

SQ Marine Engineering Inc.

GENERAL CONDITIONS OF SALE

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1. General:

General Terms and Conditions stated herein shall be valid for all sales contracts concluded by SQ Marine Engineering Inc., Florida, U.S.A. (hereafter referred to as "Company") or for those completed through the Company's intermediation on behalf in the name of other entities. Unless otherwise agreed between Company and the Customer in writing, the Customer shall be deemed to read, understand, and accept these terms and conditions by giving the final order.

2. Definitions:

2.1. **Goods** shall mean any kinds of commodities which Company sells, directly or as an intermediary,

2.2. **Customer** shall mean any person or legal entity who concludes a sales contract with Company or with any person or a legal entity on whose behalf Company is acting as an agent, representative, or any other kind of intermediary,

2.3. **Company** shall mean Seller or any other person or legal entity on whose behalf Seller is acting as an agent, representative, or as any different kind of intermediary,

2.4. **Manufacturer** shall mean the person or legal entity who manufactured the goods sold to Customers by the Company.

3. Inventory Condition and Preparation Period:

Any information as regards the inventory conditions and preparation periods on the order form, which Company shall issue, merely constitutes estimation. Because of this estimation, the Customer accepts that Company or any other person or legal entity on whose behalf Company is acting as an agent, representative, or any other intermediary, shall not be liable for the non-availability of the Goods in the stocks or any delays in the preparatory period arising from the manufacturing of the Goods, the stages following the production or the delays caused by the suppliers of Company. Furthermore, the Customer, who executed the sale contract with the knowledge that delays may occur in the estimated stock condition and delivery period, here acknowledges that no compensation shall be requested from Company or from any other person or legal entity on whose behalf the Company is acting as an agent, representative or any other intermediary. In this respect, the Customers have to do their planning by considering that delays may occur in the manufacturing or delivery of the product.

4. Payment and Delivery:

Following the payment of the price of the Goods or confirming the amount to be made on time as agreed by the Customer, the delivery process of the Goods shall be initiated by Company or any other person or legal entity on whose behalf the Company is acting as an agent, representative, or any other intermediary. The Company's bank account records indicate whether and when the price is fully paid. The customer bears all banking charges and expenses for payment.

In credit sales, the Customer must provide clear information to the Company on how and by whom the payment will be affected to initiate the preparation process. The preparation process shall be started when and if the information on the amount given by the Customer is deemed appropriate and accepted by Company.

In the sale contracts entered into by the agents of the Customer or by the intermediary of the agents, the agent guarantees the payment of the price of the Goods. In this respect, the Company may request the amount of the price from the Customer or the agent who guarantees the payment of the cost of the Goods.

5. The Currency:

The payments shall be made in USD currency, regardless of the currency of the invoice amount. The exchange rates in the country of the creditor company shall be taken into account on the payment date.

6. Transportation and Insurance:

All sale contracts executed by Company are ex-works basis sales (Excluding packaging and handling, transport, and transport insurance). The company is not engaged in the transportation business. In case it is requested by the Customer, Company may organize the packing, transportation of the goods, and transportation insurance against remuneration, which are to be added to the goods' invoice. However, it is agreed that the organization of the transportation and insurance by the Company upon the request of the Customers do not affect the Customer's obligations arising from the sale contract and the responsibility for transportation risks remains on the Customer. The Customer will pay the duties and debts arising from the contract of carriage, the insurance arrangement, and packing and handling charges.

7. Invoicing and Payment

11.1) Invoicing

The Company will submit the invoice upon dispatching the order, complete or partial. The invoice date is the same as the readiness date of the order. The invoices are sent to customers by email. A hard copy of the invoice can be sent by mail upon the customer's request.

11.2) Payment and Interest Rate for Delay

With approved credit, all payments shall be made by the Customer in US Dollars within 30 days of the invoice date. INVOICES NOT PAID WITHIN 30 DAYS FROM THE INVOICE DATE SHALL BE SUBJECT TO A SERVICE CHARGE OF 2% OF THE UNPAID BALANCE FOR EACH MONTH THEY REMAIN UNPAID BUT NOT TO EXCEED THE MAXIMUM AMOUNT PERMITTED BY LAW. The 2% service charge shall be applied from the due date of the invoices.

8. Right of Retention of Company

If the payment terms of the sale contract are not complied with, Company shall have the right to retain the Goods to be dispatched to the Customer or its affiliates until the payment condition is satisfied. Furthermore, the Company reserves the right to claim all damages and losses arising from this delay in payment.

9. Warranty

9.1) Original Materials

The Guarantee period and standard terms of the manufacturer are valid for the original components.

The Customer shall promptly notify Company in writing of any defect in material or workmanship found during the warranty period. The company with the original manufacturer or its agent shall have the right to investigate the reported fault before corrective action. The Company or the original maker shall have the option to repair, replace or correct the defect in the field or at the Customer's property. The Customer shall bear all costs incurred by Company or the original manufacturer to enable it to access a defect in material or workmanship.

9.2) Non-Original Materials

Suppose a manufacturing defect or unsuitability is detected on the non-original materials. The situation must be reported in writing to the Company within 30 days of the invoice date. In that case, it shall be replaced with a new one by the Company free of charge if the correct one can be supplied in the same conditions. The replacement material must not have been used to benefit from the mentioned guarantee. The return of the Goods and the delivery of the new one shall be organized in the manner Company deems appropriate.

9.3) The warranty does not cover, and Company shall have no responsibility for:

- In the Company's reasonable judgment, conditions arise from misuse, overloading, negligence, alteration, accident, or lack of performance of necessary maintenance services.
- Claims for consequential damages include, but are not limited to, loss of use, revenue or profit, and loss of or damage to Purchaser's property.
- In the reasonable judgment of the Company, claims arise from materials not provided by the Company.

10. Materials Return

In the returns to be made according to the preceding 9, the address to which the product is to be returned shall be notified to the Customer by the Company. The material shall be returned to the address notified by the Company at the latest within 30 days as of the date of the return confirmation. When it is ascertained that the material is free of damage and unused, it will be replaced by a new one without charge according to the below conditions;

10.1) **General.** If the Customer wishes to return materials furnished to the Purchaser by the Company, the Customer shall request in writing that the Company issue a Return Materials Authorization (RMA). The Customer must obtain an RMA from the Company before returning the materials. No materials will be accepted for return or credit to the Customer's account without an RMA. The Customer shall ensure that the materials to be returned are adequately packaged for the return shipment, considering the nature and value of the materials. Non-stock materials, including but not limited to Order as needed (OAN) materials, custom designed and custom fabricated materials, electrical and electronic materials, unique order materials, and lighting materials, may not be returned for any reason not in connection with a warranty claim. The order of such non-stock materials can't be canceled after the Company has placed the corresponding order with its supplier.

10.2) **Routine Returns.** The Company shall assess the Customer a restocking charge, at the rate periodically established by the Company, for each item of material returned, except materials produced in connection with a warranty claim. The Company shall inspect each item of returned material upon receipt to determine, in its sole discretion, whether the thing is suitable for resale. The customer shall be responsible for the cost of each item of material that the Company determines is not eligible for resale, based on the price charged to the Customer at the time the material was furnished. The costs of packaging and return freight shall be the Customer's responsibility.

10.3) **Defective Materials.** Concerning the return of materials in connection with a warranty claim, the Customer shall request an RMA for the return of such materials at the time of its written notice of defect, provided following Section 9 hereof. The company shall inspect such materials upon receipt to determine, in its sole discretion, whether any defect is within the warranty outlined in Section 9. If the Company determines that a defect in such materials is within the warranty outlined in Section 9, the costs of packaging and return freight shall be the responsibility of the Company. If the Company determines that there is no defect in such materials within the warranty outlined in Section 9, the costs of packaging and return freight shall be the Customer's responsibility.

11. Terms of After Sales Service

In the complete system or electronic device sales, unless otherwise expressly agreed by the Company, the after-sale services, including the installation, annual maintenance, and technical assistance within guarantee or out of warranty, shall be given by the manufacturer of the goods or its specialized service agencies. The Company shall have no responsibility in respect of the mentioned services. In this respect, the Customer shall not be entitled to apply to Company for these services.

12. Cancellation of the Order

After the execution of the sale contract, it may be agreed that 20% of the total price and expenses together, if already incurred (i.e., packaging, transportation), are immediately paid by the Customer.

The cancellation of the order after the delivery of the goods may be agreed upon only if the Company's negligence is related to the goods.

The return of the defective goods shall be made in the manner deemed fit and confirmed in writing by the Company. (See Section 9)

In partial returns, the customer will pay the initial transportation expenses. In no case the customs and agency expenses are paid by the Company.

13. Applicable Law and Jurisdiction

The disputes arising from these general conditions and the sale contracts subject to these conditions shall be settled before the Florida State of United States of America Courts or Istanbul Courts, whichever the Company prefers.