



# GENERAL TERMS AND CONDITION OF YACHT RENTAL 2024

## MK YACHT EXPLORER

This "General Terms and Conditions of Yacht Charter" (hereinafter referred to as the "Terms") stipulates the mutual rights and obligations related to ship accommodation services-yacht charter. The client declares that he has the necessary navigation permit, which is sufficient to meet the gross tonnage of the ship, and has been accepted by the Croatian Maritime Ministry, that he can drive the ship and obtain the authorisation to operate the radio station on the ship autonomously, and undertake to operate the ship carefully the ship's obligations. The attitude of the conscientious crew. He is also obliged to keep the private log and, if damaged, hand it over to MK Yacht Explorer. Clients are not allowed to participate in sailing regattas without written consent and must comply with the laws of local and port authorities. He may not transport undeclared taxable goods or any other prohibited items. Clients are not allowed to leave Croatian territorial waters without written permission (permit) issued by MK Yacht Explorer.

### The Price of Yacht Charter

Yacht rental price should include standard equipment, full fuel tank and crew and crew insurance during the lease period. The rent does not include the cost of the terminal (except Marina Baotić berth), parking, other berths, fuel, captain, hostess and/or chef services, harbour fees, taxes, park tickets, crew health insurance and other optional services, unless otherwise stated in the written booking confirmation/contract. When the client decides to book, he needs to confirm the reservation in writing and receive the reservation contract via email. In this way, client can accept the general terms of MK Yacht Explorer.

### Payment Methods

After the yacht charter booking is approved (valid only in writing), payment should be made based on the following calculations:

-50% of the charter price to confirm the reservation

-at least 4 weeks before the charter start date, the balance payment is -50%, unless otherwise agreed and confirmed in the booking contract

Within 7 days after confirmation, the client is obliged to prepay 50% of the total agreed charter price.

The remaining total amount needs to be paid 4 weeks before the start of the charter.

Client can only take over the ship after all necessary payments have been completed. All payments must be made in accordance with the payment instructions listed in the pro-forma invoice that the company has sent to the client or agent. Only after all the costs of the yacht charter and all additional services stipulated in the contract have been settled, the ship can be taken over. If the advance payment or balance payment has not been fully paid before the above-mentioned deadline, the company has the right to cancel the ship booking without returning it to the client.

### Crew List and Arrival Details

The Client must send the crew list correctly filled in within 7 days before the first day of the charter. The captain on the crew list agrees that he/she is responsible for the boat as well as other guests on board. In addition, it is recommended to send the estimated time of arrival at least 7 days before the first day of chartering, so that base personnel can organise check-in procedures as smoothly as possible. If the client has booked a transfer service (for example, from the airport), he must send detailed arrival and departure information at least 7 days in advance. The client is responsible for the accuracy of the delivered crew list information and the validity of all passports,

visas, permits and other identification documents. The client specifically acknowledges that the navigation permit and VHF is a very important document on board and assumes legal responsibility for its accuracy and reliability.

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

The client is obliged to provide the company representative with a verified certificate, which contains all the customer's data and the charter contract, and an in-depth understanding of the original document of the captain's license when taking over the ship. In addition, the identification documents (such as passports) of all guests on board must be provided in order to recheck the crew list. When the client takes over the ship, the client should check the inventory list with the company representative and confirm the status of the delivered ship with his signature. The client takes over the yacht after 5:00 pm on Saturday. After taking over the ship, the client conducts the entire inspection and signs the inspection checklist to confirm that no damage has occurred on the ship, including the underwater part of the ship. The instrument on board should follow the same procedure. If the client confirms that the ship is in order and the ship's equipment is complete and in order, any future complaints against the client will not be accepted. The client has no right to request a reduction in the charter price for hidden dangers and lack of equipment that the company does not know during the process of taking over the ship. If any ship parts are damaged or lost during the previous charter period, and if new ship parts cannot be obtained before the new charter date, the loss will not seriously affect the safety of navigation, and there is no possibility that the client will abandon the charter party or request a lower charter price. The client acknowledges that such situations are not affected by the company, but are caused by damages caused by previous clients.

If the client determines that there are any defects, they must return to the dock and notify the base manager, and give the technical support team an opportunity to repair the damage. If he does not return, the yacht is deemed to have been delivered correctly. Any complaints about the condition of the ship or equipment must be made in writing after taking over the ship.

The ship will be delivered with full fuel and water tanks, and must return to the charter base with full fuel and water tanks, and emptied black tanks. Since ships are expensive properties and a certain level of skill is required to operate them, the company may require the client (or its captain) to demonstrate their sailing skills in the presence of a company representative. The prescribed demonstration fee (if any) should be paid by the client, and the time spent on the demonstration should be included in the charter period of the ship. If the client (captain) is deemed not skilled enough, the company should hire a professional captain, and the client should pay for the service according to the current price list. If the client refuses the designated captain, he/he will be prohibited from sailing out, the contract shall be terminated immediately, and the payment amount shall be retained without any repayment rights.

MK Yacht Explorer will not be responsible for any complain or price reduction arising from the hidden dangers and deficiencies of the boat and/or equipment at the time of embarkation and regular boat maintenance as well as any defects that may occur after boarding, that couldn't have been foreseen or prevented by MK Yacht Explorer. Client promises to pay special attention to all valid ship documents received during check-in.

### **Risk of Yacht use and insurance**

The client fully accepts all risks related to yacht charter and all possible damages to the client and/or crew due to the use of the yacht. In particular, the client shall take full responsibility for the use of the yacht and waive every responsibility of the company, including in the event that accidents and injuries may occur to the client and/or the crew, regardless of the cause, during the yacht charter or after check-out. Company is not responsible for any damage that may be caused to the personal property of the client and/or the crew and the loss or damage to their belongings. All ships have obtained hull insurance and have appropriate insurance policies against damage

towards persons and against damage towards third parties. The sails are not covered by insurance policy and the Client bears the costs of any kind of sails damage. The insurance does not cover damage to the client's personal property and property brought to the ship, nor does it cover any damage caused deliberately, nor does it cover any damage caused by the client's lack of diligence. It is strongly recommended that at the time of booking, the client and all crew members should sign sufficient travel and health insurance packages for their travel arrangements.

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

When returning the ship and re-inspecting the ship according to the inventory list, the fuel tank should also be inspected. Unless otherwise agreed in writing, the ship should be returned at 6:00 PM on Friday, and the ship should be equipped with complete equipment and full fuel tanks in the order of work. If the fuel tank is not full, the client must pay for fuel (calculated based on the maximum engine consumption for a specific engine hour) plus a service charge of 50 euros. In addition, if any damage is found during the inspection, the client shall pay compensation for the damage in accordance with the provisions of this clause, as described in the "Safety Deposit" section. Otherwise, if the ship is returned in good condition and filled with fuel and water tanks, the entire deposit shall be returned to the client.

If the Client returns 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 of 300 EUR to 500 EUR depends on place where they disembarked from the vessel.

If the client is overdue, a fine will be imposed-each delay exceeding 3 hours will be charged at double the daily charter price, plus all expenses that will cause the inability to deliver the ship to the next customer.

It is unreasonable to miss the schedule due to the weather, because it is necessary to keep a proper distance between the ship and the charter base in the last 48 hours before the end of the charter. If the client wishes to extend the charter period, for whatever reason, he/she should immediately notify the company of his/her intention. In return, the company should notify the client whether it is possible to reach the required extension period. If the extension period can be extended and confirmed, and the client has paid, the company will additionally organise all necessary paperwork. All documents on board should be returned to base office.

### **Sailing Area**

The sailing area of the Vessel is within the territorial waters of the Republic of Croatia. The only exception is Montenegro. For Montenegro, a special company licence is required, and the licence fee is 300 EUR.

### **Damages during yacht charter**

If any damage occurs during the yacht charter and the client has notified the company to repair it within 24 hours, the client has no right to claim any compensation. However, if the repair of the damage has taken more than 24 hours, and the damage is so severe that the client cannot use the ship at the same time, the client can claim compensation in proportion to this period. Compensation can only be obtained if the damage is the responsibility of the company (for example, an inappropriate maintenance level below industry standards). If the damage cannot be repaired on site and needs to be returned to the chartering base immediately, the repair work should be organised first in order to repair the ship in time for the next customer.

The cost of the lost day can only be refunded if the company causes damage. Otherwise, the client cannot expect any compensation for the above costs and is responsible for the additional costs of finding a new ship. In the event of serious damage, engine failure, ship loss, personal injury and similar incidents, the client has the responsibility to inform the company immediately, and should deal with other incidents (such as port authorities, physicians, authorised experts, etc.). 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.

## **MK Yacht Explorer obligations**

The company should deliver vessel in good condition, clean, with full fuel and water tanks. The company shall arrange and perform registration and check-out services at the base in accordance with the usual industry standards and procedures. If the customer has any special or other requirements (for example, early check-in, extended explanation during check-in, special needs, etc.), the company will try its best to solve it to satisfy the client, but the client acknowledges that this is not the company's responsibility, and if it is not met or if these special requirements are only partially met, refund cannot be claimed. If the ship cannot be delivered within 4 hours from the stated check-in time in the contract, the client has the right to demand a pro rata overdue repayment (in proportion to the contract charter period and charter fees received).

If a delay of more than 24 hours occurs, the client can request another ship of similar size and features from the company. If a suitable replacement vessel cannot be found, the client can request a refund, which is proportional to the number of days he has not disposed of the vessel. The company is not liable for higher than the amount charged for the booking. The company is not responsible for delays caused by major police forces (such as earthquakes, floods, thunder, fires, other natural disasters, wars, civil wars, terrorism, strikes, etc.) or bad weather conditions. Claims for travel expenses, board and lodging expenses, pain compensation, loss of income, etc. cannot be resolved. If the ship or its equipment is damaged due to natural reasons, the client is obliged to contact MK Yacht Explorer immediately.

MK Yacht Explorer shall not be liable for any injury, damage or death caused by the client as a result of the client's use of the yacht for its clients and its crew, possible passengers or any third party on the yacht during the charter. MK Yacht Explorer is also not responsible for the extension or change of client's plans due to inclement weather or other similar reasons.

## **Security deposit**

Before taking over the ship, the client must pay a certain amount of security deposit (hereinafter referred to as the deposit) according to the company's effective price list. The deposit can be paid in cash or one of the credit cards accepted by the company. After the yacht charter ends, unless some ship damage or equipment loss occurs, or unless the client or his crew fails to act in accordance with this clause, the entire deposit shall be returned to the client.

However, if damage or violation of these terms occurs, part or all of the deposit will be retained according to the scale of the damage or violation:

- In the event of greater damage or destruction, the deposit will be paid in full and the customer has no right to refund.
- In the event of minor damage or destruction, the company will retain the amount required to repair and purchase the damaged or missing equipment, including intervention costs and 100 euros for processing costs, and the remaining deposit should be returned to the customer.
- If the ship is unable to go to the next charter party due to damage, the company will always have to pay the security deposit in full because the company will have costs related to the next clients compensation.

If the client hires a professional captain from the company, he must also *pay a deposit*. In this case, the deposit cannot be used to pay for expenses incurred due to the negligence of the captain or the poor operation of the vessel or its equipment. If the damage was caused by the client's gross negligence, or was sailing under the influence of alcohol or illegal drugs, sailing with one hand or sailing outside of prohibited times or in-approved areas, or participating in a sailing race without written permission, it violates the company terms and conditions and the customer shall be liable for even exceeding the amount of the deposit, including costs related to maintenance and remuneration, to make up for the loss of charter revenue in the next few weeks. In this case, the client is responsible for deferring the payment of these expenses without compensation, and the payment shall be made within 30 days after the end of the lease period at the latest.

If equipment is lost, such as dinghy, outboard engines or similar equipment, the client shall bear the price of all lost items to the company. These fees must be paid to the company within 7 days after the end of the charter period.

In the event that it is proven that the client has caused damage to the vessel, according to the testimony of the official diver or technician in charge of the handover of the vessel, and the client refuses to pay for the damage, MK Yacht Explorer reserves the right to charge from the pre-authorisation of the credit card that the client provided at check in, and will be considered a valid document.

### **Booking cancelations**

If the booking is cancelled up to 30 days before the start of the charter, MK Yacht Explorer will retain 50% of the charter price. If the booking is cancelled within 30 days before the charter, MK Yacht Explorer reserves 100% of the charter fee.

Normal re-booking

Up to 90 days from the rental date, the client can:

- change the rental period to the same vessel in season 2024
- change rental period to another yacht in season 2024.

In both cases, 120 EUR fee is due. If rebooked yacht or week has a lower price than what was originally booked, original price will be due and no refunds will be made.

### **Client's obligations & responsibilities**

In addition to the content described in these terms, the customer should also bear the following responsibilities:

- Have the navigation and navigation skills of the ship charter, otherwise he will be responsible for accepting the captain according to the company's effective price list, -In the case of bareboat charter, have all necessary permits by Croatian Maritime law to operate the ship,
- Do not hand over the vessel to a third party,
- Should not transport people or goods for commercial purposes, or engage in any other commercial use of ships
- Indicate the exact number and exact number on the crew list,
- In order to maintain the crew list, residence permit and ship documents throughout the charter period,
- Notify the company crew or passengers of any possible changes in time,
- Fully respect the laws and regulations of the host country,
- You cannot participate in races and sailing regattas without the consent of the company
- Maintain mandatory control intervals during cruise,
- In the case of towing, conclude a rescue decision before accepting help,
- Take all safety precautions to keep the ship intact and avoid any damage or towing of the ship,
- Do not leave the port if the expected wind exceeds 30 knots or if the port authority has issued regulations prohibiting leaving the port
- To avoid unnecessary burdens on masts, sails and ropes, i.e. sailing in compliance with weather conditions
- Plan the sailing route very carefully so that two days before arrival, the vessel is about 40 nautical miles away from the checkout charter base,
- It is not allowed to sail at night without the company's prior consent,
- It is not allowed to sail alone without the company's prior consent,
- In the case of bad weather (strong wind), inform the charter base manager of the basic location of the charter to avoid unnecessary and expensive search fees,
- Do not operate the ship under the influence of alcohol or any illegal drugs, and generally do not use or carry any illegal drugs on board,
- Don't make too many noises at the marina, port and other mooring locations, -Respect the privacy and night rest rights of the occupiers of adjacent boats and houses,
- No fishing or any other submarine activities without a valid fishing license,
- Pets (dogs, cats, birds, etc.) are not allowed on board without the written consent of the charter company ( usually there is fee for pets on board)

The client assumes joint and several liability for all crew members (that is, guests on board). All consequences arising from the failure of the customer or his crew members or guests to comply with the above responsibilities on board are the joint and several liability of the customer and the

crew members/guests on board. In case of violation of the above clauses or other obligations assumed by the customer and its flight attendants/guests under these clauses, depending on the severity of the breach, the company has the right to collect 100 Euros from the deposit to the full deposit, and demand compensation for all losses caused .

The client is obliged to check the oil level in the motor every day. The client will bear all the damages and losses caused by the lack of fuel in the engine. All damages (including propeller damage/loss) to the underwater part caused by the customer's negligence will be repaired at client's cost.

If the damage is caused by lack of oil, the insurance policy does not cover damage to the sail or motor. Insurance does not cover damage caused by deliberate or negligent vessel manipulation.

### **Termination and indemnity of vacation**

The Client are responsible for the correct behaviour of themselves and their crew. For any client who refuses to comply with the instructions or orders of MK Yacht Explorer and whose behaviour or ability may cause confusion, harm or any other damage to MK Yacht Explorer, we reserve the right to terminate its vacation arrangements without prior notice to client and its crew. After termination, MK Yacht Explorer's liability for the charterer's holiday will cease and will not be responsible for any expenses incurred by the client. Likewise, MK Yacht Explorer shall not be liable for unforeseen, avoided, remedied and/or reduced damage caused by a third party or by force.

### **Force majeure**

Significant force refers to the occurrence of special external circumstances before the deadline for fulfilling certain obligations after the conclusion of the contract, which cannot be avoided, expected or eliminated by both parties; for example, hurricanes, extreme tides, earthquakes, fires, epidemics and Other natural disasters, as well as strikes, government measures, civil unrest, wars, etc.

### **Complaints**

If the Client has any complaint during the charter, MK Yacht Explorer should be notified. Only objections and complaints filed in writing form during the boat inspection will be taken into consideration. Complains can be sent in written via e-mail ([info@yacht-explorer.com](mailto:info@yacht-explorer.com)) or in writing and brought in base office of MK Yacht Explorer.

### **Court of jurisdiction**

After confirming the reservation, the customer declares that he has read these terms and conditions and has fully accepted them. Any dispute under this agreement that the two parties cannot resolve amicably shall be decided in accordance with Croatian law. The competent court is the court in Split.

### **Company details**

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*MK Yacht Explorer*

*Team*