

Varenco Pty Ltd.

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Director

Terms of Business

ABN 99 127 152 363

Effective from 1 May 2016

Business is Insured by TT Club. Certificate of Insurance can be provided on request.

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1 APPLICATION OF TERMS

1.1 The terms and conditions set out in this document (the "Terms of Business") apply to and are incorporated into each agreement pursuant to which VARENCO agrees to provide Services to the Client, whether such agreement is concluded in writing, verbally, by a course of dealing, or otherwise (a "Contract").

1.2 The standard terms of any business forms (including purchase orders) of the Client shall be without legal effect in relation to the Contract and the Services, irrespective of when such standard terms and conditions or other terms are put forward.

1.3 For the purposes of these Terms of Business:

- a) "Client" means any person to whom VARENCO provides Services pursuant to a Contract;
- b) "VARENCO" means the member of the VARENCO Group which entered into the Contract with the Client. In the event of any doubt, VARENCO shall mean VARENCO Pty Ltd -ABN 99 127 152 363
- c)"Party" individually means VARENCO or the Client that is party to the Contract (as applicable), and "Parties" shall be construed accordingly; and
- e)"Services" means brokering, advisory, or consulting or project services in relation to a vessel or project (whether or not such vessel is extant as at the date the Contract is concluded).

2 RELATIONSHIP BETWEEN THE PARTIES

2.1 The Client appoints VARENCO as agent/consultant/project manager for the purposes of providing the Services and the Agent accepts the appointment on these Terms of Business.

2.2 In the event that a Client requests VARENCO to use the services of a third party in relation to a Contract (the "Third Party Services"), VARENCO will contract with such third party as agent for the Client. VARENCO expressly disclaims (to the maximum extent permitted by law) all warranties and representations with respect to the Third Party Services (whether express, implied, statutory or otherwise), including: any implied warranty of merchantability, fitness for a particular purpose, accuracy, or reliability of results from use of the Third Party Services; that the Third Party Services will meet specific requirements; or that the Third Party Services will be uninterrupted, secure, or free of errors (including software errors).

2.3 The Client acknowledges and agrees that Third Party Services are provided on an "as is" basis without any warranty of any kind and that the entire risk as to the quality and performance of the Third Party Services shall be borne by the Client unless otherwise agreed with the Client.

3 WARRANTIES, REPRESENTATIONS, AND UNDERTAKINGS

3.1 VARENCO undertakes that it shall perform the Services with reasonable care, diligence, skill and judgement.

3.2 The Client warrants that at the time of contracting with VARENCO, and again at all other relevant times, that it has the full power and authority to engage VARENCO to provide the Services; and to instruct VARENCO to enter into, arrange or execute any transaction arising out of or in connection with the Services.

3.3 The Client warrants that it has adequate resources to enter into and perform any transaction arising out of or in connection with the Services.

3.4 The Client undertakes that it shall deal with VARENCO in good faith at all times.

3.5 Each Party warrants that it complies, and represents and undertakes that it shall comply at all times with all applicable laws with regards to money laundering, bribery and corruption.

4 CLIENT RESPONSIBILITIES

4.1 The Client shall procure that its employees, servants, and agents will promptly provide all information and assistance reasonably required by VARENCO to arrange and/or perform the Services, and undertakes to ensure that all information provided to VARENCO by or on behalf of the Client will be accurate and complete.

4.2 In the event that there is any change to the information provided to VARENCO, the Client shall promptly notify VARENCO of such change. The Client agrees that VARENCO is entitled to rely upon any information as it is provided by the Client for the purposes of and in connection with the Service until such time as VARENCO is notified of any such change.

4.3 The Client shall indemnify and hold VARENCO harmless against any and all loss, damage, or expense suffered or incurred by VARENCO or a member of the VARENCO Group arising as a consequence of a breach of Clause 4.1 or 4.2 above.

5 CHARGES AND PAYMENT

5.1 In these Terms of Business, "Charges" means all charges (including all commissions) payable for the Services under the Contract (including those which may be payable by custom of the trade or by reference to a course of dealings between the Parties).

5.2 Unless otherwise agreed in the Contract, VARENCO shall invoice the Client at a frequency which VARENCO considers appropriate to the nature of the Services to be performed.

5.3 Invoices shall become due and payable on the date specified on the invoice, and the Client shall pay all invoices promptly in full, without any suspension, retention, set-off (statutory or otherwise), deduction, counterclaim or discount and notwithstanding the existence of any claim or dispute in respect of the Services.

5.4 Charges are inclusive of Goods and Services tax, sales tax, and any other applicable taxes and will be so shown on any invoices. The Client will pay to VARENCO any taxes properly chargeable on Services supplied pursuant to the Contract.

5.5 If any Charges due for payment under the Contract are not paid within thirty (30) days after the invoice date, the Client shall pay interest on such sum from the due date until the date of actual payment (whether before or after judgment) at the rate of four percent (5%) per annum above the base rate of the Commonwealth bank od Australia from time to time, such interest to accrue on a day to day basis and to be compounded monthly.

5.6 Without prejudice to Clause 9.2, VARENCO shall be entitled to suspend its performance of the Services in the event that any Charges are at least thirty (30) days overdue.

5.7 Unless otherwise expressly agreed in writing by a partner/director of VARENCO, the Client shall be responsible for the payment of all Charges. In circumstances where the Client's responsibility for the payment of the Charges is to be discharged by a third party, the Client shall take all necessary steps to ensure the prompt payment of such Charges and shall pay the Charges itself in the event of default by the third party.

5.8 If VARENCO receives monies payable to the Client, VARENCO shall be entitled to retain from such monies a sum equivalent to any current or future Charges which are or will become payable by the Client to VARENCO whether or not those Charges have become due and payable.

6 INTELLECTUAL PROPERTY

6.1 For the purposes of the Contract, "Intellectual Property Rights" means patents, petty patents, utility models, trade marks, design rights, applications for any of the foregoing, copyright, database rights,

semi-conductor topography rights, trade or business names, domain names, website addresses whether registrable or otherwise, (including applications for and the right to apply for registration of any such rights), and any similar rights in any country whether currently existing or created in the future, in each case for their full term, together with any renewals or extensions.

6.2 VARENCO hereby grants to the Client a non-exclusive right during the term of the Contract to use the materials provided to it by VARENCO ("VARENCO Materials"), other than as part of the Third Party Services, for the purpose of receipt of the Services by the Client. In relation to future copyright, such licence shall take effect as a present licence of future rights.

6.3 VARENCO and its licensors shall retain all right, title and interest in and to all Intellectual Property Rights or other proprietary rights in the VARENCO Materials.

6.4 The Client hereby grants to VARENCO a non-exclusive right during the term of the Contract to use the materials provided to it by the Client ("Client Materials") for the purpose of providing the Services. In relation to future copyright, such licence shall take effect as a present licence of future rights.

6.5 The Client and its licensors shall retain all right, title and interest in and to all Intellectual Property Rights or other proprietary rights in the Client Materials.

6.6 In the event of a claim brought by a third party against a Party (the "Recipient") alleging that any material provided to the Recipient by the other Party (the "Provider") infringes that third party's Intellectual Property Rights, the Provider shall defend the Recipient, and indemnify it against any award of the court to the third party or the settlement agreed to by the Provider, provided that the Recipient:

- a) notifies the Provider promptly in writing, not later than thirty (30) days after the Recipient receive notice of the claim;
- b) gives the Provider sole control of the defence and any settlement negotiation; and
- c) gives the Provider the information, authority, and assistance the Provider needs to defend against or settle the claim.

7 LIABILITY

7.1 VARENCO and the Client agree that the limits and exclusions of liability in this Clause 7 are fair and reasonable having regard to the nature of the Services, the fees charged for such Services, and all other circumstances known to the Client and VARENCO at the time of the making of the Contract.

7.2 The Client undertakes that no claim or allegation in respect of the Services, whether arising in contract, tort (including negligence) or otherwise, shall be made against VARENCO by any person other than the Client and, if any such claim or allegation should nevertheless be made, undertakes to defend, indemnify and hold harmless VARENCO against all consequences thereof.

7.3 VARENCO shall not be liable for any:

- a) loss of profit, revenue, or anticipated saving;
- b) loss of goodwill, reputation or opportunity;
- c) loss of or corruption of data or interruption of business; or
- d) account of profits,

arising out of or in connection with the Contract or any breach or non-performance of it no matter how fundamental (including by reason of its negligence).

7.4 Neither Party shall be liable to the other for any indirect or consequential loss arising out of or in connection with the Contract or any breach or non-performance of it no matter how fundamental (including by reason of that party's negligence).

7.5 VARENCO's total aggregate liability arising under or in connection with the Contract or any breach or non-performance of it, no matter how fundamental, in contract, tort (including negligence) or otherwise, shall be limited to the Charges paid to VARENCO by the Client in the three (3) months immediately prior to the cause of action arising.

7.6 In any event, VARENCO shall be discharged from all liability whatsoever or howsoever arising out of or in connection with the provision of Services unless proceedings are commenced and served on VARENCO before the earlier of:

- a) One (1) years from the cause of action arising; and
- b) Six Months (6) months from the termination or expiry of the Contract.

7.7 Notwithstanding any contrary provision in this Agreement, neither Party limits or excludes its liability in respect of:

- a) any death or personal injury caused by its negligence;
- b) any fraud or fraudulent misrepresentation;
- c) its willful default or willful abandonment of this Agreement or any part of it; or
- d) any statutory or other liability which cannot be excluded under applicable law.

8 CONFIDENTIALITY

8.1 For the purposes of the Contract, "Confidential Information" means:

- a) all information disclosed to the relevant Party by or on behalf of the other Party in connection with the Contract which relates to the provisions of the Contract or the negotiations relating to the Contract;
- b) know-how, secret processes and inventions disclosed to the relevant Party by or on behalf of the other Party in connection with the Contract;
- c) all other information disclosed to the relevant Party by or on behalf of the other Party (whether before or after the date of the Contract) which is marked as or has been otherwise indicated to be confidential or which derives value to a Party from being confidential or which would be regarded as confidential by a reasonable business person;

8.2 Subject to Clause 8.3, each party shall treat all Confidential Information as strictly confidential and shall not disclose Confidential Information to any person.

8.3 A party may disclose Confidential Information if and to the extent:

- a) required by law or order of the courts, or by any securities exchange or regulatory or governmental body to which such party is subject, wherever situated (whether or not the requirement for information has the force of law); or
- b) disclosed on a necessary basis to the personnel, professional advisers, auditors and bankers of such party; or
- c) the Confidential Information has come into the public domain other than by a breach of any obligation of confidentiality; or
- d) with the prior written approval of the other party.

8.4 VARENCO may disclose Confidential Information to its subcontractors and third party suppliers as it considers necessary for the performance of its obligations under the Contract and the performance of the Services.

8.5 The Client shall not publish any document containing any express or implied reference to VARENCO or make use of the VARENCO name or any VARENCO logo, without the prior written consent of VARENCO and subject to such conditions as may be imposed by VARENCO.

8.6 The Client confirms that it is aware of, and consents to the processing by VARENCO of any personal data it provides to VARENCO within the meaning of respective legislation by the NSW Government. The Client agrees that VARENCO may record telephone conversations to resolve complaints and disputes, and improve its service standards. Telephone conversations may also be monitored for staff training purposes.

8.7 The restrictions contained in this Clause 8 shall continue to apply after the termination or expiry of this Agreement (however arising) without limit in time.

9 TERMINATION

9.1 The Client shall be entitled to terminate the Contract with immediate effect by giving written notice to VARENCO if VARENCO commits a material breach of the Contract (or in case of a breach capable of being remedied if VARENCO fails, within thirty (30) days of a request in writing from the Client to do so, to remedy the breach).

9.2 VARENCO shall be entitled to terminate the Contract with immediate effect by giving written notice to the Client if:

- a) the Client commits a material breach of the Contract (or in the case of a breach capable of being remedied if the Client fails, within thirty (30) days of a request in writing from VARENCO to do so, to remedy the breach);
- b) the Client has failed to pay an invoice promptly, and further fails to pay such invoice for thirty (30) days after a request in writing from VARENCO requiring such payment;
- c) the Client undergoes a change of Control (where "Control" is as defined by section 840 of the Income and Corporation Taxes Act 1988); or
- d) the Client summons a meeting of its creditors, makes a proposal for a voluntary arrangement, becomes subject to a voluntary arrangement, is unable to pay its debts within section 123 Insolvency Act 1986, has a receiver, manager or administrative receiver appointed over any of its assets, undertaking or income, has passed a resolution for its winding-up, is subject to a petition presented to any Court for its winding-up, has a provisional liquidator appointed, has a proposal made for a scheme of arrangement under section 425 Companies Act 1985, has an administrator appointed in respect of it or is the subject of an application for administration filed at any court or a notice of appointment of an administrator filed at any court or a notice of intention to appoint an administrator given by any person or is the subject of a notice to strike off the register at Companies House or carries out or undertakes or is subject to or undergoes any analogous act, process or proceedings under any applicable law.

9.3 If the Contract is terminated other than under Clause 9.1, the Client shall pay to VARENCO all Charges earned (whether or not invoiced at the date of such termination), and recoverable costs incurred, in respect of the Services performed up to the date of the termination together with any reasonable further costs and/or expenses incurred by VARENCO as a result of the termination. Any commission earned in respect of any Services provided prior to termination shall continue to be payable despite any termination of the Contract.

9.4 Clauses 1, 4.3, 5, 6, 7, 8, 9.3, 9.4, 10, 11, 14, 17, 18, 19, and 20 of these Terms of Business together with all other provisions of the Contract which by necessity must have effect following any expiry or termination of the Contract, shall survive such expiry or termination to the extent permissible by law.

10 SEVERABILITY

10.1 If any provision of the Contract is declared by any competent court or body to be illegal, invalid or unenforceable under the law of any jurisdiction, or if any enactment is passed that renders any provision of the Contract illegal, invalid or unenforceable under the law of any jurisdiction, this shall not affect or impair the legality, validity or enforceability of the remaining provisions of the Contract, nor the legality, validity or enforceability of such provision under the law of any other jurisdiction.

10.2 If the circumstances referred to in Clause 10.1 should arise at any time, but the relevant provision would cease to be illegal, invalid or unenforceable if some part of it were modified, the provision shall apply with whatever modification is necessary to make the provision legal, valid and enforceable and to give effect, to the greatest extent possible, to the commercial intention of the Parties.

10.3 If the circumstances referred to in Clause 10.1 should arise at any time, but where Clause 10.2 does not apply, the Parties agree to negotiate in good faith to substitute for the relevant provision a provision which is legal, valid and enforceable in that jurisdiction and which achieves, to the greatest extent possible, the same effect as would have been achieved by the invalid or unenforceable provision.

11 WAIVER

VARENCO's failure to exercise or delay in exercising a right or remedy provided to it under the Contract shall not constitute a waiver of that right or remedy, and no waiver by VARENCO of any breach of the Contract shall constitute a waiver of any subsequent breach of the same or any other provision. No Waiver given by VARENCO shall be valid unless it is given in writing. VARENCO's rights and remedies under the Contract shall be without prejudice to any other right or remedy under the Contract or at law.

12 FORCE MAJEURE

Neither Party shall be liable to the other for any failure to perform or delay in performance of its obligations hereunder (other than an obligation to pay) if and in so far as and for so long as such performance is delayed or prevented by the other's acts or omissions, or by circumstances beyond its reasonable control.

13 CLAIMS

13.1 If the Client becomes aware of any claims or circumstance which might involve litigation or arbitration concerning the subject matter of the Contract, the Client shall immediately inform VARENCO.

13.2 The Client undertakes that it will not without the written consent of VARENCO use as evidence in any litigation or arbitration proceedings the results of VARENCO's work relating thereto.

14 THIRD PARTY RIGHTS

A person who is not a party to the Contract has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of it.

15 NOTICES

Any notice to be given hereunder or otherwise in relation to the Services shall be in writing and shall be deemed to have been duly given if sent or delivered to the Party concerned at such address as the Party may from time to time notify in writing or to the correct facsimile number or electronic mail

address (as notified by the receiving Party) and shall be deemed to have been served, if sent by first class post, two (2) business days after posting and in the case of a facsimile transmission on the following day or in case of electronic mail on the same date.

16 SUBCONTRACTING

VARENCO may sub-contract or delegate in any manner any or all of its rights or obligations under the Contract to any third party provided always that it remains primarily responsible to the Client for performance of its obligations under the Contract.

17 DISPUTE RESOLUTION

17.1 Any dispute arising out of or in connection with the Contract or the Services shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof for the time being in force. The arbitration shall be conducted in accordance with the London Maritime Arbitrators' (LMAA) Terms current at the time when the arbitration is commenced.

17.2 Subject to Clause 17.3, the reference referred to in Clause 17.1 shall be to three arbitrators, one to be appointed by each Party and the third by the two so appointed.

17.3 A Party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment to the other Party requiring the other Party to appoint its arbitrator within fourteen (14) days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other Party appoints its own arbitrator and gives notice that it has done so within the fourteen (14) days specified. If the other Party does not appoint its own arbitrator and give notice that it has done so within the fourteen (14) days specified, the Party referring the dispute to arbitration may, without the requirement of any further prior notice to the other Party, appoint its arbitrator as sole arbitrator and shall advise the other Party accordingly. The award of a sole arbitrator shall be as binding as if he had been appointed by agreement.

17.4 In cases where neither the claim nor any counterclaim exceeds the sum of one hundred thousand pounds (£100,000) or such other sum as the parties may agree, the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.

17.5 Nothing in these Terms of Business shall prevent either Party from seeking injunctive or interlocutory relief for any breach committed by the other Party.

18 ENTIRE AGREEMENT

18.1 These Terms of Business together with such terms as are expressly agreed between the Parties in concluding the Contract, comprise the entire agreement between the Parties with respect to the Services. In the event of a conflict, the following order of precedence shall apply:

- a) any specific terms of the Contract agreed prior to or at its conclusion between VARENCO and the Client; and
- b) these Terms of Business,

save that in the event of any dispute as to the specific terms that were agreed as are referred to in Clause 18.1(a) where those terms are not in writing, the order of precedence shall be reversed in relation to such term.

18.2 No purported amendment or variation of these Terms of Business or the other terms of the Contract shall be effective unless it is in writing and duly executed by or on behalf of each of the Parties.

18.3 Catalogues, circulars, or literature shown or provided by VARENCO are for the Client's general guidance only and the particulars contained therein shall not constitute representations or otherwise form part of the Contract.

18.4 VARENCO and the Client agree that these Terms of Business apply to the exclusion of all other representations, statements, conditions, terms, warranties, whether express, implied, statutory or otherwise except as are set out in these Terms of Business or are implied by law or statute which cannot by law be excluded. However, nothing in this Clause 18.4 shall exclude or limit any liability or any right which either Party may have in respect of fraud, fraudulent misrepresentation, or wilful concealment.

18.5 Notwithstanding Clause 18.4, unless otherwise expressly agreed in writing, VARENCO shall be entitled to the benefit of such terms implied by statute as might ordinarily be held to apply to the Contract for VARENCO's protection.

19 GOVERNING LAW AND JURISDICTION

19.1 The Contract and any dispute or claim arising out of or in connection with the Contract or its subject matter or formation (including non-contractual disputes or claims) are governed by and shall be construed in accordance with Australian/English law.

19.2 The parties submit to the exclusive jurisdiction of the English courts for all purposes relating to and in connection with this Agreement and any such dispute or claim referred to in Clause 19.1.

20 INTERPRETATION

20.1 The headings in these Terms of Business are for convenience only and shall not affect their interpretation.

20.2 Any reference in a Contract to any provisions of a statute shall be construed as referring to the provision as amended, re-enacted or extended from time to time of the Corporations Act 2001).

20.3 In a Contract, unless the context requires otherwise:

- a) words in the singular shall be deemed to include the plural and vice versa;
- b) words importing any particular gender shall include all other genders;
- c) references to persons shall include bodies of persons whether corporate or otherwise; and
- d) words importing the whole shall be treated as including a reference to any part of the whole.