

Business Rules

1. Overview of MARCAS Business Model

MARCAS employs a team of people specifically to ensure that it can offer best market pricing and service levels to its Members and their principals commensurate with the volumes it can offer in the marketplace. In particular the team's duties include:

- Running of competitive tendering processes
- Negotiating with suppliers on a regular basis
- Managing on-going relationships with its suppliers and Members
- Constant benchmarking to gauge MARCAS's contract offerings in the marketplace and ensure that MARCAS obtains, for its Members and their principals, the market leading price, terms and conditions
- Reviewing volumes pledged by Members and that these are potentially available
- Spotting opportunities to arrange new and updated contracts for the Members

In summary MARCAS aggregates volumes for the various supply requirements of its members and their principals and, given that these volumes are significant, it is then able to negotiate with suppliers the best possible price for the supply on the basis of the aggregated volume. The vessel owner receives the full benefit of this price which is fully reflected in each and every invoice from the supplier to the vessel owner, either by way of a discount from the usual price or a straightforward charge of the net price which has been negotiated.

In consideration of the activities associated with the above MARCAS may receive brokerage fees and/or volume rebates. In agreeing to use any provider of supplies or services with whom MARCAS has negotiated terms, conditions and prices, Members and their principals acknowledge and agree that such rebates and/or fees will be retained by MARCAS.

2. MARCAS Business Philosophy

MARCAS's philosophy is to obtain for its Members and their principals maximum value goods and services as determined by a combination of price, quality, assured supply and delivery, technical innovation, and commitment to cost saving efficiencies.

MARCAS views relationships with both Members and suppliers as a business partnership with the focus on achieving mutually agreed goals in a coordinated and cooperative manner.

MARCAS will ensure fair competition between suppliers.

MARCAS, its Members and suppliers will conduct their relationship in a fair, open and business-like manner with the emphasis on integrity and transparency.

3. Obligations of Members and their principals

Each Member and its principals confirm that they are aware of MARCAS's objectives, which are to pool resources and negotiate globally on its Members' behalf with a number of

selected suppliers in order to obtain the most competitive prices on the market.

Each Member and its principals acknowledge and agree to adhere to these Business Rules, as an integral part of membership in MARCAS. Failure to comply with these Business Rules by any Member will lead MARCAS to reconsider that Member's eligibility to remain as a member.

Each Member recognises that MARCAS has agreed prices, terms and conditions with suppliers, including a confidentiality clause. The pricing and the associated supply terms and conditions are provided to and are to be held confidential by MARCAS, its Members and their principals. Each Member and its principals agree to observe full confidentiality in compliance with the supplier's terms at all times. Each Member and its principals agree that they will not in any way disclose any MARCAS offer to any supplier which is not contracted to MARCAS.

MARCAS offers a Price Charter as outlined in the Members Agreement with MARCAS. If a Member wishes to claim under the Price Charter, that Member will report such claim first to MARCAS and will not contact MARCAS' supplier direct.

If a Member acts on behalf of principals, that Member will apply the same terms, conditions and contract prices to all its principals in order to maintain consistency of contractual obligations to suppliers and prices within MARCAS.

Each Member will designate a key account representative within their organisation who will solely deal with MARCAS in case of disputes or claims under the Price Charter. The key account representative will make sure that all the facts are known prior to reporting the case to MARCAS in order to enable MARCAS to deal with the matter in the most efficient manner. Each Member agrees that in any dispute with a contracted supplier, MARCAS will act as a mediator in attempting to resolve the dispute in a commercial manner which is fair to both parties, and the Member further agrees that the decision of MARCAS in relation to disputes and claims under the Price Charter will be final and binding.

Each Member and its principals undertake to comply with the payment terms of the contracted suppliers and agree to pay any penalty or interest charge on invoices not settled in accordance with these terms. Each Member and its principals agree, subject to valid disputes and claims, that a supplier's statements, invoice dates and dates of collection are binding. It will be the sole responsibility of the Member to resolve any credit problems with its principals. The member acknowledges that pricing is negotiated with suppliers on the basis of compliance with agreed payment terms.

Each Member confirms that it has in its organisation an adequate and computerised budget planning and monitoring system allowing accurate reporting of volumes to MARCAS and confirms that significant variances from the volumes estimated by the Member will be reported immediately to MARCAS. Each Member acknowledges that MARCAS can only provide competitive prices if MARCAS can rely on estimates of volumes given by the Members when negotiating with suppliers.

Each Member confirms that its organisation adheres to the most up to date standards of quality and safety and is committed to the highest business standards.