



Terms and Conditions of Vessel Charter

1. INTRODUCTORY REMARKS

The Agreement on Accommodation aboard the Vessel shall enter into force once the fee for the accommodation aboard the vessel is paid in full. Everything published in our programme represents a legal obligation for both us and you, and constitutes an integral part of the Agreement.

These Terms and Conditions shall be the sole basis for the resolution of any disputes that arise between us. Therefore, we ask you to read them carefully.

2. BOOKING AND PAYMENT

You can book the vessel by e-mail, phone, fax or directly. Chartered vessels with control equipment may be used only once the payment has been duly effected (50 % when booking, and the rest no later than four weeks prior to the commencement of the charter period). The Charterer shall submit to the Owner the list of the names and addresses of the crew members four weeks prior to the commencement of the charter period. If the entire amount is not paid within the deadline set out in the Agreement, the Agreement shall be terminated, and the Owner shall reserve the right to keep the amount already paid.

In case of impossibility of signing the contract, by advance payment made by a lessee this contract shall be considered concluded and both parties to the contract accept by it the contractual provisions as well as general charter conditions.

In case if a lessee is not also the user of a charter, he will be under obligation to inform the end user on general charter conditions, otherwise he will be liable for any and all claims of the ship owner towards the end user which will not be collectible. When a lessee is not also the end user of a charter, rights and obligations of the lessee referred to below are applied to the end user of a charter.

3. CHARTER FEE

The charter fee includes the fee for a vessel equipped according to the official price list and inventory list of Filipi Marine. The charter fee does not include other costs such as food, fuel or berthing charges. The vessel shall be handed over to the Charterer with full water and fuel tanks, in working condition and clean; it must be returned in the same condition.

4. CHARTER CANCELLATION

If the Charterer is unable to commence with the vessel charter for any reason, he shall be free to find a person to take over his rights and obligations, with the owner's consent. If the Charterer fails to find a replacement, the Owner shall keep the following: 30 % of the charter fee if the charter is cancelled at least two months prior to the commencement of the charter period; 50 % of the charter fee if the charter is cancelled no later than four weeks prior to the commencement of the charter period; 100 % of the charter fee if the charter is cancelled less than four weeks prior to the commencement of the charter period. If the equipment onboard a vessel deviates from the list of equipment or inventory, it does not give the Charterer the right to a price reduction if the vessel is equipped with all parts of equipment essential for safe sailing. *(These terms do not apply if the cause for charter cancellation is due to Covid-19, in any such event the terms applied can be found in the Covid-19 Policy, which is an integral part of this Agreement.)*

5. SECURITY DEPOSIT

The security deposit shall be paid (the amount is set out in the price list for each vessel) in cash or by credit card upon the delivery of the vessel. The entire amount of the security deposit shall be reimbursed upon vessel check-out at the agreed place and time, provided that the vessel is

undamaged and no equipment is missing. In case of loss of or damage to the equipment, individual parts of the vessel or theft of the vessel itself, the Owner shall keep a certain portion or the entire security deposit, the amount depending on the assessment performed by the base manager and corresponding to the value of the lost or damaged equipment or the cost of repairs. The Charterer is obligated to check the oil level in the engine daily. Any damage caused by insufficient oil in the engine shall not be covered by insurance. The lessee may get an insurance policy on the security deposit, which the Owner recommends. The safety deposit must be paid even when the vessel is chartered with a skipper.

6. INSURANCE

Each vessel has Casco and compulsory insurance for passengers. Vessel insurance is defined in the terms and conditions laid down by the insurer that provides the insurance policy for the vessel. Any damage normally covered by the insurance policy that was failed to be reported to the insurer immediately shall not be recognized. In such event the Charterer shall be held personally responsible for the damage due to failure to report the damage. If the vessel is damaged, the Charterer shall bear the costs for its repair, not exceeding the amount of the security deposit. Any costs of repairs exceeding the amount of the security deposit shall be borne by the insurance company. In case of gross negligence or failure to report damage, the Charterer shall bear all costs. Personal property of the skipper and crew members is not insured, therefore it is recommended for it to be arranged individually. Personal property is not insured.

7. CHECK-IN / CHECK-OUT PROCEDURE

Check-in: from 9:00 AM

Check-out: until 6:00 PM

Only fully equipped vessels, filled with fuel and in working order shall be handed over to the Client; the vessel must be in the same condition when it is returned to the Owner. The vessel takeover shall be carried out no later than at 1:00 PM on the designated day, provided that the vessel is in working condition; the vessel shall be returned no later than at 6:00 PM, in accordance with the Agreement on Accommodation aboard the Vessel. Any hidden deficiencies of the vessel or its equipment that could not have been known to the Owner at the time of the check-in, as well as any deficiencies that might be discovered after the takeover shall not entitle the Charterer to a reduction of the charter fee. If further use of the vessel is not possible for any reason whatsoever, or if exceeding the duration of charter period cannot be avoided, the base manager must be contacted for further instructions. If the charter period is exceeded due to inclement weather, the Charterer shall bear all costs arising from such a situation that may affect the Owner. Therefore, the Charterer is advised to plan a safe route. The Charterer is obligated to return the vessel to the agreed place and at the agreed time. If he fails to return the vessel on time, the Charterer guarantees that he will pay the amount of the daily charter fee for each delay of under three hours, and a triple amount of the daily charter fee for each delay of over three hours, plus costs incurred by the Owner due to the delay in returning of the vessel. The delay can be justified only in the case of force majeure, and the Charterer must notify the Owner thereof without delay. In such cases, any arising costs (costs of returning the vessel, travel costs for next charter guests etc.) shall be covered by the lessee.

8. THE OWNER'S OBLIGATIONS

The Owner is obliged to hand over the vessel at the agreed place and time in working condition. If the Owner is unable to make available the booked vessel he may prepare another vessel, which is at least equivalent or better, at the price of the booked vessel, or a smaller vessel along with a refund of the price difference, including any reimbursements for the accommodation for the duration of the time spent waiting for the vessel, not exceeding the amount of the agreed charter fee for the same period. If a suitable vessel is not offered to the client after 24 hours, the client may terminate the vessel charter agreement, upon which the Owner shall refund the full amount already paid. In case of a major malfunction of the vessel, the Owner shall remedy that malfunction

as soon as possible. For the duration of the time that the Owner spends remedying the malfunction of the vessel, the Owner shall cover the costs of the vessel (berthing), except in the case of the Charterer using the aforementioned vessel as accommodation during the repairs. In that case, the Owner is not obliged to refund a certain amount already paid due to the inability to sail. Any other indemnification rights shall be excluded. If it is not possible to remedy the malfunction, the Owner shall make available to the Charterer another vessel with similar or better characteristics. If the Owner is unable to make available the contracted vessel or another vessel with similar or better characteristics, the Charterer may withdraw from the Agreement and request a refund of the entire amount already paid.

9. THE CHARTERER'S OBLIGATIONS AND RESPONSIBILITIES

The vessel users are advised to handle the vessel carefully and to follow all the rules. The lessee undertakes not to steer the vessel under the influence of alcohol or drugs. The Charterer must check the condition of the vessel and equipment according to the received inventory list, which he must sign following the inspection of the vessel during the takeover. All comments must be submitted prior to the use of the accommodation service. All deficiencies and malfunctions of the vessel and/or equipment that are not noticed by the Owner during the delivery shall not entitle the Charterer to request a reduction of the fee for the accommodation aboard the vessel. Pets (dogs, cats, birds etc.) may not be kept on the vessel unless agreed otherwise in advance. The Charterer shall remove all waste from the vessel before returning the vessel. The Charterer is under obligation to return the vessel with emptied human waste tank, which he will empty in a port with a sewage discharge spot, otherwise he will bear the costs of emptying the tank. Any damage and cleaning of spots and stains on the vessel caused by sunscreen shall be paid from the security deposit. The Charterer must possess an appropriate vessel operator's license. If the Owner finds that the vessel manager does not possess the necessary knowledge and skills, he may acquire the necessary knowledge by hiring a skipper instructor; alternatively, the base manager will assign a skipper to the Charterer for the duration of the entire charter period for an additional charge. If the Charterer does not wish to perform the role of vessel operator himself, he shall appoint an operator prior to the commencement of the charter period. The vessel operator shall then share the liability in relation to the Owner. The Charterer shall be liable for all consequences arising from the vessel being managed by unlicensed persons. The Charterer shall not sub-charter the vessel, lend it to another person or use it for commercial purposes or professional fishing. The Charterer shall sail by night only in safe weather conditions, refrain from sailing outside the territorial waters of the Republic of Croatia, and respect all customs and other regulations. The Charterer shall duly keep the vessel's log, and handle the vessel, the inventory and equipment with care. The Charterer shall check the oil and water levels in the engine daily. Any damage caused by insufficient oil and water in the engine is not insured, and the costs thereof shall be borne by the Charterer. In case of large scale damage, as well as incidents where other vessels are involved, the situation shall be reported to the competent port authority, and an accident report (signed by both parties) for the insurance company shall be created. Furthermore, the Owner shall be notified of the situation. If the Charterer fails to follow the above instructions, he shall bear the costs of the damage incurred. By signing the check-in list, the Charterer confirms that the state of the delivered vessel, both above and below the waterline, corresponds to that recorded in the check-in list. For any actions or failure to act by the Charterer for which the charter company is liable to a third party, the Charterer shall indemnify the charter company in full, but not exceeding the amount of the security deposit. The Charterer shall be liable for the vessel if it is seized by any official body due to inappropriate or illegal actions while used for the duration of the Agreement.

10. REGULATION OF DAMAGE

In case of shipwreck or accident there shall be made a detailed report certified by the port captain and police. In addition, the lessor and base manager should be immediately notified. The same procedure should be followed should the vessel become impossible to maneuver and in case of theft. Non-compliance with the regulations and the costs of any penalties shall be borne by the lessee in full. In case of a vessel touching bottom, the base manager should be contacted

immediately, upon which he will check if the keel and hull are in faultless condition. Repair of the damage, loss of equipment, loss of propeller, crane costs, damage to engine or sails caused by the lessee shall be paid from the safety deposit. The lessee is responsible for any damage due to improper handling of the vessel and its equipment. In order to avoid the loss of charter, for costs that cannot be calculated immediately or breakdowns that can be repaired later, the lessor will take the estimated amount from the safety deposit of the lessee, which should be calculated within a reasonable period of time.

If the vessel is damaged due to gross negligence by a skipper, he will be liable for the damage and the consequences arising from that damage, particularly for the loss of following weeks of charter.

In the case of damage caused by the lessee or a skipper, due to inability to sail, the lessee may charter another vessel according to the valid price list with renewed payment of a safety deposit. The lessor will repair the damaged vessel within the shortest possible time period (most often within 24 hours), with full cooperation of the lessee and in case if the lessee is not directly responsible for the damage. If the lessor will not be able to repair the malfunction within the aforementioned period of time, he will try to find an adequate replacement for the lessee. If the lessee agrees to the replacement, he will not be entitled to any further compensation.

11. COMPLAINTS

Claims, if any, resulting from the charter of a vessel should be sent in writing to the Owner no later than 14 days after the end of charter.

The lessee shall recognize only those complaints which are submitted in writing during the return of the vessel, and signed by the Charterer and the lessee. Compensation claims are limited to the maximum amount of the charter price defined by the Agreement. All other claims are excluded.

12. COMPETENCES

The parties shall endeavor to resolve any misunderstandings or disputes amicably. If they are unable to resolve it amicably, the court with territorial jurisdiction where the Owner has his registered office shall have jurisdiction, subject to the laws of the Republic of Croatia. Any special annexes shall be done in writing. If any of the provisions of the Agreement on Accommodation aboard the Vessel is invalid or controversial, that shall not affect the validity of the other provisions of the Agreement. In such a case, instead of the invalid or controversial provision, the parties shall mutually agree on a provision as they would have done had the invalidity, unenforceability or controversial nature of the provision been known to them at the moment of the conclusion of the Agreement.