



Service Letter

SL07-490/PMN
December 2007

Fees for Technical Assistance and Advisory Work from MAN Diesel PrimeServ Action Code: COMMERCIAL

Dear Sirs,

The purpose of this letter is to inform operators of MAN Diesel PrimeServ's engines of the prices charged for service rendered from Denmark and our service centres around the world.

The below rates are valid from 1 January 2008 for assistance rendered by personnel based in Denmark:

Fees in euro for superintendent engineers and advisory work, testing, trouble-shooting, and waiting								
Weekdays (within normal working hours)			Saturday, Sunday, and local holidays			Waiting and travelling time		
Full day (8 hrs)	½ weekday (4 hrs)	Rate after normal working hours	Full day (8 hrs)	½ day (4 hrs)	Rate after 8 hours' working day	Full day (8 hrs)	Rate per hour after 8 hrs	Travelling time (max. 16 hrs per day)
1050	565	190	1500	790	200	800	100	100

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Fees in euro for fitting work, attending repair jobs, erecting new engines, overhaul work, etc., travelling and waiting, per service call				
Weekdays (within normal working hours)		Saturdays, Sundays, and local holidays	Waiting and travelling time	
Full day (7½ hrs)	Rate after normal working hours	Full day (7½ hrs)	Waiting days, idle days	Travelling time (max. 16 hrs per day)
600	120/hour	120/hour	550/day	100/hour

Furthermore, for service rendered outside the home base of the respective service per-sonnel, customers will be invoiced for hotel expenses plus a per diem charge of EUR 80.

In addition to the service fees, customers will be invoiced for travelling expenses. Flight tickets as well as hotel accommodation will be booked by MAN Diesel.

Supporting documents, i.e. documentation for flight tickets and hotel accommodation, will only be made available if this is requested when the service visit is ordered. If such documents are ordered after the service attendance, a fee of EUR 350 will be charged.

A 10 per cent administration fee will be added to our outlays.

Expenses in connection with special visa requirements, as regards the ISPS Code, etc., will be added on an actual cost basis + 10%.

No deductions are to be made in the service fees in regard to the superintendent engineer's meal breaks as these breaks have already been provided for in the fees.

Unless specifically agreed, the duties of our engineers cannot be extended beyond 16 hours a day.

Please note that our personnel are not authorised to sign any forms releasing the ship from its responsibility towards our representative. In case any doubt occurs, our representative will be entitled to leave the ship, and the customer will be invoiced in accordance with our normal fee, including travelling expenses.

The exchange rate will be fixed on the date of issue of the invoice.

If a superintendent engineer is available at one of our PrimeServ Service Centres in, or close to, the area in which the service visit is requested, we propose that you request the visit from that Centre, thus reducing travelling time and expenses. In this



case, the service fee will be in accordance with the rate charged by the Centre in question.

The current guiding rates for superintendence rendered from our Service Centres listed below are exclusive of any local tax or VAT, which must be borne by the customer.

Guiding service rates charged as from January 2008 for MAN Diesel superintendent engineers stationed at the Service Centres listed below							
	Currency	Price per weekday (8 hrs)	Half week-day (4 hrs)	Overtime per hour (weekdays)	Saturdays/Sundays (8 hrs)	Half sat/sun (4 hrs)	Overtime per hour (sat/sun)
Augsburg	EUR	1050	565	190	1500	790	200
Auckland	NZD	1595	910	300	2300	1200	300
Benelux	EUR	1050	565	190	1500	790	200
Cape Town	EUR	1010	530	163	1300	683	163
China	EUR	990	560	190	1450	845	240
Darwin	AUD	1595	910	300	2300	1200	300
Dubai	EUR	1050	565	190	1500	790	200
France	EUR	1050	565	190	1500	790	200
Gothenburg	EUR	1050	565	190	1500	790	200
Hamburg	EUR	1050	565	190	1500	790	200
India	EUR	701	371	140	1052	559	175
Japan/Kobe	JPY	170,000	85,000	25,000	240,000	120,000	36,000
Korea	EUR	1050	565	190	1500	790	200
Lisbon	EUR	1050	565	190	1500	790	200
Spain	EUR	1050	565	190	1500	790	200
Panama	USD	1360	680	222	1712	856	266
Rio de Janeiro	EUR	900	520	160	1440	750	185
Singapore	SGD	1980	1150	360	2850	1630	450
Sydney	AUD	1595	910	300	2300	1200	300
Tuzla	EUR	1050	565	190	1425	825	240
USA	USD	1400	700	270	1980	990	335
UK	EUR	1050	565	190	1500	790	200

Each service call will be followed-up by a report covering the service rendered.



Fees for engine performance evaluations and crankshaft alignment calculations:

Price for each evaluation: EUR 850.00

The data necessary for carrying out the performance analysis are described in our Service Letter SL89-250/UM, dated May 1989.

Service will be rendered under the terms and conditions of our General Conditions (No. 1.0315.2007.09), a copy of which is enclosed. The terms of payment are net cash within 30 days from the date of the invoice.

Questions or comments regarding this SL should be directed to our Dept. AE-CPH.

Yours faithfully,

MAN Diesel A/S

A handwritten signature in blue ink, appearing to read "Otto Winkel".

Otto Winkel

A handwritten signature in blue ink, appearing to read "Peter M. Nielsen".

Peter M. Nielsen

Encl.: General Conditions



1 General

- 1.1 The following General Conditions are valid for all tenders and sales agreements unless otherwise expressly confirmed in writing by MAN Diesel A/S (hereinafter referred to as MD).

2 Tenders and order acknowledgments

- 2.1 Tenders are submitted subject to the goods being unsold, and become void if they have not been accepted by the customer within 30 days of the date of the tender. Accepted tenders are normally confirmed by MD by means of order acknowledgments. Possible objections from a customer concerning discrepancies in the order acknowledgment must be raised immediately upon receipt of the order acknowledgment.
- 2.2 Orders from customers are only binding on MD after a written order acknowledgment has been issued and only on the conditions stated in the order acknowledgment.

3 Specifications and prices

- 3.1 All information on weight, dimensions, capacity, price, technical and other data stated in catalogues, prospectuses, circulars, advertisements, illustrated matter and price lists is to be considered approximate. Such information is only binding to the extent stated in the order acknowledgment or in other agreements expressly referring to such information.
- 3.2 All sales are made at the prices valid on the date of MD's tender or the date of MD's order acknowledgment.
- 3.3 Unless otherwise agreed in writing, delivery is made „ex works“ in accordance with Incoterms 2000, but the delivery price is exclusive of packing, which will be charged extra.

4 Time of delivery

- 4.1 The time of delivery or completion stated by MD is approximate unless MD has expressly guaranteed delivery or completion at a definite time. Such guaranteed delivery or completion at a definite time is subject to the customer's fulfilment in due time of his contractual obligations.
- 4.2 If a definite time of delivery or completion has been expressly agreed upon in writing, such time of delivery or completion is always stated with reservation for delays due to labour conflicts or other reasons beyond MD's control. The time of delivery or completion will be deferred, if necessary, for a period corresponding to the duration of such delay. Delivery or completion postponed for the reasons referred to here shall, in every respect, be considered as having been effected in due time.
- 4.3 If a delay in delivery or completion, caused by reasons as stated in 4.2, can be expected to last longer than 3 months, the customer, as well as MD, shall be entitled to cancel the agreement without paying compensation.
- 4.4 If the delay is caused by reasons other than stated above, the customer is only entitled to cancel the agreement if the delay can be considered essential and if MD has not effected delivery 30 days at the latest after having received a written demand to this effect.
- 4.5 In the event that the agreement is cancelled according to 4.3 or 4.4 above, MD shall repay any payments made by the customer, and the customer shall return any goods already delivered. Beyond this, no claim whatsoever, on account of a delay, can be accepted for compensation for loss of earnings or time or any other losses, irrespective of whether the responsibility for the delay lies with MD.

5 Terms of payment

- 5.1 Unless otherwise expressly agreed in writing, payment shall be effected net cash not later than 30 days after the date of the invoice.
- 5.2 If the dispatch of goods is postponed at the request of the customer, payment shall, however, be made 30 days at the latest after the customer has been informed that the goods are ready for dispatch.
- 5.3 If payment is not made when due – see 5.1 and 5.2 – interest will accrue on the overdue amount at 11/2 per cent per each month commenced.
- 5.4 The customer is not entitled to set-off payment against a claim which the customer considers to have against MD in respect of the consignment concerned or any other consignment.
- 5.5 In each case where some form of credit is granted, the sale will be considered as having been made with MD retaining the ownership until full payment has been effected. If the customer does not pay when due, MD is entitled to take back the goods without a court judgment in accordance with the valid rules of law on this point.

6 Technical service

- 6.1 For the rendering of technical service, including advice, testing, supervision or the carrying out of repair or maintenance work, the following supplementary conditions shall apply.
- 6.2 Unless otherwise agreed in writing, payment for technical service is charged on a time basis, in accordance with MD's current price lists.
- In addition to MD's current fees for technical service and waiting time, the following expenses will be charged at cost: travelling and living expenses as well as expenses for necessary telecommunications.
- 6.3 Unless otherwise stated by MD in writing, prices indicated in tenders, etc. for the execution of an order shall be considered as estimates only.
- 6.4 Unless otherwise agreed in writing, the execution of an order is subject to manual assistance being rendered by the engine room staff and subject to the availability of standard repair facilities on board.

- 6.5 It is the responsibility of the customer/the master of the ship that the engine room staff or other manpower made available by the customer comply with instructions and/or advice given by MD representatives.

7 Responsibility for defects and shortages

- 7.1 Claims must be made in writing to MD within 14 days at the latest after the time when the customer discovered or ought to have discovered the defects or shortages concerned. Furthermore, goods delivered in error shall be returned unused in an undamaged condition so as to reach MD within 4 months of the date of the invoice.
- 7.2 In the event that goods delivered by MD prove unusable owing to faulty material or manufacture, MD undertakes to replace or repair such goods free of charge during the first 6 months after the date of delivery. It is a condition that the goods have been operated under normal operating conditions in accordance with MD's instructions. Furthermore, MD undertakes, within 6 months from the completion of a technical service job, to render free of charge in any North European port such technical service as is necessary to correct work performed which is proved to be defective due to negligence or lack of professional diligence on the part of MD.
- 7.3 MD's liability is limited to the above and thus does not cover, inter alia: wear, damage caused by carelessness or negligence by the customer or by personnel in the service of the customer, damage caused by material supplied by the customer himself, or damage caused during construction/assembly carried out by the customer without the written approval of MD. MD reserves the right to examine the goods concerned in its own workshop before the question of liability is finally decided upon.
- 7.4 The obligation of MD to repair or replace defective goods pursuant to 7.2 shall be fulfilled by delivery ex works of the replaced or repaired goods. The forwarding and returning of the goods are for the customer's account and risk. If, following an agreement with MD, a guarantee repair is carried out in a non-MD workshop, MD is only obliged to reimburse the repair costs with the amount it would have cost MD to carry out the repair in its own workshop.
- 7.5 If the goods supplied by MD are mounted in an MD engine for which the customer has also used unoriginal parts (i.e. parts which have not been supplied through MD or through an MD licensee), MD does not assume any liability for any damage which may arise.
- 7.6 For repaired and reconditioned goods, MD undertakes the same liability, as stated in 7.2 - 7.5, with the exception, however, that repaired and reconditioned goods will not be replaced by new parts.
- 7.7 Except as stipulated in 7.1 - 7.6 above, MD shall not be liable for defective goods supplied or technical service rendered. This applies to any loss the defect may cause, including loss of production, loss of profit or other indirect loss. This limitation of MD's liability shall not apply if MD has been guilty of gross misconduct.

8 Repair and reconditioning

- 8.1 For goods which are sent to MD for repair, reconditioning, assembling, adaptation, or other processes, the forwarding to and from and the storage at MD's workshop shall be for the account and risk of the customer.
- 8.2 If, in the opinion of MD, any goods referred to in 8.1 are not suitable for repair or reconditioning, they will be scrapped without charge to the customer as MD's examination costs will be considered to be covered by the scrap value of the goods.

If the customer desires to have such unsuitable goods returned, this must be previously informed to MD in writing. Such goods will then be returned for the customer's account and risk, and MD's expenses for the examination of the goods will be charged to the customer.

9 Liability for damage caused by the product (product liability)

- 9.1 MD shall be liable for damage to property caused by goods sold by MD or caused by technical service rendered by MD only if it is proved that such damage was caused by negligence on the part of MD or others for whom MD is liable.

The liability for such damage shall be limited as follows:
Damage caused by goods sold: DKK 20 million.
Damage caused by negligent technical service: The fee payable for the technical service job giving rise to such damage.

- 9.2 MD shall in no circumstances be liable for loss of production, loss of profit or other consequential damage or indirect loss.
- 9.3 To the extent MD might incur product liability vis-à-vis any third party, the customer shall indemnify MD as far as MD's liability has been limited by 9.1 - 9.2.
- 9.4 The above limitations in MD's liability shall not apply where MD has been guilty of gross misconduct.

10 Law and disputes

- 10.1 MD's tenders and all contracts with customers, including the present General Conditions, shall be interpreted according to Danish law.
- 10.2 If a difference of opinion cannot be settled by the parties themselves, the dispute shall not be referred to a court of law, but shall be decided by arbitration in accordance with the rules of procedure of the Copenhagen Court of International Arbitration. The arbitration proceedings shall take place in Copenhagen.
- 10.3 The above will not, however, prevent MD from choosing, at its own discretion, to bring an action against a customer in the ordinary courts of law having jurisdiction over such a case.