

THIS DOCUMENT CONTAINS RELEASE, DEFENSE, INDEMNITY AND HOLD HARMLESS PROVISIONS

1. **DEFINITIONS.** As used throughout these Purchase Order Terms and Conditions, "Buyer" shall be Signet Maritime Corporation, and "Seller" shall be the Party designated as such by the Purchase Order. "Party" shall be used to refer to either Seller or Buyer; "Parties" shall refer to both Seller and Buyer. The term "Goods" shall mean all materials, equipment, items, and property of every type, kind and description provided by Seller, as described on the seller's quotation or by purchase order. The term "Services" shall include design, delivery, installation, inspection and/or testing or any other service performed under the Purchase Order.

2. **GENERAL.** Except where there is a fully executed, written contract, (including without limitation, a services agreement or supply agreement) (a "Contract") entered into between Buyer and Seller, for the purchase/sale of Goods or Services identified in the Purchase Order (which shall take precedent), these terms and conditions shall be deemed incorporated into the Purchase Order and shall govern and control the Purchase Order, and may not be added to, modified, superseded or otherwise altered, notwithstanding any terms and conditions that may be contained in any acknowledgment, invoice or other form of Seller document and notwithstanding Buyer's act of accepting or paying for Goods and/or Services or any act of delivery by Seller.

3. **ACCEPTANCE; MODIFICATIONS.** In the event of a conflict between these Purchase Order Terms and Conditions and any document other than a Contract, these Purchase Order Terms and Conditions shall govern. Where applicable, as specified herein above, these Purchase Order Terms and Conditions shall become the exclusive agreement between the parties for the Goods and/or Services upon acceptance by Seller of the Purchase Order or commencement of performance by Seller. No additional or different terms proposed by Seller shall be applicable unless accepted in writing by Buyer. Notice of objection to such additional or different terms proposed by Seller is hereby given by Buyer. However, conflicting terms included in the Purchase Order shall govern over these Terms and Conditions.

4. **INDEPENDENT CONTRACTOR.** Seller shall be an independent contractor as to the provision of Goods or Services under the Purchase Order. Buyer shall have no control or direction over Seller, Seller's employees, Seller's subcontractors and/or their employees, Buyer being only interested in the results obtained. Nothing herein shall be deemed or construed to create a joint venture, partnership, agency or employee/employer relationship between the Parties for any purpose. No employee of Seller or its subcontractors shall be deemed for any purpose to be the employee, servant, agent, or representative of Buyer. Seller will be solely responsible for payment of any and all taxes and insurance, including workers' compensation hereunder regarding itself and its employees, if any.

5. **WARRANTIES.**

(a) Seller warrants that the provision of all Goods and Services hereunder shall comply with all applicable laws, industry standards and other safety and quality requirements for Goods or Services of the type supplied hereunder. Seller shall furnish all labor, supervision, equipment, tools, materials and supplies necessary to sell and deliver the Goods or Services set forth in the Purchase Order. Seller warrants that the Goods shall comply with any and all specifications, drawing samples, or other descriptions provided by Buyer.

(b) Seller warrants that it is transferring marketable title to all Goods, and that all Goods purchased hereunder shall be in new condition (unless specifically agreed otherwise), shall not be defective in material or workmanship, shall conform to any required specifications provided by Buyer, and are fit for Buyer's intended purpose, if specifically designated by Buyer.

(c) Seller warrants that all Services shall be performed promptly, with due diligence, in a safe, good and workmanlike manner, in conformance with any required specifications provided by Buyer, and with the skill and expertise that is customary among professional service providers in the industry.

(d) The foregoing warranties shall extend for the longer of (i) twelve (12) months following delivery of the Goods to Buyer or completion of the Services, or (ii) such longer period as is normally offered or provided by Seller with respect to such Goods or Services. This warranty shall survive acceptance and extend to Buyer, its successors, assigns, customers and users of the Goods.

(e) If Buyer determines during the period set forth in (d) that such Goods or Services do not conform to the standards contained in this Section 5, then Seller shall, at Buyer's election and promptly upon notification from Buyer, either (i) refund to Buyer the amounts paid by Buyer for any non-conforming Goods or Services, or (ii) repair, replace or re-perform, at Seller's sole cost and expense, all nonconforming Goods and/or Services with Goods and Services that meet the specifications contained in the Purchase Order. If Seller fails to provide a refund or to repair, replace or re-perform such non-conforming Goods and/or Services, Buyer may obtain from a third-party Goods and/or Services which meet the specifications contained in the Purchase Order and Seller agrees to timely reimburse Buyer for all costs and expenses incurred by Buyer associated therewith.

6. **INSPECTION.** All Goods or Services to be provided hereunder shall be subject to inspection and testing by Buyer to the extent practicable at any reasonable time and place requested by Buyer including at the time and place of manufacture. All Goods and Services to be provided hereunder shall be subject to final inspection and testing by Buyer. Inspection and testing may occur within thirty (30) days of delivery or, if applicable, within thirty (30) days of receipt from Seller of samples for testing, notwithstanding any payments made or inspections conducted prior to delivery. Buyer shall accept or give notice of rejection of Goods or Services provided hereunder within thirty (30) days after receipt. Buyer's failure to give notice of rejection within thirty (30) days after receipt shall constitute acceptance by Buyer but such acceptance shall not waive any of Seller's warranty obligations hereunder. Buyer may return rejected/defective items to Seller at Seller's expense for repair, replacement, or refund, or may retain such items with an equitable price reduction. Seller shall reimburse Buyer for all costs and expenses incurred associated with return of rejected Goods, regardless of the location of the Goods when rejected.

7. **PRICES AND TAXES.** The prices defined by the Purchase Order are firm and fixed for the duration of the Purchase Order. All and all taxes, charges, or fees applicable to the provision

of Goods or Services shall be indicated by the Purchase Order, or Seller's invoice, including packing and transportation charges. Seller shall pay all such taxes, charges, or fees assessed against Seller associated with the provision of the Goods or Services, and agrees to indemnify, defend, save, and hold Buyer harmless from and against any collection actions against Buyer arising out of Seller's failure to so pay. Seller will accept a valid exemption certificate from Buyer in lieu of collection of sales or use taxes with respect to any Goods or Services provided under the Purchase Order.

8. **INVOICES AND PAYMENT.** Invoices shall be submitted monthly or upon final delivery of the Goods or completion of the Services (whichever is the shorter period of time). Invoices shall identify the Purchase Order number, vessel serviced (if applicable), descriptions, quantities, delivery dates and prices. Where applicable, taxes must be separately itemized. Incomplete or inaccurate invoices will be rejected and returned without action. Payment of invoices will be made within sixty (60) days after receipt and acceptance of Goods or completion and acceptance of Services. Seller's right to payment is contingent upon Buyer's approval and acceptance of Goods delivered or Services rendered in accordance with these Purchase Order Terms and Conditions and any specifications contained in the Purchase Order, but payment of the stipulated price is not evidence of Buyer's final acceptance of the Goods or Services purchased under the Purchase Order. Buyer may, at its option, set off any and all sums which Seller owes to Buyer under the Purchase Order or otherwise against any and all sums which Buyer owes to Seller under the Purchase Order or otherwise.

9. **CHANGES.** Buyer may at any time make changes in the general scope of the Purchase Order which affect the (a) drawings, designs or specifications of Goods being specially manufactured for Buyer; (b) method of shipment or packing; (c) place of delivery; and (d) delivery schedules. If any such change causes an increase or decrease in the cost of, or the time required for, performance of the Purchase Order, an equitable adjustment may be made in the Purchase Order price or delivery schedule or both, and the Purchase Order may be modified in writing, accordingly, as authorized by Buyer. Pending any such adjustment, Seller will diligently proceed with the Purchase Order as modified.

10. **DELIVERY TIME AND PLACE; PACKING AND SHIPPING; RISK OF LOSS AND PASSAGE OF TITLE.** Unless otherwise stated in writing in a Contract or the Purchase Order, the Goods to be provided under the Purchase Order shall be delivered FOB Destination to Buyer's facility as indicated by the buyer at the time agreed or, if no time is agreed, within thirty (30) days from the date of the Purchase Order; provided that time is of the essence. Seller shall prepare all Goods for safe transportation in suitable containers or packaging for protection in shipment and storage, and in conformance with carrier's requirements and with any specifications set forth in the Purchase Order. No additional charges, such as for packing material, cartage, etc., will be paid by Buyer unless expressly stated in the Purchase Order. Title to and risk of loss with respect to Goods sold hereunder shall pass from Seller to Buyer at the time the Goods are delivered to Buyer in accordance with the terms of the Purchase Order. Seller agrees to provide at or before the time of delivery, all documentation usually and customarily provided with the Goods, as well as any documentation that is specifically required by the Purchase Order. Delivery of Goods shall not be considered to be completed until all required documentation has been delivered.

11. **TERMINATION OF THE ORDER:** The rights of Buyer provided in this clause shall be in addition to any other rights provided by law or the Purchase Order.

(a) **For Convenience.** Buyer reserves the right to terminate the Purchase Order, in whole or in part, for its convenience upon written notice to Seller. Termination shall be effective upon receipt or such later date as stated therein. Seller shall cease performance of the Purchase Order as of the effective date. Unless specifically agreed otherwise in writing and subject to inspection, Seller shall be entitled to payment for any completed and conforming Goods delivered or made available for delivery and/or the Services actually performed prior to the effective termination date, less (i) reasonable costs avoided as a result of the cancellation, and (ii) any payments made by Buyer prior to such termination.

(b) **For Default.** Buyer may terminate the whole or any part of the Purchase Order: (1) if Seller fails to deliver the Goods or to perform the Services required by the Purchase Order within the time specified herein, or any extension thereof granted by Buyer in writing; and/or (2) if Seller fails to perform any of the other provisions of the Purchase Order, or so fails to make progress as to endanger performance of the Purchase Order in accordance with its terms, or (3) if Seller becomes insolvent or in the event Seller files a voluntary petition under any bankruptcy or insolvency law or makes an assignment for the benefit of creditors or in the event a petition under any bankruptcy or insolvency law is filed against Seller. In the event of termination under (1), (2) or (3), Buyer shall have the right to procure, on such terms and in such manners as it may deem appropriate, Goods or Services similar to those terminated, and to recover from Seller the excess cost for such similar Goods or Services.

12. **HAZARDOUS MATERIALS.** Seller shall notify Buyer, in advance of shipment, of any Goods that are considered under applicable law to be hazardous or dangerous. Seller shall mark and ship such Goods in full compliance with all applicable laws or regulations.

13. **INDEMNITY. SELLER SHALL RELEASE, DEFEND, INDEMNIFY, SAVE AND HOLD BUYER, ITS CUSTOMER AND EACH OF ITS AND THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, SUBCONTRACTORS AND AGENTS, HARMLESS FROM AND AGAINST ALL CAUSES OF ACTION, WHETHER AT LAW OR IN EQUITY, FOR:**

(i) **INJURY TO OR DEATH OF PERSONNEL OF SELLER, ITS PARENT, SUBSIDIARY AND AFFILIATED COMPANIES, AND EACH OF ITS AND THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, SUBCONTRACTORS OF ANY TIER AND AGENTS, REGARDLESS OF FAULT;**

(ii) **DAMAGE TO OR DESTRUCTION OF ANY PROPERTY BELONGING TO SELLER, ITS PARENT, SUBSIDIARY AND AFFILIATED COMPANIES, AND EACH OF ITS AND THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, SUBCONTRACTORS AND AGENTS, IN THE PERFORMANCE OF THE PURCHASE ORDER, REGARDLESS OF FAULT;**

(iii) **INJURY TO OR DEATH OF PERSONNEL OF THIRD PARTIES** (ANY PARTY OTHER THAN COMPANY AND ITS DIRECTORS, OFFICERS, EMPLOYEES, SUBCONTRACTORS AND AGENTS) AND DAMAGE TO OR DESTRUCTION OF ANY PROPERTY BELONGING TO THIRD PARTIES, BUT ONLY TO THE EXTENT CAUSED BY CONTRACTOR, ITS PARENT, SUBSIDIARY OR AFFILIATED COMPANIES, OR ANY OF ITS OR THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, SUBCONTRACTORS OR AGENTS.

14. **INSURANCE.** Seller warrants that insurance coverage will be maintained at all times during the performance of the Purchase Order to cover the indemnity obligations assumed by Seller in Section 13 above. If Seller is providing Goods or performing Services on facilities or property owned or leased by Buyer or its customers, Seller shall maintain Comprehensive General Liability coverage of not less than US\$1,000,000, Employer's Liability and Compensation of not less than US\$1,000,000, Automobile coverage of not less than US\$1,000,000 and Worker's Compensation as required by applicable statutes. Buyer, and its customer if applicable, shall be named as an additional insured on all policies except the Worker's Compensation policy and all policies shall provide for a waiver of subrogation in favor of Buyer and its customer. If Seller is accessing Buyer's vessels, Contractor hereby attests that the watercraft exclusion to its General Liability policy has been deleted.

15. **FORCE MAJEURE.** "Force majeure" shall include acts of God, acts of government, strikes, fire, flood, washout, and any other causes that are not reasonably within the control of the Party affected. If either Party is rendered unable wholly or in material part by reason of force majeure to carry out any of its obligations hereunder, other than obligations to pay money, then on such Party's giving notice and particulars in writing to the other Party within a reasonable time after the occurrence of the cause relied upon, such obligations shall be suspended.

16. **LIMITATION OF BUYER LIABILITY.** If Buyer wrongfully rejects or revokes acceptance of any Goods or Services, or breaches the Purchase Order in any other respect, then Seller's exclusive remedy against Buyer is limited to the recovery of the difference, if any, between: (a) the contract price of directly affected Goods or Services; and (b) the resale price for such Goods when sold in a commercially reasonable manner, or the costs avoided with respect to Services not provided, less any expenses saved. Any recovery by Seller hereunder is directly limited by and will not exceed the price set forth in the Purchase Order. In any event, **BUYER WILL NOT BE LIABLE TO SELLER FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL OR SPECIAL DAMAGES, INCLUDING ANY PROFITS LOST BY SELLER.**

15. **WAIVER, SEVERABILITY, SUBCONTRACTING AND ASSIGNMENT.** No failure of either Party to insist upon strict conformance to any provision hereof shall operate as a waiver of subsequent enforcing or requiring of strict conformance to the provisions hereof. If any provision (or portion thereof) of these terms and conditions shall be declared invalid or unlawful, the remaining provisions shall not be affected thereby, and shall be construed as if such invalid or unlawful provision (or portion thereof) had never been contained therein. Seller may not subcontract or assign all or any part of the performance of the Purchase Order without the specific written approval of Buyer.

17. **CONFIDENTIALITY.** Information exchanged between the Parties during the performance of the Purchase Order is proprietary to the Party originally owning such information, and shall be kept confidential. Each Party shall protect all proprietary and confidential information of the other Party to the same extent such Party protects its own proprietary and confidential information. Buyer's information may be used by Seller only for the purposes of manufacturing the Goods ordered hereunder. Such information shall not be published, disseminated, revealed, or otherwise released or used by Seller in any other manner except for the purposes of the Purchase Order without the expressed written consent of Buyer.

18. **DRAWING AND TECHNICAL DATA.** Seller, if required as part of its performance under the Purchase Order, shall supply any and all printed materials such as service and technical manuals, catalogs, drawing cuts, certified prints, characteristic curves, part lists, and diagrams relating to the Goods on or before the date specified by the Buyer. The failure of Seller to deliver the foregoing materials shall be a basis for Buyer's nonpayment of any invoice for such Goods. All such materials supplied by Seller or specifically prepared at the request of Buyer shall at all times, be and remain the property of Buyer and shall be delivered to Buyer on demand.

19. **PATENTS AND COPYRIGHTS.** Except for Goods manufactured to Buyer-furnished specifications and designs, **SELLER AGREES TO INDEMNIFY AND HOLD HARMLESS BUYER AND ITS CUSTOMERS FROM AND AGAINST ALL CLAIMS, DEMANDS, LOSS AND LIABILITY OF ANY KIND, INCLUDING COSTS AND FEES, FOR VIOLATION OR ALLEGED VIOLATION OR INFRINGEMENT OF ANY PATENT, TRADEMARK, COPYRIGHT, PROPRIETARY INFORMATION RESTRICTIONS, TRADE SECRETS OR THE LIKE BROUGHT AGAINST BUYER BY ANY ENTITY AND WHICH ARISES OUT OF THE PERFORMANCE OF THE ORDER.** Buyer may assume its own defense in any such proceeding, in which event the foregoing indemnity shall extend to Buyer's costs thereof and reasonable attorney's fees.

20. **COMPLIANCE WITH SAFETY, SECURITY AND ENVIRONMENTAL POLICIES.** It is understood by the Parties that Seller is an independent contractor and Buyer has no responsibility or duty to supervise Seller's safety and health programs relative to the Purchase Order. When Seller's employees or employees of Seller's subcontractors report to facilities or property owned or lease by Buyer, Buyer's customers, or other Buyer subcontractors, they shall immediately familiarize themselves with any posted safety, security and environmental rules of Buyer or the owner of the property, emergency procedures and other safety, security and environmental requirements, including those security regulations issued by any governmental entity. **SHOULD SELLER OR ITS SUBCONTRACTORS (IF ANY) OR ANY OF ITS AND/OR THEIR EMPLOYEES FAIL TO COMPLY WITH ANY SAFETY, SECURITY AND ENVIRONMENTAL LAWS OR REGULATIONS, SELLER SHALL RELEASE, DEFEND, INDEMNIFY SAVE AND HOLD BUYER HARMLESS FROM ANY FINES, PENALTIES OR ENFORCEMENT PROCEEDINGS, INCLUDING ANY ASSOCIATED ATTORNEY'S FEES OR COURT COSTS, ARISING THEREFROM. TO THE EXTENT ANY ENVIRONMENTAL CONDITIONS ARISE OUT OF SELLER'S PERFORMANCE OF THE PURCHASE**

ORDER, SELLER SHALL DEFEND, INDEMNITY, SAVE, AND HOLD BUYER AND ITS CUSTOMER HARMLESS FROM AND AGAINST ANY AND ALL LIABILITIES THEREFOR, WHETHER IN LAW OR EQUITY, EXCEPT TO THE EXTENT SUCH LIABILITIES ARISE OUT OF BUYER'S NEGLIGENCE.

21. **AUDIT.** For three (3) years following the completion or termination of the Purchase Order, and upon reasonable prior written notice to Seller, Buyer and/or its customer (if any) shall have the right to audit all documents related to the provision of the Goods under the Purchase Order. Seller shall have the right to exclude any trade secrets, processes, monetary portions of Seller's payroll records, any components of Seller's fixed rates or mark-ups, and third-party invoices (other than reimbursable third-party invoices) from such audit.

21. **GOVERNING LAW.** The Purchase Order will be governed by the laws of the State of Texas, without regard to its principles of conflicts of laws. Seller agrees that its performance under the Purchase Order will be in strict accordance with all applicable laws, regulations, rules, and executive orders of any governmental authority.