

## GENERAL TERMS AND CONDITIONS FOR CHARTER SERVICES

The company Euronautic d.o.o. (hereinafter: EN) is specialized in the provision of services of active nautical holiday, and based on these general terms and conditions it ensures its customers services of several days of accommodation on board of vessels for commercial purposes for rest and recreation. EN guarantees that all its vessels are technically sound, professionally maintained, suitable for navigation and have a navigation licence or certificate of yacht competence for navigation.

The person who confirmed the booking and made the advance payment (hereinafter: the Client) establishes a legal relation with EN, and confirms the compliance with these general terms and conditions. Everything described in these conditions represents a legal obligation for the Client, as well as for EN. These terms and conditions are the foundation for settling any eventual disputes between the Client and EN.

When booking, the Client must provide true details which are required in the booking procedure.

### PRICE AND TERMS OF PAYMENT

The prices for accommodation services on vessels are published in Euro (€), in the currently valid EN price list. The middle rate of the Croatian National Bank on the day of payment shall be used for the calculation of the invoice for the contracted services and shall include value-added tax in the amount prescribed by the currently valid regulations. EN reserves the right to change the price list without prior notice, and it shall enter into force on the day of publication on the official website of the company (<http://www.euronautic.hr>).

The given prices include a technically adequate, clean vessel with full fuel tanks, usage of the vessel and its equipment, compulsory and hull insurance, insurance according to the terms of individual insurance policies for specific vessels, mooring in the home marina and Croatian navigation permit.

The given prices for the accommodation on vessels do not cover the costs of marinas during the charter, port taxes, fuel costs and costs for other necessities, car parking, and medical insurance for the crew. The accommodation prices neither include the travel insurance "package": insurance against accidents and illness during the trip, insurance against damage or loss of luggage or the voluntary health insurance."

In order to confirm the charter booking and to be entitled to the prices in the current price list, the Client makes an advance payment in the amount of 50% of the total charter price. The remaining amount up to the complete value of the charter is paid not later than 4 weeks before the takeover of the vessel, which leaves the Client the ability to prepare the crew members on time and to pay the travel and medical insurance, to find a suitable skipper etc. The Client can take over the booked vessel only under the condition that all necessary payments have been properly made in accordance with the booking process, which is proved by the invoice issued by EN and provided that he has fulfilled all other conditions and obligations determined in these general terms and conditions.

### CANCELLATION OF THE CHARTER BOOKING

In case the Client wishes to cancel the confirmed booking of the vessel, this must be done in writing (e-mail, fax, or registered mail) to the addresses of EN listed on the official web site of the company.

The date when EN receives a written notification of cancellation is the date which is the base for the calculation of the cancellation costs, which is done in the following way:

- for a cancellation up to two months before the beginning of the charter, EN charges 30% of the total price. The remaining amount shall be returned to the Client at his expense.
- for a cancellation up to one month before the beginning of the charter, EN charges 50% of the total price. The remaining amount shall be returned to the Client at his expense.
- for a cancellation within one month before the beginning of the charter, EN charges 100% of the total price whereas in this case it is deemed that the Client did not cancel using the service and accordingly reserves the right to refer another person to use the service.
- for a cancellation after the takeover of the vessel, EN keeps 100% of the total price and charges the Client for all costs arising from the cancellation.

In case the Client cancels the rented vessel, manages to solely find a substitute Client at the time of cancellation of booking, who is willing to take over his rights and obligations, EN charges the Client only with the difference between the original contracted price and the real price agreed with the new Client. EN does not assume responsibility in case of changes or failure to perform the paid services or part of the services due to force majeure (war, riots, strikes, acts of terrorism, extraordinary sanitary conditions, natural disasters, interventions of competent authorities etc.).

### TAKEOVER OF THE VESSEL (CHECK-IN)

EN obliges to provide the Client with a technically adequate and completely equipped vessel with a full fuel tank, clean and tidy, ready for navigation.

The Client has the unconditional obligation to deposit with EN funds as guarantee to compensate all eventual losses or damages during the use of the vessel, even if they are not covered by the insurance policy. The deposit is made in cash, or by POS terminal with an automatic preauthorization.

In the event that the Client is for any reason unwilling or unable to leave the mandatory cash deposit, EN reserves the right to terminate the contract at the expense of the Client and to keep the entire amount paid for the accommodation services.

The deposit is refunded to the Client in full, after an EN representative ascertains that the vessel was returned at the agreed time to the agreed place, tidy and undamaged, with full fuel tanks, and provided there are no claims from third parties, or are expected, against the Client in connection with his use of the vessel.

In case of gross negligence or damage of the vessel and/or its equipment, as well as in case of loss of vessel parts, the Client covers all expenses. EN will keep the amount of the deposit accordant with the cost of the repair and/or the cost of purchase of the equipment or spare parts of the vessel. In case that further chartering is not possible, due to the damage and/or loss of equipment of of vessel/equipment, EN shall keep the amount of the deposit accordant with the lost profit.

The deposit is obligatory even in cases when the vessel is rented with a skipper provided by EN.

In case the Client, without previous notice, fails to take over the vessel within 48 hours after the agreed check-in time, EN is authorized to terminate the contract unilaterally at the sole expense of the Client, and the Client is not entitled to subsequent reimbursement claims.

If for whatever reasons, not attributable to force majeure, EN is unable to hand over the booked vessel to the Client at the agreed time and place, EN has a time limit of 24 hours to provide the Client with another vessel of similar characteristics. Provided that EN fails to do so, the Client is authorized to

terminate the contract, and is entitled to a full reimbursement of payments made to EN. In case the Client decides to wait for a substitute vessel outside the agreed time limit (24 hours), he is entitled to reimbursement of an amount equal to the value of a daily use of the vessel for the days in which he was unable to use the vessel (contractual penalty). EN's responsibility for any amount higher than the agreed price of the vessel is excluded, and the Client waives the right to claim compensation for damage caused by the inability of the delivery of the contracted vessel at the agreed time and place.

During the takeover of the vessel (check-in), the Client is obliged to carefully examine and test the condition of the vessel and its equipment, as well as to verify that the actual condition of the inventory and equipment is accordant with the existing check-in list. All eventual complaints are made in writing before the beginning of the journey.

Any disguised defects and shortcomings of the vessel and / or equipment which could not be known to EN at the vessel handover, as well as defects and malfunctions that occur after the handover of vessel, which EN could not predict, do not entitle the Client to seek reduction of the rental price.

Non-correspondence of equipment and inventory with the inventory list supplied to Client upon booking do not authorize the Client to make any deductions of the contracted price and represent no basis for reimbursement of damage - provided that safety of navigation is not endangered.

The vessel is handed to Client with all valid documents necessary for the rental (permit, crew list, ...) as well as all other enclosures in the vessel's folder (list of harbour offices, fuel stations...). The Client is obliged to handle all received documents with due care and to return these documents to EN undamaged when the vessel is being returned.

In the event that the Client loses or damages the received documents or any part thereof during the rental, the Client is obliged to pay 100,00 Euro as contractual penalty which amount will be charged from the deposit, and the middle exchange rate of the Croatian National Bank on the day of payment shall be used for calculation.

Defects, incorrect recordings of instruments or other problems with gear or equipment do not entitle the Client to refuse check-in, stop the trip, or make financial claims – provided that correct navigation is possible by applying classical methods and if the vessel and crew safety guarantees good navigation.

EN may refuse to hand over the vessel in case of:

- the charter has not been fully paid
- the Client has not paid the deposit or insurance thereof
- the necessary documents are missing or insufficient (no passport (ID card), navigation license approved by the Ministry of Sea, licence for radio communication)
- if during the process of check-in or during the trial trip it turns out that the skipper does not have the required qualification for this task.

In case that a Client wants to extend the period of accommodation on the vessel, he must contact EN, return to the agreed harbour and obtain a written consent of EN for the new time and place of return of the vessel. The contracted charter is considered prolonged when the Client takes the written consent for the extension of the used service from EN.

#### **RETURNING THE VESSEL (CHECK-OUT)**

The Client is obliged to return the vessel at the agreed time, no later than by 9.00 AM of the last day of the contracted use of the vessel for the accommodation of passengers, in the harbour determined by contract, clean and tidy, with a full fuel tank; ready for further navigation, i.e. in the same condition as it was assumed. The Client is obliged to take the garbage off the vessel and leave it at the designated place in the marina.

If for whatever reason further navigation during the charter is impossible or an excess of the agreed return time is inevitable, the Client must contact EN and the base manager for further instructions. Unfavourable weather conditions are not an acceptable reason for a delay of the return.

In the event of delay, the Client vouches to pay a fine in the amount of 2% of the rental price for each hour of delay until 12 hours. For a delay over 12 hours from the contracted hour of check-out, the Client pays a daily charter price for every commenced calendar day. All costs from the delay of the check out suffered by EN are covered by the Client. Digressions from this rule are possible, but only in accordance with previous agreement between the Client and EN.

In case the vessel is returned to a port not appointed as the destination port, EN has the right to immediately charge firstly from the deposit all costs arising from the transfer of the vessel to the agreed port, as well as contracted penalty for the delay in the amount of 2% of the charter price for each hour exceeded as well as all compensation for the damage occurred during the transfer, if they are not covered by the insurance policy. In the event that the costs and the penalty exceed the deposit, the Client agrees to immediately pay the relevant difference.

When the vessel is returned (check-out), an EN representative checks the general condition of the vessel and its equipment and compares it to the inventory list.

The Client is obliged to report any eventual damage or loss to an EN representative. If damage has occurred on the underwater part of the hull, or if there is suspicion of such damage, a detailed inspection of the vessel is required, either by a diver or by using a crane. The manner of the inspection is determined by EN, and the costs are covered by the Client.

In case the Client attempts to cover up damage or loss which occurred during the charter, he is obliged to pay a fine in the amount of 200 €, as well as a compensation for the damage.

In case the vessel is not returned with a full fuel tank, the Client will be charged with the fuel, as well as the service of filling the tank, up to the amount of 50,00 Euro.

In the event that the vessel is returned unclean and untidy, EN will charge from the deposit special cleaning and handling costs caused by the need of hiring cleaning services.

#### **THE CLIENT'S OBLIGATIONS**

The Client undertakes and declares:

- to provide EN with a crew list containing full names, addresses, birth dates and birth places, nationality, type and number of an identification document, and the skipper's licence number, not later than 1 week before the beginning of the charter.
- to have valid passports. The costs of eventual loss or theft of the documents during the use of the vessel are covered by the Client.
- to study the printed material provided on the vessel
- to handle the vessel, its inventory and equipment with care, and especially not to handle the vessel under the influence of alcohol or drugs, and to behave responsibly in every way.
- to navigate within the territorial waters of the Republic of Croatia. Leaving Croatian territorial waters is only allowed upon previous written consent of EN.
- to navigate only in safe weather conditions and at good visibility, and to avoid obviously dangerous territories.
- to adjust the navigation to weather conditions and the crew's capabilities, and not to allow unnecessary burdening of the mast, sails and the ropes.
- not to leave harbours or anchorages in case the vessel or one of its vital parts is damaged and/or unsafe for navigation.
- not to leave the harbour if port authorities have prohibited the navigation or issued a prohibition of navigation or in case of insufficient fuel supplies.
- not to use the vessel for commercial purposes (transport of goods or people for compensation), professional fishing, sailing school or similar activities.
- not to rent or lend the vessel to a third party.
- not to board more people than the vessel is registered for, and not to allow people who are not on the crew list to stay on the vessel.
- not to participate in regattas or races without a previous consent from EN.
- not to tow another vessel and to take all possible preventive measures to avoid a situation in which the vessel would need to be towed.
- agrees that the charter agreement is terminated in case it is found that any of the crew members has violated a valid regulation and/or law of the Republic

of Croatia and that EN can freely dispose of the vessel, without any right to compensation from the Client. Furthermore it is specially determined that EN shall be free from any kind of responsibility towards authorities, since the Client and crew members will bear all the responsibility for the committed violations and/or felonies before the authorised bodies.

- to assume all responsibility and compensate all costs to EN, which should be established to have been caused by actions or omissions on the Client's and crew members' side, and for which EN is materially and criminally responsible to a third party.
- the Client's responsibility for all violations of navigation and other regulations, which were committed during the charter, does not cease with the end of the charter.
- in case of damage, accident or brakeage of the vessel, the Client must record the stream of events, immediately notify EN, file an accident report to the closest port authority and demand verification from the harbour master, doctor or other competent authority.
- to notify EN immediately in case of any defect of the vessel or its equipment caused by wear and tear. EN is obliged to repair the defect within 24 hours from receiving the notification. In case EN repairs the defect within 24 hours, the Client is not entitled to compensation. Emergency telephone numbers for defect notifications are in the vessel's documentation.
- if the vessel has to stay in the port due to repairs and events which are not attributable to intention or gross negligence of EN, the Client is not entitled to raise any claims if the repair does not exceed ¼ of the entire charter period. Otherwise the Client has to be reimbursed on a pro-rata basis. There are no further reimbursements by EN on this basis.
- If there is reasonable doubt that during the charter the vessel has been damaged in the underwater part, the vessel has to be navigated to the nearest port to perform underwater inspection of the vessel, and if necessary, to organize the lifting of the vessel to dry land. Transport of the vessel, underwater inspection and lifting of the vessel to the dry land shall be borne by the Client exclusively.
- to fully compensate EN for any damage caused by his negligence or omission, which is not covered by the insurance, and for which EN is responsible towards a third party.
- in case of disappearance of the vessel and its equipment, inability of navigation and in case of confiscation or seizure of the vessel or prohibition measures by the government or a third party, the Client must immediately notify the competent authorities and EN and demand a copy of the police report.
- to assume full and exclusive responsibility in case of confiscation of the vessel by competent authorities, due to irresponsible or illegal actions of the crew (commercial fishing, removing antiquities from the seabed, etc. ...) undertaken during the charter of the vessel.
- to be solely responsible for sea contamination during the filling of fuel tanks or waste disposal outside the designated places.
- to check the oil level in the engine every day. Damages and losses caused by an insufficient oil level in the engine, as well as other drive damages, are not covered by the vessel insurance and shall be borne exclusively by the Client.
- to take pets (dogs, cats, birds, etc.) aboard only with a previous permission from EN. No pets are allowed onboard of the vessel. Exceptions are possible with previous agreement.

Civil and criminal liability for actions contrary to the liabilities assumed under this contract is incurred and assumed solely by the Client even after the period of using the accommodation services on the vessel.

EN retains the right to charge all proprietary and non-proprietary damage suffered by the breach of the above specified liabilities incurred by the Client and his passengers from the deposit. In the event that the deposit does not cover all the damages, the Client is personally liable for the difference between the actual damage suffered and the amount of the paid/spent deposit.

#### **THE SKIPPER'S OBLIGATIONS**

The Client who assumes the role of the skipper on the vessel must possess all necessary nautical knowledge and skills, as well as a valid licence and the GMDSS radio-telephony licence. If the Client does not possess the required documents, knowledge and skills, he is responsible to take care that the vessel is operated exclusively by a crew member who fulfils these requirements.

EN may ask the Client or skipper to demonstrate their knowledge and skills at sea in the presence of an EN representative. The time spent for this testing is included in the period of using the vessel for accommodation purposes.

If during the tests an EN representative establishes that the Client or a skipper proposed by the Client does not possess the appropriate knowledge, experience and/or valid licences for navigation, EN can appoint a professional skipper to join the crew, at additional costs, according to the valid price list. If the Client does not accept the appointed skipper, EN has the right to prohibit the Client to leave with the vessel, terminate the contract at the sole cost of the Client, and keep the full paid amount. The Client is not entitled to reimbursement.

If the Client knows in advance that he will need the services of a skipper, he should notify EN upon booking.

#### **VESSEL INSURANCE**

The vessel insurance covers damage inflicted to and by a third party (obligatory insurance). The vessel also has hull insurance in the amount of the reported vessel value, against risks stated in the insurance policy. According to the insurance terms, the hull insurance covers damage that exceeds the amount of the deposit, but not intentional damage or damage caused by gross negligence.

EN is not responsible for loss and/or damage of the Client's and crew's possessions, or third parties' possessions, which are kept on the vessel, in an official EN vehicle or the EN office. By paying the advance payment and accepting the general charter conditions, the Client renounces any rights to compensation by EN, in connection with loss and/or damage to personal and/or third party possessions.

All damage and/or losses must be reported to EN immediately after their occurrence. In case of serious damage or when more than one vessel is involved, the incident must be reported to the competent port authorities, and corresponding documents must be requested which are to be handed over to the insurance provider subsequently. There is a possibility that damage covered by the insurance policy, which were not properly and timely reported to EN, the competent authorities and the insurance provider, and for which all necessary documentation does not exist, will not be acknowledged by the insurance provider. In this case, the Client is solely responsible for the damage.

When the vessel is damaged, the Client is obliged to cover all costs in accordance with the conditions of the hull insurance, but only up to the amount of the security deposit. The costs of damages of the vessel and/or the equipment caused by negligence and/or loss of one or more parts of the equipment are fully covered by the Client.

The sails are not insured, the costs of eventual damage are covered by the Client. The Client's responsibility is excluded only when damage to the sails is caused by normal wear and tear or by brakeage of the mast.

Engine damage caused by an insufficient oil amount is not covered by insurance and all costs resulting from the engine damage shall be covered by the Client.

#### **DAMAGE AND DEFECTS DURING THE USE OF THE ACCOMMODATION SERVICES**

All damage and defects that occur on the vessel while under the Client's responsibility (during the use of the accommodation services), and which are not connected to the amortisation of the vessel, are paid by the Client personally. Before making any repairs or purchases, the Client is obliged to contact EN immediately and agree on the technical justification of the repair and the manner of payment.

All damage and defects that occur on the vessel while under the Client's responsibility and which are connected to amortisation of the vessel, are covered by EN. Before making any repairs, the Client is obliged to come to an agreement with EN about the technical and financial justification of the repair. The Client pays the bill on spot, and obliges to keep it, so EN can refund the payment in full upon check-out.

EN disclaims any liability for use of safety nets on board. The client accepts the fact that a safety net is used solely at his own risk.

The Client obliges to notify EN about any breakage and damage, immediately after they occur, and regardless what the cause is. EN will instruct the Client regarding the manner of performance of the required works and/or replacement of the equipment. Unauthorized repairs and equipment replacements will be paid in full by the Client.

#### **PROTECTION OF PERSONAL DATA**

The Client is voluntarily providing his personal data. The personal data of the Client and crew members are essential for the realization of the charter. They will also be used for further communication. EN is obliged not to take the Client's personal information as well as information of crew members outside the country or forward them to third parties except for the purpose of providing the requested services. By accepting these General Conditions the Client agrees that his personal data may be used as part of marketing and promotional campaigns of EN (sending newsletters etc.).

#### **COMPLAINTS**

Every Client has the right to a complaint, if he/she considers the services of EN to be incomplete and/or not performed in a qualitatively satisfying manner. The Client may demand a proportional reimbursement, but only if a written complaint is presented upon check-out, with all necessary documentation. A written complaint must be signed by both parties – by the Client and by an EN representative. Subsequently received or incompletely documented complaints will not be taken into consideration by EN.

EN is obliged to provide a written solution of the received complaint within 15 days upon receipt. EN is allowed to postpone the deadline for the complaint solution for an additional 7 days with previous written approval of the Client, namely for reasons of gathering information and checking the complaint claims with the persons directly or indirectly involved in the complaint.

The Client renounces the right to mediation of any other party, arbitration of Association of Croatian Travel Agencies, law institution or releasing the information to the media, until EN has passed a solution for the complaint.

The maximum compensation per complaint can amount to the complained part of the services, and can not include services already provided or the total amount of the rental. This excludes the the Client's right to compensation of immaterial damage.

The Client cannot deem EN to be responsible for adverse climate conditions, cleanliness and temperature of the navigation destinations and other similar situations and events that may cause Client's dissatisfaction, and are not part of the quality of the rented vessel (e.g. polluted sea, bad weather, poorly maintained beaches, crowds, theft or damage to property of crew members, etc.).

#### **DISCOUNTS**

In the event of simultaneous offers, discounts can not be combined. Discounts do not apply for last-minute offers.

#### **LEGAL TERMS**

If the Client is not satisfied with EN's solution, and is unable to reach a reasonable agreement with EN, he/she is entitled to court arbitration. For cases like this and other cases of disputes between the Client and EN, the jurisdiction of the court in Zagreb, applying Croatian law, is agreed.

These terms and conditions shall enter into force on the day of publication on the official website of the company (<http://www.euronautic.hr>), and are considered to be available to all third parties on the day of publication.

Any changes and additions to these general conditions are possible and valid only in written form.

By accepting the booking and paying the agreed price the Client accepts the above mentioned terms and conditions, whether he read and interpreted them or not. These General Terms and Conditions and navigation manual exclude all former terms and conditions and navigation manuals.

These general terms and conditions are binding for all Clients without exception, regardless of the fact whether they accepted the booking directly through EN or through an authorized agent. No person can refer to the fact that these General Terms and Conditions were not known and/or interpreted to him/her.