

TERMS AND CONDITIONS - FOR SELLERS / VENDORS / SUPPLIERS / CONTRACTORS / SUBCONTRACTORS - These Terms and Conditions apply to services provided, work performed or materials supplied to Colonna's Shipyard, Inc. (Colonna's) under any contract, subcontract, purchase order, delivery order, or other order or pursuant to any quote or proposal (collectively the referred to as the "Contract" or "Contracts") between Colonna's and the contractor, subcontractor, vendor, seller, or service or material provider (hereinafter the "Seller"). The Contract(s) and the Seller shall be subject to the following terms and conditions regardless of any conflicting terms or conditions in any documents provided by the Seller related to such work, materials, services or efforts required hereunder (the "Work"). To the extent that Seller's terms contradict these terms and conditions, the Seller's terms are expressly rejected unless written agreement of both parties is reached to accept such conflicting terms. Award of the Contract is made subject to the acceptance of these Terms and Conditions by the Seller and acceptance occurs upon the Seller's commencing the Work or providing any materials pursuant to the Contract. 1.**CONTRACT VALUE**: The Contract value shall not be exceeded without the written authorization of Colonna's Purchasing Department. If written authorization is not received prior to Seller incurring the increase, the additional cost will not be paid by Colonna's. 2.**CLEAN UP**: Seller will be responsible for maintaining cleanliness in its work areas at all times. If Colonna's cleans up Seller's trash or work area, the Seller will be back-charged for such clean-up. 3.**SCHEDULING AND PROGRESSING**: Sellers are required to adhere to Colonna's production schedule, which has been developed consistent with the schedule requirements of Colonna's or any Colonna's customer. Seller must report progress on a weekly basis, or other specified basis as applicable, and Seller shall comply with instructions provided with the production schedules. The production schedule will incorporate sequences as appropriate. Overtime required to meet the schedule is Seller's responsibility. 4.**GUARANTEE**: The Seller shall guarantee its labor and/or material for the longer of a period of 90 days after completion of the work or delivery of the materials or as required by the express terms of the Contract. To the extent that Seller provides materials with a guarantee period longer than 90 days or than the duration required by the Contract, the Seller's guarantee for such materials shall extend to the longer term provided by the material supplier. 5.**LOWER-TIER SUBCONTRACTING**: If you intend to subcontract (second tier or lower) any of the Work specified in this Contract, Colonna's must be notified of your intentions and grant approval before any Work is commenced or materials supplied. All conditions of performance will apply to any lower tier subcontractor as if it were the Seller performing the work. 6.**MODIFICATIONS**: With respect to modification to the Contract or its terms, the following procedures will be followed: A.Seller must submit a report clearly stating why the proposed Work is outside the scope of the Contract within 24 hours of identifying the proposed change. B.When requested to provide an estimate for additional labor and material related to the change, Seller shall provide such within two (2) business days of identifying the change. If additional time is needed to provide such an estimate, Seller must indicate the amount of additional time required and provide a reasonable justification for such additional time. C.Seller shall proceed with the identified change only after written authorization is given by Colonna's. 7.**HOLD HARMLESS AND INDEMNIFICATION**: A.**Company's Obligations**: The Company agrees to permit limited access into Colonna's shipyard and facilities as are reasonably necessary to complete the Contract Work by the Seller and its employees, agents, representatives, suppliers, invitees and lower-tier subcontractors (the "Seller Parties") during reasonable business hours for the purpose of performing the Contract Work provided that the Seller Parties are in full compliance with the terms of this Contract. The right of the Seller Parties to access and perform the Work at Colonna's Facilities may be further limited, delayed or terminated at any time by Colonna's in its sole discretion if the Seller's efforts are unsafe or otherwise in violation of any Applicable Laws as defined below. B.**Seller's Obligations**: i.The Seller covenants and agrees to comply with, and agrees that it will cause any and all of the Seller Parties to comply with, all foreign, federal, state, local, regional or municipal laws, statutes, ordinances, rules and regulations (hereinafter the "Applicable Laws") applicable to Colonna's, the Colonna's Facilities, or the Seller Parties in connection with this Contract including, but not limited to, all applicable health, safety, environmental and security related Applicable Laws and with the Colonna's Facility policies and any safety policies promulgated by Colonna's. ii.Seller's Access and Security Obligations. The Seller covenants and agrees to, and will cause any and all of the Seller Parties to have the requisite training and expertise, and to conduct themselves in a manner appropriate and necessary for the performance of the Contract, including compliance with the Facility's security plan and as required by Applicable Laws and/or the Prime Contract if the Contract is issued pursuant to a Customer's Prime Contract. iii.In the event that the Seller or any of the other Seller Parties fail to comply with any term of this Contract, the Company may in its sole discretion terminate the Contract immediately without notice to the Seller and remove any of the Seller Parties from Colonna's Facility. C. **Indemnification**: i. For Proceedings, Expenses & Defense Costs. The Seller hereby agrees, to the fullest extent permitted by law, to indemnify, advance expenses, defend and hold harmless Colonna's and any and all of its directors, officers, agents, representatives, affiliates, invitees, subcontractors, and employees (the "Indemnified Parties") from and against any and all actual, threatened or completed claims and demands, actions, suits, arbitrations, proceedings, investigations, losses, liens, costs, settlements and judgments of any kind and nature whatsoever (collectively the "Proceedings"), of or by anyone whomsoever, including, without limitation, claims by any of the Seller Parties or arising in favor of any third party, including reasonable attorney's fees and expenses incurred in defending against Proceedings, for death of or injury to persons or damage to property, including property owned, leased or operated by or under the care and/or custody of Colonna's, and for civil, criminal or administrative fines and penalties, in any way resulting from or arising out of: directly or indirectly from:(a) Any act, omission or negligence of any of the Seller Parties; or, (b) Any failure of any of the Seller Parties to comply with either the terms or conditions of this Contract or any Applicable Laws. ii.For Damages and Losses. The Seller also agrees to indemnify Colonna's and to pay for all damages or losses suffered by Colonna's, including, but not limited to, damage to or loss of property owned, leased or operated by Colonna's, or injury or death to Colonna's employees or any of the other Indemnified Parties caused by or arising out of the conditions, operations, uses, occupations, acts, omissions or negligence of the Seller or the Seller Parties referred to above. 8.**LIMITATION OF LIABILITY**: IN NO EVENT SHALL COLONNA'S BE LIABLE TO SELLER, SELLER PARTIES, OR THIRD PARTIES FOR LOST PROFITS OF BUSINESS, LOSS OF RENTALS, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR OTHER SPECIAL DAMAGES, WHETHER BASED IN CONTRACT, TORT OR ANY OTHER THEORY OF LAW AND WHETHER OR NOT ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THIS LIMITATION IS IN NO WAY MEANT TO LIMIT THE CONTRACTOR'S LIABILITY FOR PERSONAL INJURY OR DEATH IN THOSE JURISDICTIONS WHERE THE LAW DOES NOT ALLOW SUCH LIMITATIONS. 9.**ASSIGNMENT AND MODIFICATION**: The Seller shall not assign, sublease or transfer its interests in this Contract without the prior written consent of Colonna's. This Contract may not be amended nor modified except with the prior written consent of each of the parties hereto. 10.**CHOICE OF LAW, JURISDICTION AND VENUE**: The parties agree that this Contract, and other orders or Work required or performed thereunder, shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Virginia without application of the conflict of laws principles thereof. All parties agree that any disputes hereunder shall be resolved by and litigated only in the Circuit Court of the City of Norfolk, Virginia or in the United States District Court for the Eastern District of Virginia, Norfolk Division, and the parties consent to the sole jurisdiction and venue of such specified courts. The parties also agree that any such disputes shall be tried without jury and to the Judges appointed by such specified courts and they expressly waive their rights that they might otherwise have to a trial by jury. 11.**SAFETY**: In addition to any requirements under the Applicable Laws, the Seller agrees that all personnel accomplishing work in the Colonna's Facility are required to comply with the Virginia Ship Repair Association's ("VSRA") Safety Regulations, which includes the wearing of safety glasses, hard hats and leather work shoes in production areas at all times. In addition, Colonna's has implemented a hearing conservation program, which requires the wearing of hearing protection in all areas where "Hearing Protection Required" signs are posted or in any areas where noise exposure is considered to be excessive. Employees are required to have appropriate hearing protection devices readily available on their possession or in their tool bag at their work-site. Colonna's policy is that "anyone found not wearing the proper safety gear will be given 5 normal working days off without pay." In case of Seller's personnel or any Seller Parties' violations, the offender will not be allowed back into the yard for 5 normal working days (Mon-Fri) and his supervisor will be directed to replace him for that period. All personnel entering the yard are required to attend Colonna's Safety Orientation at the Seller's sole expense 12.**ACCESS REQUIREMENTS**: Prior to entering Colonna's Facility or Facilities, or those of the Prime Contract's Customer where such exists, the Seller shall comply with all rules, regulations, policies or requirements of Colonna's or its Customers. Such compliance with access requirements (or with safety requirements from Section 11 above), shall be at Seller's sole cost and Colonna's shall not be liable or responsible for Seller's failure to comply with all such access requirements. 13. **PRIME CONTRACT OR HIGHER-TIER CONTRACTS**: Seller agrees that to the extent its Work or materials are to be used on or for any higher tier contract between Colonna's and its prime contractor (the "Prime Contract"), then in addition to any requirements under this Contract, the Seller's Work or materials provided shall comply with all requirements contained in the Prime Contract for the Work or materials provided hereunder. 14.**CERTIFICATE OF INSURANCE**: The Seller shall provide a Certificate of Insurance, which demonstrates proof of insurance coverage, which is acceptable to Colonna's. The following insurance coverage with the indicated minimum limits of liability is required. Certificates of Insurance are required of all Sellers and/or Seller Parties performing Work under the Contract. Such Certificates shall be provided prior to obtaining entrance to Colonna's Facilities. **Coverage/Minimum Limits** A. Comprehensive general liability, broad from property damage and personal injury insurance with coverage to include premises and operations, products liability, complete operations hazard, contractual liability (specifically insuring the liability assumed under this Agreement), and independent subcontractor coverages. Combined bodily injury and property damage coverage shall have minimum limits of liability of \$2,000,000 per occurrence and \$2,000,000 in the aggregate. Personal injury coverage shall have a minimum aggregate liability of \$1,000,000. B.Comprehensive automobile liability insurance with coverage to include owner hired and non-owned vehicles. Combined bodily injury and property damage coverage shall have a minimum liability limitation of \$1,000,000 per occurrence. Ship Repairer's Liability insurance is required for all Sellers working on board vessels or on parts, equipment, or assemblies that will be installed on a vessel. C.Worker's Compensation and Longshoreman's and Harbor Worker's Compensation insurance with limits of liability conforming to the statutory requirements of the Commonwealth of Virginia and the United States of America. If work is to be accomplished on ships, dry docks, or piers, benefits under the Longshoremen's and Harbor Worker's Act must be shown on the Certificate of Insurance .D.Additional Requested Information: The valid Certificate of Insurance from the insurer or insurers evidencing coverages as listed above must: i. Contain the provision that the insurer or insurers shall notify Colonna's at least thirty (30) days prior to the time of any cancellation or reduction of coverage; ii. Show Colonna's as additional named insured on the Certificate of Insurance for comprehensive general liability and automobile liability; iii.Show a Waiver of Subrogation against Colonna's under Worker's Compensation and Longshoremen's and Harbor Worker's Compensation; and iv. Seller must provide a current Certificate of Insurance which reflects the above coverages, waivers, and endorsements. E. Access to Colonna's and its Facilities will be denied unless the Seller complies with the above insurance requirements.15.**ENVIRONMENTAL COMPLIANCE**: It is the policy of Colonna's that our company, its employees and our subcontractors fully comply with the letter and spirit of all applicable laws and regulations relating to the environment. Environmental compliance is the responsibility of every Colonna's employee and Seller employee. Sellers are expected to ensure that every Seller employee or other Seller Party is fully knowledgeable of his or her environmental responsibilities, that every employee or Seller Party is aware of the environmental implications of his or her job performance and that every Seller Party's environmental responsibilities are met with the highest level of skill and competence. 16.**LIENS**: All material delivered, equipment furnished, and labor performed under this Contract will be free of all lien, claims, charges and encumbrances, legal or equitable. 17.**MATERIALS**: All goods supplied under this Contract shall have mandatory receipt inspections at Colonna's Receiving Department. Workmanship or materials shall be of first quality and within specifications. All Materials leaving and returning to Colonna's property must be processed through Receiving and accompanied with a shipping manifest. 18.**DELIVERY**: It is the responsibility of the Seller to notify Colonna's Purchasing Department of any impact on delivery under this purchase order should any event occur that is anticipated to cause a schedule change. This notification shall be done in writing. By accepting this purchase order, seller accepts the Terms and Conditions set forth herein.