****

Skokov prilaz 6, 10000 Zagreb

**Tel:** +385 98 472 572, +385 98 472 573

**Fax:** +385 51 221 978

**e-mail:** garant@garant-charter.com

**web:** [www.garant-charter.com](http://www.garant-charter.com)

**VAT number:** HR95561220671

**Charter party terms and conditions GARANT d.o.o.**

[1. Price and payment terms 1](#_Toc435533671)

[2. Changes and cancellations of the charter 2](#_Toc435533672)

[3. Delivery of the vessel (CHECK-IN) 2](#_Toc435533673)

[4. Redelivery of the vessel (CHECK-OUT) 3](#_Toc435533674)

[5. Responsibilities of the client 3](#_Toc435533675)

[6. Responsibilities of skippers 4](#_Toc435533676)

[7. Vessel insurance 5](#_Toc435533677)

[8. Insurance against insolvency or bankruptcy of GARANT d.o.o. 5](#_Toc435533678)

[9. Damages and defects during the charter 5](#_Toc435533679)

[10. Complaints 6](#_Toc435533680)

[11. Legal terms and conditions 6](#_Toc435533681)

GARANT d.o.o. (hereinafter: GARANT) guarantees that all its vessels are technically adequate and in good condition.

The person who has confirmed the reservation and/or made the advance payment (hereinafter: the client) shall establish legal relationship with GARANT and confirm that they agree with general charter terms and conditions. Everything described in these general charter terms and conditions represents a legal obligation for the client as well as for GARANT. These terms and conditions are the foundation for settling any possible disputes between the client and GARANT.

1. Price and payment terms

Charter prices are expressed in Euros (€) in the currently valid GARANT’s price list.

The stated prices include a technically adequate and clean vessel with a full fuel tank, the usage of the vessel and its equipment, compulsory and hull insurance, accident and health insurance for the crew (covering disability and death), mooring in the home port, Croatian sailing permit and a concessionary approval for the vessel.

The stated prices do not cover the costs of mooring and taxes in other marinas during the charter, fuel costs and the costs of other necessities, car parking nor medical insurance for the crew.

In order to confirm the charter reservation, the client shall make an advance payment in the amount of 40% of the charter price. The remaining amount up to the complete value of the charter shall be paid no later than 3 weeks before the beginning of the charter.

The client can only take over the reserved vessel under the condition that all necessary payments have been made.

# **2. Changes and cancellations of the charter** In case the client wishes to change the charter arrangements or cancel the charter, this must be done in writing (by e-mail, fax or post). The date on which GARANT shall receive a written notification of the cancellation is the date which is the basis for the calculation of the cancellation costs which is done in the following way:

|  |  |
| --- | --- |
| - | For cancellations of up to two months before the beginning of the charter, GARANT shall charge 30% of the total charter price.  |
| - | For cancellations of up to a month before the beginning of the charter, GARANT shall charge 50% of the total charter price. |
| - | For cancellation within one month before the beginning of the charter, GARANT shall charge 100% of the total charter price. |
| - | For cancellations after the takeover of the vessel, GARANT shall keep 100% of the total charter price and charge the client for all costs arising from the cancellation. |

In case the client who has cancelled the charter manages to find a substitute client who is willing to take over their rights and obligations, GARANT shall only charge direct costs caused by the client change.

In case the cancellation is due to objective reasons from the client's side (death in the family, serious injury), GARANT shall not refund the advance payment, but shall rather arrange a suitable vessel on the next available date or in the next season.

GARANT shall not assume responsibility in case of changes or cancellations which are due to force majeure (superior force) or forces of nature (war, riots, strikes, acts of terrorism, extraordinary sanitary conditions, natural disasters, extreme sea or weather conditions, interventions by competent authorities and the like).

3. Delivery of the vessel (CHECK-IN)

GARANT shall provide the client with a technically adequate, clean and tidy, and completely equipped vessel with a full fuel tank ready for sailing after 5 PM on the first day of the charter.
Before the delivery, the client shall provide GARANT with a verified confirmation showing the total charter amount has been properly paid.

The client shall leave GARANT a compulsory security deposit which shall cover the compensation of all possible losses or damages during the charter, even if they are not covered by the insurance policy. The deposit is made in cash, with a blank credit card slip or an automatic preauthorization.
The deposit shall be refunded to the client in full after a GARANT representative ascertains that the vessel has been returned at the agreed time to the agreed place, tidy and undamaged with a full fuel tank and under the condition that no claims from third parties have been placed or are expected to be placed against the client in connection with their use of the chartered vessel.

In case of brutal negligence resulting in the damages on the vessel and/or its equipment or in case of the loss of vessel parts, the client shall cover all the expenses. GARANT shall keep the amount of the deposit covering the cost of the repair and/or the cost of the purchase of spare or substitute parts. In case further chartering is not possible due to the damages and/or loss caused by the client, GARANT shall keep the amount of the deposit covering the lost profit.

Insurance of the deposit (not obligatory) if made in GARANT:

- for vessels up to 40 feet long – 105.00 Euro non-refundable + 300.00 Euro refundable (for the cases when the vessel is returned without diesel)

- for vessels of 40 – 50 feet long – 105.00 Euro non-refundable + 300.00 Euro refundable (for the cases when the vessel is returned without diesel)

- for vessels of more than 50 feet long – 250.00 Euro non-refundable + 500.00 Euro refundable (for the cases when the vessel is returned without diesel)

The deposit is obligatory even in the cases when the vessel is rented with a skipper provided by GARANT.

In case the client, without previous notice, fails to redeliver the vessel within 48 hours after the agreed check-in time, GARANT is authorized to unilaterally terminate the charter contract and the client shall not have the right to subsequent reimbursement claims.

If for whatever reasons GARANT is unable to deliver the vessel at the agreed time and place, GARANT is given a time limit until 12 PM next day to provide the client with this or another vessel of similar features. In case that GARANT fails to do so, the client is authorized to terminate the contract and is entitled to a full reimbursement of payments made to GARANT. In case the client decides to wait for a substitute vessel outside the agreed time limit (12 PM), they have the right to claim a reimbursement of an amount equal to the value of charter days in which they were unable to use the vessel. GARANT's responsibility for any amount higher than the agreed charter price as well as for any other compensation claims by the client is excluded.

During the delivery of the vessel (check-in), the client shall verify that the state of the inventory and the equipment is in accordance with the existing check-in list. All possible complaints shall be made exclusively before the beginning of the charter. The client has no right to claim any reimbursement for the defects on the vessel or its equipment which could not have been known to GARANT at check-in nor for the defects or damages which arose after the check-in and could not have been anticipated by GARANT.

The client shall take over the vessel with all valid documents necessary for charter (permit, insurance policy, crew list etc.) and all other documents and enclosures in the vessel's folder (list of captaincies, fuel stations etc.). The client shall handle the above mentioned documents with care and return them to GARANT at check-out.

4. Redelivery of the vessel (CHECK-OUT)

The client shall return the vessel to the agreed place at the agreed time – not later than 6 PM on the day before the last day of the charter, with a full fuel tank, ready for next navigation; that is, in the same condition as it was taken over. The CHECK-OUT shall be then made until 9 AM, at the latest, on the last day of the charter. Before the CHECK-OUT, the client shall take the garbage and waste off the vessel and leave it at the designated place in the marina and shall take their own luggage off the vessel.

In case the vessel is not returned to the port appointed by the charter contract till 6 PM one day before the end of the charter, the client is obligated to cover the costs of a diver for underwater inspection of the hull.

If for whatever reasons further sailing during the charter is impossible or the agreed return time was inevitably exceeded, the client shall contact GARANT and the base manager for further instructions. The information about the notification shall be entered into the vessel's log. Adverse weather conditions are not an acceptable reason for a delay of the return.

In case the redelivery is made later than agreed, the client shall pay a fine in the amount of 2% of the charter price for each exceeded hour. If late for more than 4 hours, the client shall pay a daily charter price for every started calendar day. All costs arising from the exceeded check-out time shall be covered by the client. Deviations in this provision are possible but only in accordance with a previous agreement between the client and GARANT.

In case the vessel is returned to a port not agreed by the charter contract, the client shall cover all GARANT’s costs arising from the transfer of the vessel to the agreed port as well as the regulated charge for exceeded redelivery time (in case of late redelivery) and all damages that have occurred during the transfer if not covered by the insurance policy.

Upon vessel’s redelivery (check-out), GARANT’s representative shall check general condition of the vessel and its equipment and compare it with the check-in list which was signed at check-in.

The client shall report any possible damages or losses to a GARANT’s representative. In case of a damage on the underwater part of the hull or if there is a suspicion of such damage, GARANT’s representative can order inspection either by a diver or by a crane. If a damage or a loss is confirmed by such inspection, the costs will be charged to client.

In case the vessel is not returned with a full fuel tank, the fuel, as well as the service of filling the tank, will be charged to the client. Price of a liter of fuel then will be 50% higher than the one currently valid, and will be stated on the check-in list.

5. Responsibilities of the client

The client shall:

|  |  |
| --- | --- |
| - | provide GARANT with a crew list containing full names, addresses, birth dates and birth places, nationalities, types and numbers of identification documents, and the skipper's license number not later than 1 week before the beginning of the charter. |
| - | have valid passports or IDs. The costs of possible loss or theft are excluded from GARANT’s responsibility and the delivery of the vessel shall not be done without valid documents. |
| - | check the printed materials provided on the vessel. |
| - | handle the vessel, its inventory and equipment with care and shall behave with full responsibly in every way.- not handle the vessel under the influence of alcohol or drugs. The insurance companies shall not cover the damages incurred under the influence of drugs or alcohol. |
| - | sail within the borders of the territorial waters of the Republic of Croatia. Leaving Croatian territorial waters is only allowed upon previous written consent by GARANT. |
| - | sail only in safe weather conditions and at good visibility, and avoid dangerous territories. |
| - | adjust the sailing to weather conditions and the crew's capabilities and not allow unnecessary burdening of the mast, sails and ropes- not leave the harbor or anchorage if winds over 6 on the Beaufort scale are forecast. |
| - | not leave the harbor or anchorage in case the vessel or one of its vital parts is damaged and/or unsafe for sailing. |
| - | not leave the harbor if port authorities have issued a prohibition of sailing or in case of insufficient fuel supplies. |
| - | not use the vessel for commercial purposes (transport of goods or people for compensation), professional fishing, sailing school or similar activities. |
| - | not rent or lend the vessel to a third party. |
| - | not board more people than the vessel is registered for and shall not allow people not stated on the crew list to stay on the vessel. |
| - | not participate in regattas or races without a previous consent by GARANT. |
| - | not tow another vessel and shall take all possible preventive measures to avoid a situation in which the chartered vessel would need to be towed. |
| - | agree that the charter contract is terminated in case if any of the crew members breaks a valid regulation and/or law or the Republic of Croatia. In that case, the vessel is placed at GARANT's disposal and the client does not have any right to compensation by GARANT. GARANT renounces any kind of responsibility towards state authorities; the client shall take sole responsibility for legal violations and crimes committed. |
| - | assume responsibility and compensate all costs for which it has been established that they were caused by actions or omissions on the client's side and for which GARANT is materially and criminally responsible to a third party. |
| - | agree that the client's responsibility for violations of sailing and other rules and regulations, which were done during the charter, do not cease with the end of the charter. |
| - | in case of damage, accident or breakage of the vessel, the client shall record the stream of events, immediately notify GARANT, file an accident report to the closest port authorities and demand a verification from the harbormaster, doctor or other competent authority. |
| - | notify GARANT immediately in case of any defect of the vessel or its equipment. GARANT shall repair the defect within 24 hours after receiving the notification. In case GARANT repairs the defect within 24 hours, the client has no right to compensation. Emergency telephone numbers in case of a defect are listed in the vessels' documentation and/or on the vessel’s hull and the check-in list. |
| - | fully compensate for any damage caused by negligence or omission which is not covered by insurance and for which GARANT is responsible to a third party. |
| - | in case of the disappearance of the vessel or its equipment, inability of sailing, confiscation of the vessel or sailing prohibition by the government or a third party, the client shall immediately notify the competent authorities and GARANT, and demand a copy of the police report. |
| - | assume full responsibility in case of a confiscation of the vessel by competent authorities, due to irresponsible or illegal actions of the crew. |
| - | be fully responsible for sea contamination during the filling of fuel tanks or dropping waste outside required places. |
| - | check the oil level in the engine every day. Damages and losses caused by an insufficient oil level in the engine are the client's responsibility. |
| - | take pets (dogs, cats, etc.) aboard only with a previous permission by GARANT. No pets are allowed on board without preliminary agreement. |

The client is materially and criminally responsible for their actions during the charter.

#

# **6. Responsibilities of skippers**

The skipper of the chartered vessel is obligated to possess all necessary nautical knowledge and skills, as well as a valid skipper license and VHF/GMDSS radiotelephony license which they shall bring onto the vessel.
GARANT may ask the skipper to demonstrate his knowledge and skills at sea in the presence of a GARANT’s representative. The time used for this testing is included in the time of the charter.
In case a GARANT’s representative establishes that the skipper does not possess the appropriate knowledge, experience and/or valid licenses for sailing, GARANT can appoint a professional skipper to join the crew at additional cost according to the valid price list. In case the client does not accept the appointed skipper, GARANT has the right to forbid the client from sailing out with the vessel, terminate the contract, and keep the full paid amount. The client has no right to reimbursement.

If the client knows in advance that they will need skipper services, they should notify GARANT upon reservation or make their own skipper arrangement.

7. Vessel insurance

All yachts are properly covered with liability insurance and comprehensive coverage for charter business.
The vessel's insurance covers damages inflicted to and by a third party (obligatory insurance). The vessel also has hull insurance in the amount of the reported vessel value for risks stated in the insurance policy. The hull insurance covers damages that exceed the amount of the deposit, but not intentional damages or damages caused by brutal negligence.

GARANT is not responsible for loss and/or damage of the client's and crew's possessions or third parties' possessions which are kept on the vessel, in an official GARANT vehicle or the GARANT office. By paying the advance payment and accepting general charter terms and conditions, the client renounces any rights to compensation by GARANT in connection with the loss and/or damage of personal possessions.

All damages and/or losses must be reported to GARANT immediately after their occurrence. In case of serious damage or accidents in which more than one vessel is involved, the incident must be reported to competent port authorities which shall provide report documents which subsequently need to be handed over to the insurance provider. In case that damages covered by the insurance policy are not properly and timely reported to GARANT, competent authorities and the insurance provider, even though there is all necessary documentation, the damages shall not be covered by the insurance provider. In this case, the client is fully responsible for the damage and shall be charged accordingly.

If the vessel is damaged, the client is obliged to cover all costs according to the terms and conditions of the hull insurance, but only up to the amount of the security deposit. The costs of damages caused by negligence and/or loss of one or more parts of the equipment are fully covered by the client.

The client's liability is limited to the amount of the security deposit - unless the cause of damage is gross negligence or intention, drugs or alcohol.

The sails are not insured and the costs of possible damages are covered by the client. The client's responsibility is excluded only if the damage to the sails has been caused by normal wearing out of the sails or by brakeage of the mast.

Engine damage caused by an insufficient oil amount is not covered by insurance and is covered by the client in full, as well as any damage resulting from the engine damage.

# 8. Insurance against insolvency or bankruptcy of GARANT d.o.o.

In accordance with the Act on Tourism Activities (Official Gazette no. 8/96), in case of insolvency or bankruptcy of GARANT, the client facing any such possible difficulties while chartering a vessel, as well as persons who made down payments for a charter, should contact the provider stated on the travel certificate or on another corresponding document as soon as possible.

9. Damages and defects during the charter

All damages and defects that have occurred on vessel while chartering but which are not the result of natural wearing out of the vessel, shall be covered by the client. Before making any repairs or purchases, the client shall contact GARANT and agree on the technical compensation of the repair and the manner of payment.

All damages and defects that occur on the vessel during the client's charter, and which are the result of natural wearing out of the vessel, shall be covered by GARANT. Before making any repairs, the client shall make an agreement with GARANT regarding technical and financial compensation of the repair. The client shall cover the bill in this case, on the spot if necessary, and shall keep the invoice so that GARANT can refund the payment in full upon check-out.

The client shall notify GARANT about any breakages and damages immediately after they occur no matter what the cause is. GARANT shall instruct the client about the proper course of action. Unauthorized repairs and equipment replacements shall be paid in full by the client.

# **10. Complaints** Every client has the right to a complaint if they consider GARANT's services to be incomplete and/or not well performed. The client may demand a proportional reimbursement but only if a written complaint is filed upon check-out, and all necessary documentation is provided. A written complaint must be signed by both parties – by the client and a GARANT representative. Subsequently received or incompletely documented complaints shall not be taken into consideration by GARANT.

# GARANT shall provide a written decision regarding received complaint within 14 days after receiving it. GARANT is allowed to postpone the time limit for additional 14 days if it is necessary to gather information and check the complaint claims with the people involved. The client renounces the right to arbitration by a third party, competent authority or law institution, or to release the information to the media, until GARANT has reached a decision regarding the complaint. Provided that the client acts contrary to this regulation, they shall lose the right to compensation because of the violation of the procedure. In this case, GARANT has the right to ask the client for compensation of possible damages caused by such action. The highest compensation can be equal to the amount of the part of the service which was an object of the complaint. The client has no right to the compensation for services that have already been used or for the whole amount of the charter price. This also excludes any rights to compensation of non-material damages. **11. Legal terms and conditions**

If the client is not satisfied with GARANT's offer for compensation and is unable to reach a reasonable agreement with GARANT, they have the right to court arbitration. In such cases and other disputes between the client and GARANT, the competent court is the one in Rijeka and the Croatian law is applied.

Any amendments to these general terms and conditions are only valid in written form and with the agreement by both parties.

Date / signature: Date / signature: \_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

  **GARANT d.o.o.**