



MARINE & OFFSHORE

INDUSTRY

OIL SPILL RESPONSE

DEFENCE & FUEL

UTILITY

# DESMI Ocean Guard A/S

## General terms and conditions

Version: 2

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# DESMI

## Warranty Statement

This statement contains the warranty conditions valid for Ballast Water Treatment Systems and other equipment supplied by DESMI Ocean Guard A/S.

Warranty provided by DESMI Ocean Guard A/S is according to the general Conditions for the Supply of Mechanical, Electrical and Associated Electronic Products, S2012, prepared by Orgalime (Organisme de Liason des Industries Métalliques Européenes), with the amendments and supplements contained in enclosed Addendum to Orgalime S 2012.

The main warranty are conditions specified in Orgalime S2012 in clause 23-39 (Liability for Defects) and together with the below DESMI Ocean Guard A/S Addendum to Orgalime they form the warranty provided.

Download [Orgalime S2012-EN Original.pdf](#)

### Warranty description

The warranty covers defects resulting from faulty design, materials, or workmanship. The Supplier shall not be liable for defects caused by circumstances, which arise due to defects caused by actions from Purchaser, e.g., faulty maintenance/repair, incorrect installation, or to alterations carried out without the Supplier's consent in writing. The Supplier shall neither be liable for goods exposed by normal wear and tear nor for deterioration.

The warranty is in effect for a minimum of 12 month after the date of commissioning of the system, however no more than 18 months after date of delivery. Purchaser agrees to maintain, operate, and use the system in accordance with Suppliers applicable maintenance documentation. Warranty is voided in case of misuse or lack of maintenance. The warranty does not include the cost for engineers, travel, and lodging.

## Addendum to General Conditions Orgalime S 2012

This Addendum contains conditions valid for the tender and sale of ballast water treatment systems and other equipment from DESMI Ocean Guard A/S, amending and supplementing the general Conditions for the Supply of Mechanical, Electrical and Electronic Products, S 2012, prepared by Orgalime (Organisme de liason des Industries Metalligues Europeennes).

### Regulations

#### **Add to new supplementary clause 4A:**

The Product shall be in accordance only with such regulations as expressly stated in the Contract and as in force on the date of formation of the Contract.

### Supervisors and/or test engineers

#### **Add to new supplementary clause 9A:**

The Supplier shall provide the assistance of supervisors and/or test engineers for quay and sea trial to the extent stipulated in the Contract.

Such supervisors and/or test engineers shall act under the management of the Purchaser and will give comments and advice to the best of their knowledge on technical questions. The responsibility for compliance with such advice and/or recommendation rests solely with the Purchaser.

The Supplier's liability for negligent assistance of erectors, supervisors and/or test engineers shall be limited as stipulated in clauses 23 - 39.

### System Commissioning

#### **Add to new supplementary clause 9B:**

Commissioning days included in the offer does not necessarily reflect the actual needed time or scope of work. Additional days will be invoiced according to DESMI DeServe's Price list unless another price/rate has been agreed.

### Delay in Time of Delivery

#### **Add to clause 13:**

The agreed delivery time is conditional upon the Purchaser in due time fulfilling the terms of payment and other obligations stipulated in the Contract.

All material, documentation, and other information necessary for the delivery of the Product within the stipulated time shall be in the possession of the Supplier at the agreed time or, if no such time has been agreed, at the time requested by the Supplier.

## **Order Cancellation Fees and Order Changes**

### **Add to clause 18:**

When an order is cancelled by the Purchaser the following cancellation fees apply depending on type of system and time of cancellation:

<b>Loose Component and Skid Mounted Orders</b>	
Time of Cancellation:	Cancellation Fee:
More than 5 months before scheduled delivery date.	10% of the total contract value
Between 5 months and 12 weeks before scheduled delivery date.	30% of the total contract value
Less than 12 weeks before scheduled delivery date.	50% of the total contract value

<b>Deckhouse Orders</b>	
Time of Cancellation:	Cancellation Fee:
More than 5 months before scheduled delivery date.	10% of the total contract value
Between 5 months and 16 weeks before scheduled delivery date.	30% of the total contract value
Less than 16 weeks from scheduled delivery date.	According to actual project costs. However, always minimum 50% of the total contract value

Changes made to an already existing order – issued by the Purchaser and confirmed by the Seller, imposes a change-fee. The size of the fee is based on actual expenditure however, always as a minimum a EUR 400 handling fee.

## **Warranty / Liability for Defects**

### **Replace clause 27 by the following:**

The Supplier's liability is limited to defects that have been notified to the Supplier within a period of either 12 months from the date the Product was taken into use (sea trial of the vessel or commissioning of the Product as the case may be) or 18 months from the date of delivery of the Product, whichever period expires first. This period can be extended by purchasing Extended warranty from the Supplier.

### **Add to clause 31:**

The Supplier is obliged to carry out dismantling and re-installation of the part if this requires special knowledge. If such special knowledge is not required, the Supplier has fulfilled his obligations in respect of the defect when he delivers to the Purchaser a duly repaired or replaced part.

When the Supplier is to carry out repair works at the place where the Product is located, the Purchaser shall make available and bear the costs of an adequate number of fitters, local transport, lifting gear, towing, dockage, supply of electricity and similar supplies. The Purchaser must bear the cost for DESMI Service engineers, travel and lodging.

### **Replace clause 32 by the following:**

Repair shall be carried out at the place where the Product is located unless the Supplier deems it appropriate that the defective part or the Product is returned to him for repair or replacement.

Necessary transport of the Product or parts thereof to the Supplier in connection with the remedying of defects for which the Supplier is liable shall be at the risk and expense of the Purchaser. The Purchaser shall follow the Supplier's instructions regarding such transport. The Purchaser shall carry the risk and expense for transport to the Supplier. The Supplier is in no case obliged to pay for airway transportation of defective or replacement parts.

**Replace clause 38 with the following:**

Notwithstanding the provisions of clauses 23 - 39, the Supplier shall not be liable for defects in any part of the Product for more than two years from the commissioning of the Product.

**Add to clause 39:**

The provisions in clauses 23 - 38 set forth the exclusive remedies for claims based upon defects in the Product irrespective of whether the claims are based upon contract, warranty, negligence, tort or otherwise.

No implied warranty of merchantability or fitness for a particular purpose shall apply.

The warranties expressed herein are exclusive of all other written, implied, oral or statutory warranties, terms or conditions.

**Corona Disease (Covid 19)**

**Add to new supplementary clause 41A:**

DESMI cannot be held liable for non or delayed fulfilment of orders due to COVID-19. If complete and prompt delivery is temporarily prevented, directly or indirectly, by COVID-19, delivery will be postponed for a period corresponding to the duration of the situation, plus a period that is reasonable in the light of the circumstances for a return to normal. Delivery within the postponed delivery time shall be regarded as delivery on time in all respects

**Anticipated Non-Performance**

**Add to clause 44:**

If the other party cannot provide adequate security for his performance under the Contract within a reasonable period of time, the party suspending his performance according to this clause 42 shall be entitled to terminate the Contract and to claim compensation.

## Payment Term options in DESMI Group Companies

### Standard Terms

- 20% down payment (when order is placed)
- 80% before shipment

### 30 Days' Credit

- 20% down payment (when order is placed)
- 80% 30 days after shipment
- Preconditions
  - Positive credit evaluation by our insurance company (Atradius)
  - If positive credit evaluation cannot be achieved, alternative security must be provided

### L/C with Deferred Payment

- 20% down payment (when order is placed)
- 80% by L/C
- Deferred payment up to one year
- Preconditions
  - Contract value higher than EUR 100,000
  - L/C can be confirmed by a Danish bank
  - Customer pays financing costs for confirmation of L/C and interest. Estimated 5% of the financed amount.

### Extended Credit up to One Year

- 20% down payment (when order is placed)
- 80% X days after shipment (maximum one year)
- Preconditions
  - Contract value higher than EUR 100,000
  - Positive credit evaluation by our insurance company (Atradius or EKF)
  - Customer pays financing costs for insurance premium, extended credit risk, and interest. Estimated 7%

### Extended Credit up to Five Years

- 20% down payment (when order is placed)
- 80% financed by EKF from 3 – 5 years
- Preconditions
  - Contract value higher than EUR 250,000
  - Positive credit evaluation by EKF based on D&B report or financial statements (3 years) in English depending on contract value
  - Up to one year drawing period
  - Repayment by biannual instalments based on bills of exchange
  - Customer pays financing costs estimated at 5% p.a.
  - Customer pays a one-off facility fee estimated at 4%