

TERMS AND CONDITIONS OF CHARTER CONTRACT 2025

The charter company VAL Yachting d.o.o., located in Vukovarska 19, 52440 Poreč, Croatia (hereinafter referred to as VY) in accordance with Terms and Conditions of Charter Contract is liable to provide the charter yacht at the agreed location on the agreed date in a sail-ready condition for use by the Charterer.

The person who confirms the reservation and/or makes the advance payment (the Charterer) establishes a legal relationship with VY, thus accepting the Terms and Conditions. Everything defined in these conditions represents a legal obligation for both parties involved. These Terms and conditions also serve as a basis for resolving any disputes that may appear between the Charterer and VY.

PRICES AND TERMS OF PAYMENT

Charter prices in the current price list are given in Euros (EUR). The invoice is also issued in EUR with 13 % VAT included. VY reserves the right to change the price list without prior notice.

The stated **charter price includes** a technically flawless and clean vessel with a full fuel tank, on-board accommodation and the use of vessel's equipment, compulsory and comprehensive vessel insurance, accident insurance for the crew, mooring at the base marina (D-Marin Dalmacija), cruising permit for navigation in the Republic of Croatia / license for sailing in Croatia / vessel concession permit.

The stated **charter price does not include** the cost of mooring or other port taxes during the period of the charter in other marinas, cost of fuel and other necessities, additional services in VY base, car parking expenses and health insurance for the crew. It also does not include travel insurance (insurance against accident, illness, loss of luggage, etc)

The Charterer can use the vessel only after all necessary payments have been made according to the terms of payment. **The Charterer must make 50 % advance payment of the total amount of the agreed price at the reservation upon signing the contract. The remaining amount must be paid latest 4 weeks before the start date of the charter period. In case of last-minute offers (reservations made during the 4-week period prior the beginning of the charter), the whole amount of the agreed price must be paid at reservation upon signing the contract.** A lump sum of 20 EUR is charged for late payment of the balance to cover expenses incurred by the charter company.

CANCELLATION TERMS

Any change of the charter terms or cancellation of the reservation must be done in writing. The date when written cancellation was received by VY is considered as a basis for calculation of **cancellation charges**:

- If cancellation is made **up to 6 months prior to the start date** of the charter period, VY charges **30%** of the charter price. The remaining amount shall be returned to the Charterer at the Charterer's expense.
- If cancellation is made **from 6 months up to 4 weeks prior to the start date** of the charter period, VY charges **50%** of the charter price. The remaining amount shall be returned to the Charterer at the Charterer's expense.
- If cancellation is made **within 1 month prior to the start date** of the charter period, VY charges **100%** of the charter price. VY reserves the right to find another Charterer to use the service.
- If cancellation is made **after check-in**, VY keeps **100%** of the charter price and charges to the Charterer all expenses incurred because of cancellation.

If the Charterer can find a new rental client for the same period of the charter and under the same terms and conditions, cancellation fee will not be charged, but VY reserves the right to charge for any administrative and manipulative costs incurred by the change.

If the Charterer must cancel the reservation due to objective reasons (death in the family, serious illness etc), VY is not liable to return the paid amount. Instead, a Charterer is allowed to use the paid amount for another time period of the current or the next year, providing the Charterer has documentation proving the same.

VY is not liable for damages in case of reservation changes or cancellation due to force majeure (war, unrest, strikes, terrorist acts, sanitary problems, natural disasters, official authority interventions etc).

HANDOVER OF THE VESSEL (CHECK-IN)

VY will hand over technically flawless and completely equipped vessel with full fuel tank and expects the vessel to be returned in the same condition. The handover of the vessel is done **on Saturdays from 17:00 to 20:00**. If the Charterer does not take over the vessel within 24 hours of the agreed time without prior notification, VY reserves the right to terminate the contract with no further claims against the company by the Charterer.

If, for unforeseen reasons (e.g., damage made during the previous charter), VY cannot provide the booked vessel at the location, it can provide the Charterer with a yacht of similar characteristics. If VY cannot provide an alternative vessel within 24 hours, the Charterer has a right to cancel the use of the vessel and have the paid service reimbursed. The Charterer can however opt to wait for the replacement vessel beyond the deadline agreed (24 hours), in which case he is entitled to claim a partial refund, equivalent to the number of days he had no vessel at his disposal. VY shall not be held liable for any amount exceeding the agreed charter price.

Upon takeover of the vessel, the Charterer must verify the condition of the vessel and its equipment from the check list and immediately identify any deficiencies. If no comments are added and check-in list is signed, it will be considered there is no objection to it. Subsequent complaints by the Charterer concerning the yacht's condition and equipment are not possible. By signing the check-in list the Charterer also confirms he is familiar with VY's house rules.

Should VY not be able to correct any defect or damage, the Charterer can revoke the contract altogether or request a reduction of the charter price.

Possible hidden deficiencies, which could not have been known to VY at the time of the handover of the vessel or possibly arising after the handover will not entitle the Charterer to claim any reduction of the agreed price.

If the vessel equipment and inventory do not match the check-in list given to the Charterer (including instrument deviations or similar equipment problems), he is not entitled to claim any reduction of the agreed price, provided that the safety of navigation is unaffected, meaning that proper navigation is possible through classical methods, and the safety of the vessel and crew is not compromised.

Every complaint based on comparison of the vessel and its inventory with other charter company's vessels or other countries' standards is unfounded.

Upon the check-in of the Charterer, the vessel will have all the valid documents as well as other files from the vessel's folder. The Charterer is bound to take exceptionally good care of all the entrusted documents and return them to VY during check-out. The Charterer is obliged to keep the vessel's documents and have them in case of inspection at sea. If VY is fined by any authorities of the Republic of Croatia for not having complete necessary documentation aboard a vessel, VY holds the Charterer responsible, and the fine is to be paid from the client's deposit. In the event the Charterer loses or damages the received documents, the Charterer is obliged to pay

100,00 EUR as contractual penalty which amount will be charged from the deposit and cover for any transfer costs (in case the documents were left in any other port and VY had to go and pick them up).

VY can refuse to handover the vessel in the following cases: the charter has not been fully paid, the Charterer has not paid the deposit or the deposit insurance; the necessary documents are missing or are insufficient (ID card or passport, navigation license, VHF certificate).

RETURN OF THE VESSEL (CHECK-OUT)

The Charterer must return the vessel into the destination port defined by the contract at the appointed time, **no later than 8 am on the last day** of the agreed charter period. The vessel must be returned in a good condition, clean, neat and with a full fuel tank, that is in the same condition as it was handed over. The Charterer should take out the garbage and leave it in the designated place in the marina. The damage compensation will be executed in case of filthiness (negligence of the vessel). In case the vessel is not returned with a full tank, the Charterer will be charged with the missing fuel and also with the service of filling up the tank in the amount of 50,00 EUR.

If for any reason further sailing is not possible and/or delay in return of the vessel is inevitable, the Charterer must contact the base manager and VY, requesting further instructions. Unfavourable weather conditions cannot justify delays. If the Charterer exceeds the agreed return time due to bad weather conditions, the Charterer will bear all relevant costs and expenses incurred by VY. It is recommended to carefully plan the route and return the vessel to base marina the evening before the day of the handover of the vessel.

If the agreed return time is exceeded (not due to technical failure) the Charterer is obliged to pay double rate of daily charter price for each day of the delay with a possible obligation to further compensate for losses arising for VY. For each full hour over the charter period deadline (up to 12 hours) the charterer must pay 2% of the corresponding weekly charter rate. The Charterer bears all costs arising from exceeding the agreed check-out time. Exceptions to this rule are possible, but only based on prior explicit consent from VY.

If the vessel is returned into a port not agreed as a destination port, the Charterer is obliged to pay all costs related to the transfer of the vessel to the arranged destination port, penalty for the delay (if any) and compensation for any damage not covered by the insurance which occurred during the transfer,

VY is entitled to charge all the costs arising from the delay or transfer of the vessel from the security deposit. If the costs exceed the amount of security deposit, the Charterer is obliged to pay the amount missing between the actual costs and the paid security deposit.

If for any reason the Charterer leaves the vessel before carrying out the check-out procedure with VY's representative, he assumes the responsibility for all noted complaints and damages incurred during the charter period as identified by VY.

At disembarkation a check of the general condition of the vessel and its equipment will be performed, and VY's representative will compare the actual state of the vessel/equipment with the check-in list/inventory list. The Charterer is obliged to report any damage of defect to the VY. If the damage is below waterline or such damage is suspected, it is mandatory to make a detailed inspection of the vessel, either with a help of divers or using a vessel crane. The manner of inspection is decided by VY's representative, and the Charterer is charged for the costs.

CHARTERER'S OBLIGATIONS

The Charterer agrees and declares the following:

- To send a complete crew list: with full name, address, date and place of birth, citizenship and the type and number of valid identification document for all crew members; and for the skipper currently valid skipper licence, not later than 1 week prior to the start of the charter period.
- To have valid travel documents. The Charterer bears any costs relating to loss or theft of documents during the charter period.
- To carefully read all printed documents available on the vessel.
- To handle all gear and equipment with due care and attention, to keep a logbook and to sail in a safe responsible manner, never under the influence of alcohol or narcotics.
- To sail only within territorial waters of the Republic of Croatia. Sailing outside Croatian territorial waters is possible only if a signed permit is obtained from VY.
- To sail only in safe weather conditions and good visibility avoiding dangerous areas and not sail at night.
- To adjust sailing to weather conditions and the ability of the crew and not to allow unnecessary burdening of masts, sails and ropes.
- To never leave port or anchorage if the vessel or its equipment essential to the safety of navigation is not functional or in case of insufficient fuel supply.
- To never leave port if the port authorities have imposed a prohibition of sailing, that is they have placed a ban on departure.
- To limit the number of people aboard to not more than what the vessel is registered for, as well as to ensure only people on the crew list are allowed on board.
- Not to participate in regattas or races without first acquiring a written permission from VY.
- Not to use the vessel for commercial purposes (transport of goods or people for compensation), professional fishing or similar.
- Not to sublease the vessel or lend the boat to a third party.
- Not to tow another vessel and to undertake all necessary measures to avoid a situation in which a chartered vessel is to be towed.
- To check oil level in the engine every day. The Charterer is liable for damage and losses caused by an insufficient amount of oil in the engine.
- To agree to terminate the charter contract if any member of the crew or passenger violates applicable law or regulations of the Republic of Croatia. In such cases the vessel is to be at VY's disposal, and the Charterer remains without any right for compensation. VY shall not be liable for any violation of the law or regulations committed by the Charterer or any person aboard and the Charterer assumes full responsibility.
- To accept financial responsibility for any liability VY may have toward third parties and which is due to the Charterer's negligence or omission.
- To accept responsibility for violating any rules of navigation or other laws and regulations during the term of the contract, for which responsibility does not expire with the termination of the charter contract or the charter period (until the case is closed).
- To notify VY and VY's base immediately of any breakdown, accident, or damage to the vessel, to make sure to record the event, to register the incident at the nearest Harbour Master's Office and request a verified report from the Harbour Master or other competent authority.
- To notify VY and the VY's base immediately of any breakdown or failure of the vessel or its equipment caused by normal wear and tear. VY is obliged to repair the defect within 24 hours from the receipt of the notification. If VY repairs the defect within 24 hours, the Charterer has no right to compensation. Emergency telephone numbers for defect notification can be found in the vessel documentation.
- If the damages are of such nature that vessel needs to be repaired in a harbour and are caused by the Charterer, he has no right to any compensation for the charter period wasted due to repair. If such damages were not caused by the Charterer, he is entitled to a proportional compensation.
- If there is reasonable doubt that underwater part of the vessel is damaged, the vessel needs to be taken to nearest port for underwater examination and take the vessel out, if necessary. All costs are borne by the Charterer,
- To accept the full financial responsibility for any damage caused by negligence or omission, which is not covered by the insurance and for which VY is responsible to a third party.



- To immediately notify VY and competent authorities in the event of disappearance of the vessel or its equipment, inability of sailing, seizure of the vessel or sailing prohibition by the government authorities or third party. In such circumstances the Charterer will request a copy of the police report.
- To accept full and sole responsibility in case of seizure of the vessel by the competent state authorities due to unauthorized or illegal acts committed during the charter period.
- To accept responsibility in the event of a serious pollution of the sea during refuelling or due to inappropriate disposal of waste.
- No pets are allowed on board, unless previously agreed with VY. If pet is allowed on board, the Charterer will be additionally charged according to VY's price list.
- To accept responsibility for all actions or omissions of passengers on board according to registered passenger list, as well as any other person not registered but allowed on board by the Charterer.

The Charterer bears full material and criminal responsibility for actions contrary to above agreed obligations.

SKIPPER'S AUTHORITY

The Charterer who assumes the function of skipper must have the competence and skills required to navigate the vessel safely as well as a license for open sea sailing and a GMDSS Radio Operator's Licence. If the Charterer does not possess the required competences, skills, and licences for navigating the vessel, he warrants that the vessel is operated by the member of his crew who has such qualifications. The Charterer will be held responsible for making any false declaration.

VY reserves the right to ask the Charterer or the appointed skipper of the vessel to demonstrate his competence and skills at sea in the presence of VY representative. The time required for demonstration is part of the agreed charter period. If during demonstration the VY representative determines that the Charterer or the appointed skipper does not have sufficient qualifications, VY will provide the crew with an official skipper at extra charge. If the Charterer refuses to accept the appointed skipper, VY reserves the right to prohibit departure of the vessel, terminate the contract and retain the full paid amount. In these circumstances any amount paid will not be refunded. If the Charterer knows in advance that a skippered vessel is needed, he must inform the VY at the time of booking.

SECURITY DEPOSIT

The Charterer is obliged to leave a security deposit upon check-in according to official price list. The deposit is payable in cash or by credit card via POS machine that automatically makes pre-authorization.

The deposit covers any damage or loss that occurred during the charter and is not covered by the vessel's insurance. The deposit will be refunded in full amount to the Charterer when VY's staff confirms that the vessel is returned on time and at the agreed place, that the vessel is in good condition, undamaged, with full fuel tank and upon signing of the check-out list by the skipper, which contains the notification, ensuring that no damages on the vessel and/or equipment occurred and there are no third party claims aimed towards the Charterer and no fines imposed on VY in relation to the use of the chartered vessel. Upon check-in the Charterer is obliged to inspect the vessel and its equipment and certify that the condition of the inventory and equipment is following the check-in list.

Security deposit is mandatory also in case the accommodation service includes a skipper.

The Charterer will be charged for all costs arising from gross negligence and/or loss of one or several parts of the vessel. VY shall retain the deposit amount corresponding to the value of the repair and/or purchase of the equipment or an individual part of the vessel. If due to the damage of the vessel further provision of accommodation services aboard a vessel is not possible VY shall retain the deposit amount corresponding to the profit lost during a vessel repair.

In case of a damage covered by the insurance policy where the amount of repair exceeds the deposit amount, VY shall retain the entire deposit and issue the corresponding invoice to the Charterer.

The security deposit covers only one damage.

The deposit insurance policy does not include damages to or loss of the inflatable boat, outboard engine, SUP and clogged toilets.

INSURANCE

The vessel is covered by a third-party damage and liability insurance (**compulsory insurance**) and by **comprehensive insurance** which is provided in the amount of the vessel's value as it is recorded in the insurance policy. It covers damage above the amount of the security deposit, but not the damages caused intentionally or by negligence.

VY shall have no liability for loss or damage to personal effects of the Charterer, or other passengers and crew members stored on the vessel or on VY's premises. Upon making the advance payment and accepting the Terms and Conditions, the Charterer waives all damage claims towards VY for loss or damage to personal or third-party effects. The personal possessions of the crew are not insured so it is recommended to take out private insurance policy for this purpose. The crew is insured.

In the event of loss or damage, VY must be notified immediately. The Charterer must not make any repairs themselves, without prior permission (instructions) for repair from VY or the base manager. In the event of a more serious incident or the participation of more than one vessel, the Charterer shall also notify the competent Harbour Master's Office requesting the necessary documents for the insurers.

In case of damage to the vessel covered by the insurance policy, the Charterer is obliged to cover costs in accordance with the existing comprehensive insurance conditions only **up to the amount of security deposit**. The Charterer is however **liable for the costs in the full amount** of all damages to the vessel and/or equipment caused by negligence or misuse and/or loss of one or more parts of the equipment. Damages covered by the insurance policy for which the Charterer has not notified immediately VY, competent bodies and the insurance providers, and for which all the necessary documentation has not been submitted, will not be acknowledged in accordance with the terms of insurance and for that the Charterer will be fully responsible.

Engine damage resulting from the lack of oil in the engine is also not covered by insurance. Charterer is obliged to check the engine oil level.

The Charterer cannot hold VY legally liable for any consequences arising from Charterer's fault or negligence which could create VY's liability to third parties. Also, in that case VY shall not bear any legal costs, whether at home or abroad.

DAMAGES OCCURRED DURING THE CHARTER

The Charterer is financially liable for any damage to the vessel that occurs during the charter period and that is not related to the vessel's depreciation. Before making any repairs or purchases, the Charterer must contact VY and reach an agreement on the technical aspect of the repair and the manner of payment.

VY is financially liable for any loss or damage that occurs during the charter period, and which is caused by reasonable wear and tear of the vessel and its equipment. The Charterer must obtain VY's approval prior any repairs to agree on the technical and financial aspect of the repairs. The Charterer will pay for the repairs on site and keep the invoices to be refunded in full upon return to the base.

The Charterer will immediately notify VY of any defects or damage regardless of their cause. If VY's base is not able to arrive and immediately eliminate the damages occurred, VY will engage the third party to eliminate the damages occurred. Prior to the repair by the third party, VY must certify the manner of execution of the repair and the costs of repair. After VY's approval for the agreed cost and the manner of execution of the repair, the Charterer is authorized to settle the cost of the repair on behalf of VY. The Charterer is required to keep the paid invoice. In the event of any damage or failure due to age or deterioration of the vessel, VY is obliged to refund the amount paid to the Charterer.

Any unauthorized repairs or changes to the gear and equipment will be charged to the Charterer's final invoice.

COMPLAINTS

The Charterer has the right to a complaint if he considers VY's services to be incomplete or unsatisfactory. The Charterer can request a relative compensation only if upon check-out of the vessel he submits a written complaint with all relevant documentation. The complaint must be written and submitted no later than at check-out, signed by both the Charterer and VY representative. Any complaints made later may affect the Charterer's rights under the charter contract, VY reserves the right not to take into consideration any complaints received too late (after the check-out) or with incomplete documentation.

VY is obliged to provide a written reply to the received complaint within 14 days after the receipt. VY reserves the right to postpone the resolution to the complaint for additional 14 days with the aim of investigating the complaint and collecting all necessary information from people involved in the case.

The maximum possible compensation per complaint may equal the value of the objected part of the service but cannot include already used services nor can it be equal to the full charter price. The Charterer does not have the right to compensation for non-material damage provided it was not caused by intention of VY.

If the Charterer has made a last-minute contract, the Charterer acknowledges all risks arising from such type of service. This type of service holds some uncertainties that cannot be influenced by VY, and the Charterer has accepted this service primarily because of its favourable price. Therefore he has no right to complaint.

VY cannot be held responsible for eventual bad weather conditions, sea water quality and temperature, marina cleanliness, crowded destination ports, and all similar situations and events that could lead to Charterer's dissatisfaction and are not directly related to the quality of the booked service.

LEGAL TERMS

If the Charterer is not satisfied with the decision of VY and the parties cannot find a peaceful and consensual agreement with VY, he has the right to take legal action. Any disputes not resolved peacefully will fall under the jurisdiction of the appropriate court. Any changes or amendments to the General Terms and Conditions are valid only in writing and if agreed upon by both parties.

PERSONAL DATA PROTECTION

The Charterer shares his personal data by his own free will. The Charterer's personal data is necessary for the process of realization of the service required. The data will be used for further communication between the parties. VY is obliged not to distribute Charterer's personal data outside of national borders, or forward it to a third party, except for the purpose of providing the requested service. The exception to distributing personal data to third persons is taking out cancellation insurance, accident and illness insurance, baggage damage or loss insurance and voluntary health insurance for the duration of the trip and staying abroad. If Charterer takes out an insurance policy, personal data will be forwarded to the appropriate insurance company. Charterer's personal data will be stored in a data base, according to management's decision on the method of collecting, processing, and storing of personal data.