 AGCT declares having enforced strict controls on the Container Terminal area.

18.2 The Line declares having instructed the masters of its ships to also perform controls on the ships while berthed at the Container Terminal, in order to assist AGCT in preventing unauthorised access.

18.3 Notwithstanding the above, in the event that stowaways or otherwise unauthorised persons are found on board any of the vessels berthed at the Container Terminal pursuant to the Contract, be it owned, chartered or otherwise under the control of the Line, and whether found while in Port or after departure, and such persons gained access or in all probability gained access to the vessel whilst berthed at the Container Terminal, then provided the Line proves or on balance of probability demonstrates that the access was primarily due to AGCT's sole or contributory fault or negligence, all reasonable and necessary costs, expenses, fees, fines, penalties and other charges and/or liabilities incurred on behalf of the Line should be for account of AGCT. Any amounts claimed against AGCT shall be supported by proper documentation and receipts, where applicable.

19 Extended Termination

Sections 6, 12, 13, 16, 18, 19, 20 and 23 of the General Terms and Conditions and their provisions shall remain in full force and effect notwithstanding any termination of the Contract.

20 Consequential Damages

Neither party shall be responsible for consequential damages.

21 Matters Affecting Performance Beyond the Parties' Reasonable Control

21.1 No responsibility or liability shall attach to a party hereto, where its failure, fully or partly, to perform any service or comply with any provision hereof, is due to an event beyond its reasonable control.



21.2 This may include events such as war, flooding, and civil commotion, but is not limited to such events provided as aforesaid; they are beyond the reasonable control of the party invoking this clause.

21.3 A party invoking this clause shall, however, use its reasonable endeavours to, and at its own reasonable expense, overcome the event(s) causing the failure to perform any service or comply with any provision hereof, and if the event or events should continue individually or collectively for a period of more than 14 consecutive days or 30 cumulative days within a 12 months period, then the other and non-defaulting party may forthwith terminate the Contract. Such termination shall not entitle the terminating party to claim the other party compensation for any loss, damage or expense incurred or suffered.

22 Severability

Should any term, covenant, condition or provision in the General Terms and Conditions be held invalid or unenforceable, the remainder of the General Terms and Conditions, and the application of such term, covenant, condition, or provision to persons or circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby and each term, covenant, provision or condition of the General Terms and Conditions shall be valid and enforceable to the extent permitted by law, except if such term, covenant, condition or provision in the General Terms and Conditions is a material part of the General Terms and Conditions.

23 EDI/EDP/IT Systems

23.1 AGCT will ensure that no material disruptions or interruptions will impact the Container Terminal's performance hereunder due to the use of EDI/EDP/IT systems including, but not limited to hardware and software being used and applied on and by the Container Terminal.

23.2 The Line will actively assist and adapt (directly and through the Line's local agents), to AGCT efforts to implement and use Edifact messages in order to prevent disruptions or interruptions caused by the Line or its agents inability to interchange Edifact messages with AGCT.

24 Governing Law

The General Terms and Conditions and the Contract shall be governed by and construed in accordance with the laws of Croatia, to the exclusion of its rules on the conflict of law.

25 Arbitration

25.1 Any claim arising out of or in connection with the General Terms and Conditions and the Contract, including but not limited to its performance, or the breach, termination, invalidity or amendment thereof, as well as the pre and post contractual obligations, shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce, even if the claim is based on other legal grounds than the General Terms and Conditions and the Contract (such as statutory law).

- 25.2 The seat of arbitration shall be Rijeka, Croatia. The language of the arbitration shall be English.
- 25.3 The applicable law to the arbitration agreement is Croatian law without reference to the conflict of laws rules.
- 25.4 Any communication related to arbitration shall be delivered at the addresses of the parties set out in the Contract (unless instructed otherwise by the parties) and, if not received by a party, shall be deemed to have been delivered on the eighth day upon sending the relevant communication by registered mail.
- 25.5 Notwithstanding the arbitration agreement, each party may seek interim relief before the state courts.

26 Validity of the General Terms and Conditions

- 26.1 These General Terms and Conditions form an integral part of the Contract. In the event of discrepancies between the Contract and these General Terms and Conditions, provisions of the Contract shall prevail.
- 26.2 These General Terms and Conditions shall enter into force on 1 January 2012 and are valid until replaced by the new general terms and conditions or otherwise repealed by AGCT.
- 26.3 AGCT may unilaterally amend or repeal these General Terms and Conditions, without the requirement to obtain consent from the Line. Any such amendments or cancellation shall be effective subject to 3 months notice. In the event of such amendment or cancellation, the Line may terminate the Contract by serving a written notice to AGCT within 7 days from the date of amendment or cancellation, subject to a one month's cancellation period.

In Rijeka, 1st January 2012,

For and on behalf of AGCT:

Name
Title

Dr. Antonio P. Passaro
Management Board member

Name
Title

Goran Manfreda
Management Board member