

GENERAL TERMS & CONDITIONS FOR YACHT CHARTER – 2017

- **The Purpose**

These General Terms & Conditions for Yacht Charter (hereinafter: Terms) regulate mutual rights and obligations related to services of accommodation on vessels - yacht charter. The vessels regulated by Terms (hereinafter: Vessels) are recreational vessels listed in the fleets of various charter fleet operators (hereinafter: Charter-Operators), while SailingTale – ITLS Group sp z o.o. (hereinafter: SailingTale) operates as Agency-Mediator for booking of those Vessels. These Terms and all stipulations stated in them shall be the subject of legal liability and be binding for the Client who charters the Vessels (hereinafter: Client). By confirming of the booking intention or paying the advance payment the Client confirms to agree with Terms.

- **Booking Confirmation**

From Client's side, the booking intention is confirmed when advance payment is paid by Client or Client's representative. From SailingTale's side the booking will be confirmed when full amount of advance payment lands on its account and the booking confirmation from the Charter-Operator is obtained.

- **Payment Methods and Dynamics**

After the yacht charter reservation has been agreed, which will be effective in writing only, the payments are to be done according to amounts, dynamics and instructions stated in the Pro-forma Invoice and accompanying documentation which SailingTale has sent to Client. The primary method of payment for the yacht charter is bank transfer. Client accepts to pay full costs of the bank transfer charges, and when making the payment should emphasize to his/her bank that all bank fees

(of both outgoing and incoming bank) should be paid by Client. If Client fails to do so and SailingTale is charged bank transfer fees, it will be considered that the payment is not fully settled and Client will need to settle the remaining amount.

Exceptionally, SailingTale may allow other methods of payment, but in such cases discounts for yacht charter services may decrease due to surcharges and fees connected with those alternative payment methods. Any such details shall be stated in the Pro-forma invoice

and Client agrees to them if choosing the alternative payment method. The Vessel can be taken over only after the complete amount for yacht charter and all contracted extra services has been fully settled. If either advance payment or balance payment has not been fully settled until above stated deadlines, SailingTale or Charter-Operator shall be entitled to cancel the Vessel's booking without any refunds to the Client.

- **The Price of Yacht Charter**

The price for yacht charter shall include the following: the Vessel equipped according to the presently effective inventory-list, such as auxiliary boat with oars, gas..., as well as usual charter base services at the time of Vessel's delivery (check in/check out). Yacht charter price shall typically not include additional services such as food and beverages, fuel, costs for marina services and moorings, harbor dues, taxes, entrance tickets to parks, or any other additional services other than those explicitly stated as included in Vessel's equipment list. Yacht charter price includes VAT valid at the time of booking confirmation, however, should the relevant VAT rate be increased by law prior to beginning of charter, SailingTale reserves the right to charge the VAT difference. SailingTale includes largest part of its processing services in the offered yacht charter price. However, in particular cases of bookings where SailingTale has high processing costs, a small part of this cost may be charged to the Client as Operative Cost. In such cases, this Operative Cost will be separately stated and visible on the Pro-forma invoice.

- **Additional services – Extras**

Additional services and extra equipment for which an extra payment shall be done (hereinafter: Extras) in accordance with the effective Price List of Charter-Operator (e.g. auxiliary engine, one-way options, transfers, genaker, skipper, etc.) should be requested by Client and agreed prior to booking confirmation. Client may ask for addition of certain Extras even after the booking confirmation, and SailingTale will undertake reasonable effort to organize provision of the newly requested Extras to

the satisfaction of Client, and will inform the Client if it is possible to upgrade the booking with requested new Extras or not. Client acknowledges that SailingTale is not obliged to provide newly requested Extras at that point in time. At the latest, all Extras must be confirmed by both sides in writing not later than 10 days prior to the beginning of the charter date. Only very exceptionally, SailingTale can allow last minute confirmation of Extras in particular cases.

- **Hiring a Skipper, Hostess, Cook or other professional Crew**

If Client requires a skipper and/or a hostess and/or a cook and/or other professional crew aboard, it would be necessary to point it out during the time of confirmation of charter reservation. If Client does not require a skipper, the copy of his/her skipper's license is to be sent on the occasion of Vessel's booking, for the verification and approval. If the license is not approved by Charter-Operator, the Client will be obliged to take a professional skipper. For some Vessels Charter-Operator may request that a professional skipper and/or other professional crew members are obligatory regardless of Client's licenses. This will be indicated at the time of arranging the booking. Client and Client's guests on board should treat the crew with proper professional respect, and should allow them a proper amount of daily rest. The food of the crew during the charter period is financial responsibility of Client, according to usual charter standards.

- **Crew List and Arrival Details**

The Client must send a correctly filled Crew list, not later than 10 days prior to the first day of charter. The Client agrees that s/he is the main contracting party for the yacht charter, and that Client is responsible for the other guests on board. Additionally, it is recommended to send an estimated time of arrival at least 10 days prior to the first day of charter, in order for the base staff to organize check-in procedure in as smooth way as possible. If Client has booked the transfer (e.g. from airport), then sending detailed arrival and departure information at least 10 days in advance is obligatory. Client is responsible for the accuracy of delivered Crew list information, as well as for validity of all passports, visas, licenses and other identification documents. Client and his guests aboard are responsible to obtain appropriate visas for all countries they travel to, if applicable. In particular, Client acknowledges that the sailing license is a very important document on-board and is legally responsible for its accuracy and trustworthiness.

- **Cancellation by Client**

Should the charter of the booked Vessel be cancelled by Client, whatever the reasons may be, the Client shall be liable to inform SailingTale per email about the cancellation without delay. Client shall be charged for the cancellation in the minimum amount of: - 35% of the total yacht charter price if a reservation has been cancelled more than 2 months prior to the first charter day. - 65% of the total yacht charter price if a reservation has been cancelled more than 1 month but less than 2 months prior to the first charter day. - 100% of the total charter price if a reservation has been cancelled less than a month prior to the first charter day. In this category of cancellations are also the situations when the Client does not come for the check-in (non-show-up case), or when the Client leaves the Vessel prior to the contracted check-out time (early-abandon case) – in all such cases the 100% cancellation fee applies and Client does not have a right for any refund. Also, if skipper was reserved and then cancelled by Client, skipper fee has to be paid nevertheless, according to the same percentages as listed above (35% of the total skipper price if skipper was cancelled more than 2 months prior to the first charter day, 65% for 1-2 months and 100% for less than 1 month). The same holds true also in case of a hostess or cook. Cancellation of skipper, hostess and cook is charged regardless of whether the Vessel booking has been cancelled or not. The cancellation policy listed above reflects the most common practice in the yacht charter industry. However, in some cases it may occur that the Charter-Operator in its valid terms and conditions requires a higher percentage of cancellation fees. In such a case, the percentage requested by the Charter-Operator shall be applicable. In all cancellation cases, SailingTale shall consider the receipt date of information on cancellation as a basis for the settlement of accounts of the cancellation costs. From this date, SailingTale shall be entitled to make the Vessel free for bookings by other clients, and shall have no further obligations towards the Client related to the cancelled booking.

- **Changes and Modifications**

Should the Client request a smaller change in the booking details (e.g. change of name or similar), an administrative fee of 45 EUR shall be charged to the Client. Should the Client request a change in the charter period of the booked Vessel, and/or a change of the vessel or base, or any other major change, SailingTale reserves the right to charge for the cancellation of the original booking. Alternatively, SailingTale may choose to grant the requested change to the Client without charging the cancellation of the original booking, however in such case an administrative fee of 300 EUR shall be charged to the Client.

- **Cancellations by Charter-Operator**

Should the booking be cancelled by Charter-Operator (e.g. due to severe damages on the reserved Vessel or other unforeseen circumstances occurring to the Vessel), then the Client will be remunerated by Charter-Operator according to valid Terms&Conditions of that Charter-Operator. Examples what most Charter-Operators would offer to Client in such cases are:

a) reservation of another Vessel of similar size and with similar features, from same fleet or from another fleet, if possible or

b) a refund of all amounts received from Client for the Vessel. Client acknowledges that in case when severe damages of the Vessel have occurred during the previous charters, or due to events such as Acts of God, neither SailingTale nor Charter-Operator are objectively guilty for this, and thus Client shall aim to be cooperative towards finding appropriate alternative solution under the given circumstances.

- **Security Deposit**

Before taking over the Vessel, the Client must give a security deposit (hereinafter: Deposit) in amount according to valid Price List of Charter-Operator. The Deposit may be given either in cash or with one of the credit cards accepted by Charter-Operator, all in accordance of the processes in the Charter-Operator's base. After the completion of yacht charter the whole Deposit shall be repaid to the Client, unless some Vessel damages or loss of equipment have occurred, or unless the Client or its Crew have not acted in accordance with these Terms and/or the valid terms of the Charter-Operator. However, if the damages or breach of Terms have occurred, then Deposit will be retained partly or fully, depending on size of the Damage or breach and depending on the details of policy of Charter-Operator. Some typical industry practices are following: - In case of a larger damage or breach, Deposit shall be kept in full and Client has no right for its refund. - In case of a smaller damage or breach, Charter-Operator will keep the amount needed for the repairs and purchase of damaged or lost equipment, covering of intervention costs and/or handling costs, while the rest of the Deposit shall be refunded to Client. - In case if the Vessel will not be capable to go to next charter due to the incurred damages, the full Deposit shall be taken, due to the fact that Charter-Operator shall have expenses related to remunerating the next client. Paying deposit is obligatory also in cases when Client hires a professional skipper from SailingTale or Charter-

Operator. In such a case the Deposit cannot be used for covering the costs which emerged due to skipper's negligence, bad operation of the Vessel or its equipment. In case if the damage has happened due to gross negligence of the Client, or behaviors such as sailing under influence of alcohol or illegal drugs, sailing single-handed or sailing at forbidden times or outside of approved areas, or participating in regattas without written approval of Charter-Operator, or similar serious breaches, the Client shall typically be liable even beyond the amount of the Deposit, including expenses connected to repairs and remunerations for lost charter income in the next weeks.

- **Insurance**

According to industry standards, charter vessels are normally insured, with deductible franchise. The insurance usually does not cover damages of personal property of clients and property brought to the vessel and a deliberately caused damage, or any damage caused by clients' lack of diligence. It is strongly recommended that, upon booking, Client and all crew-guests should contract adequate travel and health insurance packages for their travel arrangement.

- **Taking over the Vessel / Check-in**

The Client is obliged, on the occasion of taking over the Vessel, to give to the representative of Charter-Operator a verified voucher with all Client's data and charter appointment, with an insight into the original document of the skipper's license. Also, identification documents (e.g. passports) of all guests on board must be provided for the purpose of re-checking the Crew list. On the occasion of taking over the Vessel the Client shall examine the inventory list with the representative of Charter-Operator, confirming the condition of the delivered Vessel with his signature. The same procedure shall be done with instruments aboard. Any possible Client's subsequent complaints would not be accepted if the Client confirmed that the Vessel was in order and that the Vessel's equipment was complete and in order as well. Should any of the Vessel's parts be damaged or lost during the previous charters, and if it is impossible to obtain the new Vessel parts prior to the date of the new charter, provided their loss will not seriously affect the security of navigation, it will not be possible for the Client to give up the charter or to demand a reduction of the charter price. Client acknowledges that such situations are not under influence of neither SailingTale nor Charter-Operator, but are consequence of damages made by a previous client. Typically in yacht charter industry, the Vessel is

to be delivered with full fuel and water tank, and it has to be returned to the charter base in the same state with a full fuel and water tank. Due to the fact that Vessels are expensive property and a certain level of skill is needed to operate them, Charter-Operator may require from Client (or their skipper) to demonstrate their navigation skills in presence of a representative of Charter-Operator. The costs for the stated demonstration (if any) shall be paid by Client and the time spent for testing shall be included in the charter period of the Vessel. Should it be considered that the Client (skipper) is not skilled enough, Charter-Operator shall hire an official skipper and the required costs for such a service shall be paid by Client according to the current Price List. If the Client refuses the assigned skipper, s/he will be forbidden for sail out, the charter contract shall be immediately terminated and the paid amount shall be kept without any rights of reimbursement.

- **Taking back the Vessel / Check-out**

On the occasion of returning the Vessel and re-checking the Vessel according to the inventory list, the fuel tank shall be examined too. If the fuel tank is not full, the Charter-Operator shall typically charge the Client for the fuel (calculated according to the maximum motor consumption for specific motor hours) plus a service fee. Also, Client shall pay for damages on a Vessel, if any damages are found during the Vessel's examination, as described in the "Safety Deposit" section. Otherwise, if the Vessel is returned in a good state and a full fuel and water tank, the whole Deposit should be returned to the Client by Charter-Operator. Should the Client take back the Vessel to a port that is not stated in the contract as the destination port, the Client must pay all costs included in the Vessel's transport to the destination port, including all remuneration costs for the next client of the Vessel, plus a penalty fee set forth by Charter-Operator. Similarly, if Client is overdue, s/he will be fined according to the policy of Charter-Operator. Running behind schedule owing to weather conditions is not justified because it is necessary to keep the vessel at an appropriate distance from the charter base during the last 48 hours before the charter ends. If the Client wishes to prolong the period of charter, whatever the reason may be, s/he should immediately inform SailingTale about his/her intentions. SailingTale shall in return inform the Client whether the desired prolongation is possible or not, and, if the prolongation is possible and confirmed, and the Client has paid for it, will organize for all the necessary paperwork for additional days (such as prolongation of the booking, prolongation of the crew list etc.).

- **Sailing Area**

The basic sailing area of the Vessel is stated in registration documents of the Vessel in question. If the Client wants to sail outside the this basic sailing area, the Client shall be liable to inform SailingTale about their intentions before booking confirmation, in order for the Vessel to be insured and registered for that occasion, and simultaneously the Client shall be charged for the stated additional insurance and registration costs, along with any extra costs that may arise for SailingTale or Charter-Operator due to this request. Charter-Operator may also request a higher Deposit in such cases. Client hereby agrees that, if sailing outside of the basic sailing area, the Client should be prepared to organize Vessel's maintenance and repairs on his own, and on his own cost, as most commonly the Charter-Operator maintenance and intervention services do not cover those areas. Charter-Operator shall advice the Clients on their processes in such cases.

- **Damages during yacht charter**

Should any damage emerge during the yacht charter owing to usual abrasion of Vessel's materials or ageing of equipment, Client should inform Charter-Operator without delay. If severe damages, engine troubles, loss of Vessel, personal injuries and similar incidents would happen, the Client is liable to inform Charter-Operator and SailingTale about it without delay, and to obtain official minutes and certification on the emerged incident by other parties (e.g. port authority, physician, authorized expert, etc.). In all such cases, further procedure will be handled according to valid processes and Terms&Conditions of the Charter-Operator in question. Damages which were not reported and have no recorded minutes shall be considered to have emerged owing to the Client's negligence, and in such a case they have to be paid by the Client.

- **Liabilities of Charter-Operator**

The Charter-Operator is responsible for the correctness of the accommodation (i.e. of the Vessel), investment maintenance, current maintenance, as well as preparation of the Vessel for charter. Charter-Operator is also responsible for organizing and conducting check-in and check-out processes at the base. In case of

any special or additional requests of the Client (e.g. earlier check-in, longer explanations during check-in, special needs... etc.) Charter-Operator may try to resolve them to the satisfaction of the Client, but Client acknowledges that this is not a liability of Charter-Operator, and cannot ask for remuneration if such special requests were not fulfilled or were fulfilled only partially. The Charter-Operator is responsible to bear expenses towards the Client in case of not fulfilling its obligations, according to valid Terms & Conditions of that Charter-Operator. However, the Client cannot expect refunds for delays or issues caused by Force Majeure (e.g. earthquakes, floods, thunders, fire, other natural calamities, wars, civil wars, terrorism, strikes, etc.). The Client acknowledges that Charter-Operator is a fully separate legal entity from SailingTale, and that the role of SailingTale in the booking process is that of mediator only, as described in the chapter below.

- **Liabilities of SailingTale**

SailingTale works with a large international online database of Vessels and has established business partnership with many of the Charter-Operators who operate boat fleets. The Client acknowledges that SailingTale acts as an Agency-Mediator between the Client and the Charter-Operator. Thus, SailingTale will provide to the Client information on the type of the Vessel's accommodation, its integral parts and possible additional costs (services of skipper etc.) as well as assist the Client in obtaining most appropriate Vessel offers to meet Client's specific needs, and assist the Client throughout the entire booking process. SailingTale will also be there to answer Client's relevant questions and provide information needed for Client's preparation for the charter. SailingTale shall inform the Charter-Operator about relevant booking information, collect documents from the Client (e.g. licenses, crew lists etc.), as well as make payments to the Charter-Operator and perform all other agency-mediator duties according to business cooperation contract concluded between SailingTale and Charter-Operator. In case of any possible disputes between Client and the Charter-Operator before, during or after the charter, SailingTale will put its best efforts to help the Client and strive to protect Client's interests to the maximum possible extent. Also, in case that Charter-Operator fails to fulfill some of its obligations towards the Client, SailingTale will support and assist the Client, striving to obtain appropriate refund from the Charter-Operator to the Client. In extreme and very rare cases that the Charter-Operator fully fails to fulfill its obligations (e.g. filing bankruptcy, loss of Vessels or similar), SailingTale will put utmost effort to assist the Client in finding a best possible alternative solution with minimum possible costs/losses for the Client. Client acknowledges that SailingTale shall not be liable to pay to the Client any refund or loss caused by failure of Charter-Operator to fulfill its obligations, provided that SailingTale had made

appropriate payments to the Charter-Operator for chartering the Vessel(s), following the corresponding Client's payments to SailingTale. Still, SailingTale will assist and help the Client towards obtaining appropriate refunds from Charter-Operator and protecting Clients interests as stated above in this article.

- **Liabilities of the Client**

Other than what was already stated in these Terms, the Client shall also be liable:

- to be nautically and navigationally skilled for the Vessel charter, otherwise he shall be liable to accept a skipper according to the effective Price List of Charter-Operator,
- to have all required licenses for operating the Vessel in case of bareboat charter,
- not to leave the Vessel to the third party,
- not to transport persons or goods for commercial purposes, or engage in any other commercial use of Vessel,
- to have aboard exact number of persons, and exact persons, as stated on the crew list,
- to keep the crew list with the certificate of residence registration together with ship documentation for the whole duration of charter,
- to promptly inform Charter-Operator about any possible changes in crew members or passengers, - to fully respect legal regulations of the host country,
- not to participate in competitions and regattas without consent granted by Charter-Operator,
- to hold on to obligatory control intervals for the duration of cruising,
- in case of towing, to conclude an award for rescuing prior to the acceptance of help, unless prescribed otherwise by CharterOperator,
- to undertake all safety precautions in order to keep the Vessel in good condition and avoid any damages or towing of the Vessel,
- not to leave the port if the foreseen wind force were estimated stronger than 25 knots, or if the port authorities issued a prohibition on leaving port, without prior consent given by Charter-Operator,
- to avoid unnecessary burdening of masts, sails and ropes, i.e. to sail respecting the

weather conditions,

- to plan the navigation route very carefully, so that two days before arrival the vessel is at approximately 40 NM distant from the check-out charter base,
- not to sail at night without prior consent given by Charter-Operator,
- not to sail single-handed without prior consent given by Charter-Operator,
- to inform the charter base manager about the Vessel's exact location in case of severe weather conditions (gale-force wind), in order to avoid unnecessary and expensive search for the Vessel,
- not to operate the Vessel under influence of alcohol or any illegal drugs, and generally not to use or have any illegal drugs on board,
- not to make excessive noise in marinas, harbors and other mooring locations,
- to respect privacy and night-rest rights of occupants of the neighboring vessels and houses, - not to engage with fishing or any other submarine activities without a valid license for such activities,
- not to embark pets (dogs, cats, birds, etc.) aboard without written consent of Charter-Operator
- to respect any other provisions that are not listed above, but are listed in the valid Terms & Conditions of the relevant Charter-Operator.

The Client warrants joint responsibility for all crew members i.e. guests on-board. All consequences arising from the Client's or his crew or guests on board not respecting the above liabilities are the joint and several responsibility of the Client and crew/guests on board. In case of breach of the clauses above or breach of other contractual obligations of the Client and its crew/guests, the Client acknowledges that the Charter-Operator may remunerate from the Deposit and/or claim indemnity for full incurred damage.

- **Complaints**

Complaints shall be accepted in writing on the date of taking over the Vessel (check-in). They must be signed by the Client and the representative of Charter-Operator. The complaints shall be typically resolved in the manner described below, or a similar manner, depending on Charter-Operator in question:

- In case of a cleanliness complaint, Charter-Operator will inspect the issue, and if

the complaint is justified, organize additional cleaning activities to correct the issue. In case of such type of complaints there will be no financial refund.

- In case of a smaller reported shortcomings or damages, which do not seriously affect security of navigation, Charter-Operator will inspect the issue, and if the complaint is justified, organize all reasonable activities to correct the issue. The Client acknowledges that, despite best efforts of the team, it may happen sometimes that it will not be possible to correct the issue in a given timeframe due to objective reasons. Generally, in case of such smaller issues there will be no financial refund.

- In case of a larger reported shortcomings or damages, which do seriously affect security of navigation, Charter-Operator will inspect the issue, and if the complaint is justified, organize all reasonable activities to correct the issue in the fastest possible way. Depending on the time needed to correct the issue, Client will be remunerated by Charter-Operator according to relevant provisions of Terms&Conditions of Charter-Operator.

In case of serious issues that objectively could not have been noticed during the check-in, but were properly reported according to section "Damages during yacht charter", the Client may require indemnity latest during the check out. On this occasion he should file a complaint in writing signed by the both parties with all belonging documentation. If the Client's complaint was reported but could not be solved during the check out, it should be re-sent in writing within 14 days, otherwise it shall not be taken into consideration. If the Client has filed the complaint via SailingTale as the Client's Agency-Mediator, SailingTale will analyze received complaint, collect information from the Charter-Operator, advise the Client on the industry practices in such cases, and try to resolve the complaint, mediating between the 2 parties, in a timely and fair manner. SailingTale will provide an official answer to Client as soon as possible, and latest within 7 days from receiving relevant answers from Charter-Operator.

- **Terms of the Charter Operator**

Client acknowledges that in some cases it may occur that the Charter-Operator in its valid Terms & Conditions has different requests and conditions regarding the Vessel chartering than set out in these Terms. Client acknowledges that for his obligations to the Charter-Operator the Terms of the Charter-Operator will apply.

- **Jurisdiction**

The parties will strive to resolve any dispute in a peaceful manner. If the parties are not able to reach an agreement among them, the court in Warsaw, Poland has the jurisdiction over their dispute.

- **Validity**

These Terms come to force and are valid starting from 18.09.2017, and from this date replace any previous general terms and conditions for yacht charter of SailingTale. These Terms remain in force until a next version of the general terms and conditions for yacht charter shall be officially issued and come to force. On the official web pages of SailingTale (sailingtale.com) there will always be a presently applicable version published.