

GLIDECOAT TOP COATING WARRANTY

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1. EXTENT OF WARRANTY

- a. The Company hereby agrees, subject to these Limited Warranty Conditions set out herein, to guarantee to the Beneficiary the performance of the Coatings System on the Warranted Area when professionally applied to the Yacht as per the Company provided Coatings Specification.
- b. The obligations of the Company under this Warranty shall be in effect from the Commencement Date through the expiration of the Warranty Period for the Yacht.
- c. The Commencement date means the date the Yacht has been coated with Glidecoat’s Top Coating Product which must be applied by a Certified Glidecoat Applicator.
- d. Any repairs carried out under this Warranty do not extend the duration of this Warranty.
- e. The Clients agree that the Beneficiary has the sole right to claim under this Warranty and they agree to cooperate fully with the Beneficiary and Company to fulfil all their obligations as specified in this Warranty.
- f. Beneficiary means _____; and Clients means _____.

2. DEFECTIVE AREAS

- a. The Company shall be liable only for “Defective Areas” which throughout this Warranty shall mean an aggregated surface area exceeding five percent (5%) of the total surface of the Warranted Area (excluding those areas and defects referred to in Clause 4) where non-destructive testing shows that:
 - i. On visual inspection spontaneous detachment of the coatings comprised in the Coatings System from each other, or from the substrate, has occurred; or
 - ii. The gloss level of the Coating System applied in accordance with the relevant Technical Data Sheet on the hull exterior above the waterline, or the superstructure exterior, is less than Seventy percent (70%) in the first twelve (12) months, or sixty percent (60%) in months twelve (12) to eighteen (18), of the original gloss level, measured at an angle of sixty (60) degrees in accordance with the measurement of specular gloss of non-metallic coatings
- b. Which conditions are detected no later than eighteen (18) months following the Commencement Date and reported to the Company in writing with supporting photographs, reports or video no later than nineteen (19) months following the Commencement Date.
- c. In the case of maintenance, repaints, refits or repairs of an existing Yacht, Clauses 2.a (i), 2.a (ii) and 2.a (iii) shall not apply and are not covered by this Warranty.

3. GENERAL CONDITIONS

The Company shall not be liable for a claim unless:

- a. The following procedures have been adhered to and completed in full:
 - i. For a new build Yacht less than thirty (30) meters in overall length and all Yacht maintenance, repaints, refits and repairs:

- A. Limited Warranty online registration completed;
 - B. Coatings System applied to the Yacht as per standard Company published Coatings Specification; and
 - C. Application log kept to record: equipment used & settings, environmental conditions during application and quantity and batch numbers of products applied.
- ii. For a new build Yacht thirty (30) to fifty (50) meters in overall length:
 - A. Limited Warranty signed on the behalf of the Company, Owner, Yard and Applicator prior to application of Coatings;
 - B. Coatings System applied as per Company provided Coatings Specification issued for the Yacht; and
 - C. Application log kept to record: equipment used & settings, environmental conditions during application and quantity and batch numbers of products applied.
 - iii. For a new build Yacht over fifty (50) meters in overall length:
 - A. Completion of a Pre-Project Meeting with the Company, Owner, Yard and Applicator;

4. EXCLUSIONS

The Company shall not be liable for:

- a. Damage to the Coatings System arising from external causes outside the control of the Company including (but not limited to) welding or other heating, pollution, mechanical damage, electrical or electrolytic damage, incorrect cleaning or incorrect use, neglect, fire, explosion, radiation, collision of any kind, or other accident, acts of God, wars (whether declared or not), riot, civil commotion, vandalism, terrorism or other malicious, accidental or intentional damage, industrial action, adverse weather conditions (such as, for example, ice, sandstorms), interaction of any kind with marine wildlife, and the like;
- b. Coatings on surface areas which because of their physical shape, characteristics or configuration present special difficulties in effecting specified preparation and coating, including (but not limited to) ladders, handrails and all small area equipment and attachments, and the like;
- c. Deterioration of the substrate caused by electro-chemical action arising from the presence of metals which are cathodic to the metal of those areas of the

Yacht covered by this Warranty;

- d. In the case of maintenance, repaints, refits or repairs of an existing Yacht, any faults and/or defects caused by or related to already present coatings and coatings which have not been removed to the bare substrate;
- e. Deterioration of any part of the Coatings System caused by work carried out on the Yacht including (but not limited to) polishing or any other form of surface treatment;
- f. Any delay or failure by the Company to carry out its obligations under this Warranty arising out of circumstances beyond its control including (but not limited to) riot, civil commotion, industrial action and the like;
- g. Cracks or delamination in the Coatings System caused by substrate flexing or movement. The Yard is responsible for ensuring that the construction and design is appropriate for the chosen Coatings System, specifically for fairing with the chosen epoxy filler system, without causing it to crack or to delaminate;
- h. Antifouling & Foul release coatings. As the performance of antifouling is influenced by factors beyond the Company's control, antifouling performance is specifically excluded from this Warranty. Foul release coatings are handled as a separate process and are specifically excluded from this Warranty;
- i. Performance on Wood. As wood is a natural material and the performance of coatings or varnishes will depend for a large part on the quality of the wood and its construction, these parts are specifically excluded from this Warranty; or
- j. Tanks, Flooring & Insulation. Due to the more complex nature of application and maintenance, these parts are specifically excluded from this Warranty.
- k. Failure to adhere to Glidecoat's Top Coating maintenance requirements.

5. CLAIMS

In the event of a failure of the Coatings System as defined in Clause 2.a:

- a. The Beneficiary shall notify the Company of any claim by certified or registered mail (in each case, return receipt requested, postage prepaid) to the address of the Company, or at the telefax number or such other method of reporting, set forth in the Limited Warranty giving full details of the nature of the defect, the size and area, and the circumstances in which it was discovered including the date of detection, the location of the Yacht and whether it is out of water or not. Unless this written notice is received by the Company within

- the lesser of (i) thirty (30) days of the date of first detection of the defect all claims to which such notice relates shall automatically be excluded and time barred thereafter and (ii) the time limits set out in paragraph 2 above;
- b. If the Company wishes to inspect the area of the Yacht in respect of which a claim is made, the Yacht shall be made available for such inspection as soon as reasonably practicable and in any event within sixty (60) days of receiving such request at the location at which the Yacht was originally coated or such other location as may be mutually agreed between the Company and the Beneficiary. The Yacht will be made available for the Company's inspection within such period and prior to any repair work being carried out, failing which the Company shall have no liability to the Beneficiary whether under this Warranty or otherwise;
 - c. The Beneficiary shall, in the event of a claim, make available to the Company records showing the environment to which all areas of the Yacht covered by this Warranty have been exposed since initial application of the Coatings System such as, but not limited to: surface treating, washing/cleaning procedures used and any other data needed to reconstruct the chronological service history of the Yacht;
 - d. As Beneficiary's sole exclusive remedy for breach of warranty and/or any other alleged claim relating to the Coatings System, the Company will, subject to these Limited Warranty Conditions, supply the Coatings to effect the repair of the Defective Areas and shall cover the reasonable costs of application of such Coatings professionally applied to the Yacht as per the Company provided Coatings Specification as follows:
 - i. for any claims received during the first twelve (12) months from the Commencement Date: one hundred percent (100%) of such costs; and
 - ii. for any claims received after the first twelve (12) months from the Commencement Date until the expiration of the Warranty Period: seventy-five percent (75%) of such costs;
 - e. The Company shall, subject to these Limited Warranty Conditions, reimburse the Beneficiary for the reasonable costs of scaffolding and tenting to the extent that they are directly attributable to the repair of the Defective Areas against written evidence of such costs actually incurred for a period of no longer than one hundred and twenty (120) days from first detection of the defect.
 - f. It shall be the Beneficiary's burden when making any claim under this Warranty to show that Defective Areas:
 - i. were not caused by failure to comply with the conditions set out in Clause 3; and
 - ii. do not fall within any of the exclusions set out in Clause 4;
 - g. No acceptance of any claim by the Company shall be effective unless it is explicitly communicated to the Beneficiary in writing by the Company; and
 - h. Repairs under this Warranty may only be carried out after consultation with the Company who reserves the right to approve or negotiate the contracts for such repairs which shall be carried out as soon as practicable, but the Company does not assume liability for delay in carrying out or completion thereof. For the avoidance of doubt, the Beneficiary agrees that the Company shall not have any responsibility and/or liability for the negotiation and/or management of any contract for such repairs and shall not be a party to any such contract.
- 6. DISCLAIMER; LIMITATION OF LIABILITY**
- a. EXCEPT AS SET FORTH IN THIS WARRANTY, COMPANY MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, ORAL OR WRITTEN, OF ANY KIND WITH RESPECT TO THE COATINGS SYSTEM AND DISCLAIMS ALL IMPLIED WARRANTIES INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.
 - b. THE COMPANY'S ENTIRE AGGREGATE LIABILITY FOR ANY CLAIM OR CLAIMS UNDER CLAUSES 5(D) AND 5(E) OF THIS WARRANTY FOR A NEW BUILD YACHT SHALL NOT EXCEED FOUR (4) TIMES THE PURCHASE PRICE OF THE COATINGS IN THE DEFECTIVE AREAS, AND FOR MAINTENANCE, REPAIRS, REFITS OR REPAIRS SHALL NOT EXCEED FIVE (5) TIMES THE PURCHASE PRICE OF THE COATINGS DEEMED FAULTY.
 - c. IN NO CIRCUMSTANCES WHATSOEVER SHALL THE COMPANY BE LIABLE FOR ANY DIRECT LOSSES OTHER THAN THOSE AMOUNTS DESCRIBED IN CLAUSES 5(D) AND 5(E) ABOVE, OR PERSONALLY INJURY OR LOSS OF LIFE TO ANY PERSON OR ANIMAL OR MARINE WILDLIFE OR PLANTLIFE OR ENVIRONMENTAL DAMAGE OF ANY KIND, OR INDIRECT LOSSES INCLUDING (WITHOUT LIMITATION) DEMURRAGE, SLIPPING COSTS, HARBOR COSTS, HARBOR DUES, BOATYARD SERVICES AND THE LIKE ASSOCIATED WITH COATINGS REPAIR WORK, LOSS OF TIME, MONIES DUE TO THE BENEFICIARY'S EMPLOYEES OR TO OPERATORS OR CHARTERERS, LOSS OF PROFITS, LOST CONTRACTS, LOST OPPORTUNITY TO CONTRACT AND ANY SUCH SIMILAR COSTS AND ALL CLAIMS BY THIRD PARTIES AGAINST THE BENEFICIARY.

- d. The Beneficiary acknowledges that any associated or affiliated company of the Company ("Affiliate") has no liability whatsoever with respect to the Yacht, and the Beneficiary releases such Affiliates from any and all such liability. The liability of the Company under this Warranty is (subject to Clause 6(e)) in substitution for all other liability of the Company and/or its Affiliates in connection with or relating to coatings, products and/or advice and assistance supplied in respect of the Yacht whether in contract, tort or otherwise.
- e. This Warranty does not exclude or restrict liability for death or personal injury caused by the sole negligence of the Company and/or its Affiliates.

7. INDEMNITY

The Beneficiary agrees that it will at all times from the Commencement Date hold harmless and indemnify the Company against all third party claims for loss, damage or expenses including legal expenses brought against the Company of whatsoever nature and howsoever arising caused by or related to the Coatings System, its application or repair under this Warranty. This indemnity shall apply to all third party claims except claims relating to death or personal injury arising out of the Company's sole negligence in the performance of its obligations under this Warranty.

8. GENERAL

- a. This Warranty and the Attachments attached hereto and forming a part hereof, sets out the complete, and final agreement and understanding between the Company, the Beneficiary and the Clients relating to the subject matter of this Warranty and supersede all prior oral or written agreements, understandings, representations, statements, and assurances. There are no warranties, representations, covenants, promises, agreements, conditions or understandings, either oral or written, between the Company, the Beneficiary and the Clients other than as set forth in this Warranty and the Attachments. The Beneficiary and the Clients represents and acknowledges to the Company that they not relying upon any oral or written statement, warranty or representation by the Company, its employees, agents, and/or representatives not fully set forth in this Warranty
- b. No alteration, amendment, change or addition to this Warranty (including to any of the Attachments) shall be binding upon the Company, the Beneficiary or the Clients unless made in writing and signed by authorized representatives for each of them.
- c. The Parties shall agree to use the dispute resolution mechanism set out below in the event that any claim or dispute arises under or in connection with this Warranty:
 - i. The Parties will attempt to settle such claim or dispute by good faith negotiations; and
 - ii. If any claim or dispute cannot be settled by negotiation within thirty (30) days after a written offer has been given to the other Parties to negotiate a settlement to such claim or dispute, the Parties shall, before resorting to court proceedings, attempt in good faith to resolve the claim or dispute by mediation administered by the American Arbitration Association (AAA) under its Commercial Mediation Procedures.
- d. This Warranty shall be governed by and construed in accordance with the laws of the State of Florida, United States of America. All litigation concerning this Warranty, if necessary, shall occur only in the state and federal courts within the territory encompassed by the U.S. District Court for the 15th Circuit, and the Parties agree to exclusive jurisdiction in such courts. The Clients and Beneficiary agree they will not initiate or participate in any class action or equivalent with respect to any defect or the Coating Systems or any warranty claim hereunder and that if they elect to do so this Warranty and all product liability of the Company hereunder shall be reduced to a payment by the Company to the Clients of the sum of US\$20 in full satisfaction of any and all such Client valid and proven claims.

This Warranty may not be assigned by the Clients without the Company's prior written consent