

# Curtin Maritime, Corp. Purchase Order Terms & Conditions

## PART A: GENERAL PROVISIONS APPLICABLE TO GOODS AND SERVICES.

It is understood and agreed that the following terms and conditions of this Order are applicable to both the sale of goods and/or services to Buyer. The following terms and conditions shall apply in all cases:

**Definitions:** The term “Buyer” includes the purchaser of the goods and/or services, as well as the ultimate consumer, user and/or recipient of the goods and/or services, and all rights, benefits and remedies conferred upon Buyer by this Order shall also accrue to and be available to and are for the express benefit of said consumer, user and/or recipient, as well as any successor in interest of Buyer. The term “goods” includes equipment, parts, components, materials and any other personal property of every type, kind and description, as specifically described in the business terms of the Order. The term “services” includes all design, consulting, delivery, installation, inspection, training, testing, repair, improvements and/or other work or services as specifically described in the business terms of the Order, including any services that are otherwise required in connection with, or incidental to furnishing, any goods described in the Order. The term “property” includes the vessel, equipment and/or other property of Buyer for which Seller is to provide goods and/or services. The term “Order” means the order to purchase goods and/or services described in the business terms of the Order, together with these terms and conditions, including any attachments hereto or documents referred to herein. The term “business terms” refers to the business terms and other special provisions of the Order (other than these general terms and conditions), including, but not limited to, the line descriptions of the goods and services and the payment terms.

**Acceptance and Entire Agreement:** Seller’s commencement of services under this Order, shipment of goods specified in this Order, or acknowledgement of this Order within five (5) days of receipt of the Order, shall be conclusively deemed acceptance of this Order, including the terms and conditions described herein. This Order constitutes the entire agreement between the parties with respect to the subject matter hereof. Any written confirmation or acknowledgment of this Order, or any oral understanding upon which this Order is based, containing proposals or terms additional to or different from those set forth herein are not binding on Buyer unless Buyer expressly agrees to any such proposal or term in writing with signature by the Buyer. Notwithstanding the foregoing, this Order shall not replace or supersede any written confidentiality agreement signed by the parties.

**Changes in Order:** Buyer shall have the right to order changes from time to time in the performance required of Seller under this Order, and Seller shall without delay conform to any such change order. In the event of any such change in this Order, the prices or times of performance, or both, shall be adjusted within reasonable and appropriate limits; provided, however, that Buyer shall have no obligation to pay any claim by Seller for increase in price or time of performance required which is not received by Buyer in writing within ten (10) calendar days after the date the change is ordered. No change shall be made by Seller in the performance required by this Order except as such change is specified in writing and signed by an authorized representative of Buyer.

**Acceptance of Shipments and Inspection:** All goods and services covered by this Order are subject to inspection by Buyer at any time or place reasonably designated by Buyer and may be rejected if not strictly in accordance with the terms and conditions of the Order. Payment for shipments and/or progress payments for work in progress shall not constitute acceptance thereof, and defective or nonconforming shipments or performance will, at Buyer’s option, be held for Seller’s instructions at Seller’s risk, or will be returned to Seller. Seller will be responsible for transportation charges on returned shipments both ways. Any prior payment made by Buyer on such rejected goods or services shall be immediately refunded, and the rejected goods or services shall not be replaced or re-performed without an additional order from Buyer. At Buyer’s option, inspection and tests before delivery may be made by Buyer or Buyer’s customers at Seller’s premises or elsewhere as designated by Buyer, at reasonable times and places, and Seller will provide sufficient safe and proper facilities for such inspection or testing; but, notwithstanding such inspection and tests, or inspections and tests made prior to the issuance of this Order, the goods and services covered by this Order are subject to rejection upon final testing, inspection and use by Buyer and/or Buyer’s customer upon delivery to the premises of Buyer and/or Buyer’s customer. Buyer’s count shall be accepted as final on all shipments whether or not accompanied by a packing list.

**Permits and Approvals:** All necessary permits, bonds, testing, inspection and approval of materials or workmanship by the proper authorities is to be provided and arranged by Seller at no additional cost to Buyer unless authorized.

**Performance and Waivers:** Any waiver by Buyer of strict performance with regard to any of the terms, conditions or provisions of this Order must be in writing, executed by Buyer to be effective, and such waiver shall not be deemed a waiver of Buyer’s rights to insist upon strict performance of all portions of this Order not waived, and strict performance thereafter of provisions presently waived.



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**Default:** Buyer reserves the right to cancel this Order in its entirety, or in part, on account of defects in materials, workmanship or quality, or if the Seller fails to comply with or perform any of the terms and conditions of this Order. Seller shall also be liable for all damages and costs of Buyer resulting from such default, regardless of any action taken or not taken by Buyer to cancel this Order entirely or in part.

**Compliance with Laws:** Any reference in these terms and conditions to a statute or a provision of a statute shall be construed as a reference to that statute or provision as amended, re-enacted or extended at the relevant time. Seller shall comply with all applicable laws and regulations of governmental authorities, including among other things, Executive Order 11246, as amended, 38 USC 4212 on the Vietnam Era Veterans Readjustment Assistance Act of 1974, Section 503 of the Rehabilitation Act of 1973, as amended, and the regulations at 41 CFR Part 60-1 through 60-60, 60-250, and 60-741, matters involving the Civil Rights Act of 1964, wages, hours, materials, race, color, sex and creed of workmen, price regulations and renegotiation provision, and other matters, whether or not specifically mentioned herein. The parties hereby incorporate 41 C.F.R. 60-1.4(a)(7); 29 C.F.R. Part 471, Appendix A to Subpart A; 41 C.F.R.60-300.5(a)11; and 41 C.F.R. 60-741.5(a)6, if applicable. Seller shall abide by the requirements of 41 C.F.R. 60-300.5(a), which prohibits discrimination against qualified protected veterans and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans. Seller shall abide by the requirements of 41 C.F.R. 741.5(a), which prohibits discrimination against qualified individuals on the basis of disability and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities. Seller shall comply with the provisions of the Occupational Safety and Health Act of 1970, the standards and regulations issued thereunder and all applicable federal and state occupational safety and health laws such as "Right-to-Know" regulations. Hazard communication information such as complete Material Safety Data Sheets (MSDS) shall be supplied to Buyer for all hazardous material.

**Time:** Time is of the essence for this Order.

**Drawings:** Seller shall furnish for the approval of Buyer all shop drawings as Buyer may require, and all workmanship and materials shall be in strict accordance with the approved drawings. All plans, specifications and drawings provided by Buyer to Seller in connection with this Order or provided by Seller especially for performance hereunder shall be the property of Buyer and may not be used at any time for any other purpose by Seller.

**Assignment and/or Subcontracting:** Seller may not assign or subcontract any portion of its obligations under this Order nor assign or otherwise transfer any monies due or to become due hereunder, without first obtaining the written consent of Buyer.

**Advertising:** Seller shall not, without first obtaining the written consent of Buyer, in any manner advertise or publish the fact that Seller has either contracted to furnish or has sold to Buyer the goods or services herein mentioned.

**Indemnity:** To the extent permitted under law, Seller shall indemnify, hold harmless and defend Buyer from and against any and all suits, legal proceedings, claims, demands, damages, losses, fines, penalties, costs and expenses of whatsoever kind or character (including, but not limited to, reasonable attorneys' fees and expenses) arising out of (1) any breach by Seller of the terms and conditions of this Order, (2) any injury (including death) or damage to any persons or property in any manner, caused or occasioned by the goods or services or any act, omission, fault, negligence or default of Seller or anyone acting on its behalf, and (3) any claims that the goods and/or services, or Buyer's possession, use or sale of the goods and/or services, infringe upon any patents, trademarks, copyrights or other intellectual property rights of any third party.

**Termination:** Buyer may terminate this Order, in whole or in part, at any time by written notice, stating the extent and effective date of such termination. Upon receipt of such notice Seller will, as and to the extent directed by Buyer, stop work under this Order, terminate work under orders and subcontracts outstanding hereunder, and take any necessary action to protect property in Seller's possession in which Buyer has or may acquire an interest. Buyer's sole liability to Seller in case of termination shall be reimbursement of Seller's expenses incurred up to and including the date and time of termination.

**Limitation on Damages:** In no event shall Buyer be responsible for consequential, incidental, indirect, punitive, exemplary or special damages including without limitation extra expense, loss of use of property, delay or lost profits, whether resulting from negligence, breach or otherwise and even if the possibility of such damages is foreseeable by Buyer.

**Taxes:** Unless otherwise expressly provided in the business terms of this Order, all taxes, duties, tolls, fees, import charges or other governmental exactions shall be deemed included in the purchase price, and Buyer shall have no liability to pay Seller any amount in excess of the purchase price specified herein.

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**Extension of Benefits:** All exceptions, exemptions, defenses, immunities, limitations of liability, privileges and conditions granted or provided by this Order to the benefit of Buyer shall also apply to and for the benefit of all entities that are parent of, subsidiary to, affiliated with or under the same management or control as Buyer, as well as all directors, officers, employees and agents of said entities.

**Confidentiality:** All confidential information of Buyer disclosed to Seller in connection with this Order will remain the exclusive and confidential property of the Buyer. The Seller will not disclose the Buyer's confidential information and will use at least the same degree of care, discretion, and diligence in protecting the Buyer's confidential information as it uses with respect to its own confidential information, but in no case less than reasonable care. Seller will limit access to Buyer's confidential information to its employees and authorized representatives with a need to know the confidential information to perform this Order and who are under a similar confidentiality agreement with Seller. Seller shall be responsible for any breach of this confidentiality obligation by its employees or authorized representatives.

**Prohibited Equipment and Services:** Seller represents and warrants that the goods or services provided under this Order shall not include covered telecommunications equipment or services from prohibited Chinese sources as defined in Section 889 of the National Defense Authorization Act for Fiscal Year 2019 and the rules and regulations promulgated thereunder. Seller further represents and warrants that all goods provided under this Order shall not contain asbestos.

## Miscellaneous:

A notice required or permitted to be given by either party to the other under these terms and conditions shall be in writing addressed to that other party at its registered office or principal place of business or such other address as may at the relevant time have been notified under this provision to the party giving the notice.

No waiver by the Buyer of any breach of the Order by the Seller shall be considered as a waiver of any subsequent breach of the same or any other provision.

If any provision of the Order is held by any court or other competent authority to be invalid or unenforceable in whole or in part the validity of the other provisions of the Order and the remainder of the provisions of the Order shall not be affected.

The Order shall be construed in accordance with, and all disputes shall be governed by, the laws of the State of California specifically including the provisions of the Uniform Commercial Code as adopted by that state, and the Seller agrees to submit to the jurisdiction in California in the event of any proceedings therein in connection herewith.

## PART B: PROVISIONS APPLICABLE ONLY TO GOODS.

*In addition to the provisions of Part A above, the following terms and conditions shall apply to the sale of goods hereunder.*

**Title:** Title and risk of loss to the goods shall pass to Buyer upon Buyer's acceptance of delivery at the place specified in the business terms of this Order. Shipping tickets and/or packing slips must show in detail any goods shipped and must accompany all deliveries.

**Crating, Cartage, Storage:** No charges will be accepted by the Buyer for crating, boxing, cartage, storage or like services, unless specifically agreed to in writing prior to performance hereunder.

**Warranties:** Seller warrants clear and merchantable title to the goods free of any security interest, lien or encumbrance and that the goods, and Buyer's possession, use or sale of the goods, do not violate any patents, trademarks, copyrights or other intellectual property rights of any third parties. Seller further warrants that the goods shall be merchantable, of the quality specified, and shall be fit for the purposes intended. All implied warranties of the Uniform Commercial Code and warranties implied by usage of trade are reserved by Buyer and incorporated herein.

**Transportation Costs:** Seller warrants that any transportation costs included in the price will not exceed actual transportation costs paid by Seller. If this Order calls for payment of any transportation costs by Buyer, Buyer shall in no event be liable or accountable for any amount in excess of the actual costs of transportation. Seller shall be accountable for and shall pay any excess transportation costs arising from Seller's failure to make delivery to the FOB point or to follow shipping instructions furnished by Buyer.

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## PART C: PROVISIONS APPLICABLE ONLY TO SERVICES.

*In addition to the provisions of Part A above, the following terms and conditions shall apply to the sale of services hereunder.*

**Manner and Materials:** Seller shall perform the services in a workmanlike manner at the location designated by Buyer in accordance with the specifications of Buyer. All plans, drawings, materials, machinery, equipment, outfitting, and workmanship involved in performance of the services shall be supplied by Seller and shall be of a quality conforming to the best commercial practice for services of this type.

**Warranties:** Seller shall keep Buyer's property free and clear of all liens, security interests, encumbrances and claims of every nature, including statutory and maritime liens in favor of vendors, workmen, materialmen, subcontractors, or others arising by, through or under Seller. Seller shall discharge all such liens and other claims at once. Seller hereby waives all liens, whether possessory or otherwise, in its favor which would otherwise attach to Buyer's property.

Seller shall correct to the satisfaction of Buyer all defects in workmanship or in deliverables or materials furnished by Seller hereunder, which may develop or become known within a period of one year (or other period as may be specified in the business terms of this Order) after completion of the services.

All deliverables, writings or works of authorship, including, without limitation, program codes or documentation, produced or authored by Seller in the course of performing the services for Buyer, together with any associated copyrights, are works made for hire and the exclusive property of Buyer. To the extent that any deliverables, writings or works of authorship may not, by operation of law, be works made for hire, this Order shall constitute an irrevocable assignment by Seller to Buyer of the ownership of and all rights of copyright in, such items, and Buyer shall have the right to obtain and hold in its own name, rights of copyright, copyright registrations, and similar protections which may be available in the works. Seller shall give Buyer or its designees all assistance reasonably required to perfect such rights.

**Care of Buyer's Property:** At all times during the term of this Order, Seller shall protect Buyer's property from any and all damage. At all times while any of Buyer's property is on Seller's premises, Seller shall assume all risk of damage to or loss of such property (or of any machinery, equipment, deliverables, materials and outfitting obtained or intended for Buyer's property) from any cause whatsoever.

**Insurance:** Seller, at its sole cost and expense (including the cost of all deductibles), shall procure and maintain in force during the term of this Agreement the following insurance coverages which shall apply independently of indemnity obligations contained within these Terms and Conditions.

**A.** Workers Compensation insurance as required by law for all employees, agents and subcontractors of Seller; and, Employer's Liability insurance in an amount not less than \$1,000,000 each accident. Such insurance shall provide coverage in the location in which the work is performed and the location in which the Seller is domiciled. If there is an exposure of injury or illness under the U.S. Longshore and Harbor Workers Compensation Act (including the Outer Continental Shelf Lands Act), the Jones Act, Admiralty Act, Death on the High Seas Act and/or other statutes applicable to maritime employees, Seller agrees to maintain insurance for such injuries or illnesses, and to provide evidence of such insurance as applicable.

**B.** Commercial General Liability insurance, on a per occurrence basis, endorsed to cover premises, operations, products/completed operations, personal injury, and contractual liability; with watercraft exclusions deleted, (and "in rem" coverage as may be applicable), at a minimum limit of \$5,000,000 any one accident or occurrence. In the event Seller's operations include minor ship repair or associated work, such policy must be amended to include a Ship Repairers Legal Liability Endorsement (or a separate policy must be written) at a minimum limit of \$5,000,000 any one accident or occurrence.

**C.** Automobile Liability insurance, covering Seller's owned, rented, leased, non-owned and hired vehicles; Limits of liability not less than \$1,000,000 any one occurrence.

**D.** As applicable:

**If professional services or consulting services are being performed under this Agreement: Professional Liability/Errors & Omissions Liability insurance with limits not less than \$5,000,000 any one occurrence.**

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With respect to the delivery of fuel or other hazardous products, or waste disposal operations performed by Seller: Pollution insurance or Environmental Impairment insurance with limits of liability not less than \$5,000,000 per occurrence, and any other public liability or environmental impairment coverage required by federal, state or local regulatory authorities.

**Should the services supplied under this Order include use of Seller's vessels:**

**(a)** Protection & Indemnity insurance to be evidenced through a full entry with an international P&I Club, including collision liability, tower's liability, and liability for seepage, pollution, containment and cleanup, with extensions for marine contractual liability, removal of wreck, etc., subject to a minimum limit of liability of \$10,000,000 any one accident or occurrence. Alternatively, if a full entry in an international P&I Club is not available or applicable, maritime liability coverage should be evidenced on an SP-23 form or equivalent including collision liability, tower's liability and third -party statutory liability for seepage, pollution, containment and cleanup, with extensions for marine contractual liability, wreck / debris removal, subject to a minimum limit of liability of \$5,000,000.

**(b)** Hull & Machinery insurance including collision liability with sistership clause unamended, with limits of liability at least equal to the full value of all vessels used in connection with performance of the services required under this Order, and with navigational limitations adequate for the Seller to perform the specified services. Where vessels engage in towing operations, said insurance shall include full tower's liability with sistership clause unamended.

The Workers Compensation/Employers Liability insurance policy shall be endorsed to waive all rights of subrogation against Buyer, (and the vessel, if applicable), and shall contain an "In Rem" endorsement, along with an endorsement providing Buyer with thirty (30) days advance written notice of cancellation. Sellers in states with "State Fund" Workers Compensation must provide proof of coverage through the State Fund.

All other policies shall be endorsed to name Buyer, its parent, subsidiary or affiliated companies and their shareholders, officers, directors, agents and employees (and the vessel, if applicable) as Additional Insureds with a Waiver of Subrogation, along with an endorsement providing Buyer with thirty (30) days advance written notice of cancellation.

In no event shall the amount or scope of insurance described herein place any limitation on the liability assumed by Seller, and should Seller maintain insurance limits higher than the limits listed above, Buyer shall benefit from those higher limits. Seller shall require its subcontractors performing hereunder to maintain insurance of the types and amounts required of Seller. Policies of Seller shall be primary to any insurance carried by or available to Buyer and any "other insurance" clauses under Seller's policies shall be amended accordingly. Should Seller fail to procure or maintain any of these insurance coverages, or by any actor omission vitiate or invalidate any of the aforesaid insurance coverages, Seller shall pay to Buyer all losses and indemnify Buyer against all claims and demands which would otherwise have been covered by such insurance. Irrespective of the requirements as to insurance to be carried by Seller or their subcontractors as provided herein, insolvency, bankruptcy, or failure of any insurance company to pay all claims accruing shall not be held to relieve Seller of any of its obligations.

Such insurance shall be written with Insurers carrying no less than a "B" rating from A.M. Best's. Commencement of operations without receipt of the required Certificates of Insurance shall not constitute a waiver of the obligation of the Seller to maintain the required insurance coverages and to provide Buyer with Certificates of Insurance (at the following address).

**Curtin Maritime, Legal Department, 725 Pier T Ave., Long Beach, CA 90802**

Email: [insurance@curtinmaritime.com](mailto:insurance@curtinmaritime.com)

Fax: (562) 983-7269

**Independent Contractor:** Seller shall determine the manner and method of performing any services under this Order and shall operate at all times as an independent contractor and not as an agent, partner or employee of Buyer.

**Nature of Work:** The nature and location of the services and all conditions which may affect its completion have been carefully inspected and considered by Seller, who assumes all risk of loss and unanticipated expense, however caused and whether or not foreseeable.