



STANDARD PURCHASE ORDER TERMS & CONDITIONS

In effect for: Bollinger Shipyards, LLC, Bollinger Shipyards Lockport, L.L.C., and subsidiary companies including Bollinger Marine Fabricators, L.L.C., Bollinger Morgan City, L.L.C., Bollinger Amelia Repair, L.L.C., Bollinger Fourchon, L.L.C., Bollinger Houma Shipyard, L.L.C., Bollinger Larose, L.L.C., Bollinger Algiers, L.L.C., and Bollinger Quick Repair, L.L.C., Bollinger Mississippi Shipbuilding, L.L.C., Bollinger Mississippi Repair, L.L.C., and CHAND, L.L.C. (hereinafter sometimes referred to collectively as "the Bollinger companies" or individually as "a Bollinger company", "the Bollinger company" or "Buyer")

Any purchase order issued by any Bollinger company shall include and be subject to the following conditions:

1.0 CONTRACT

Before any Purchase Order issued by one of the Bollinger companies becomes a contract, it is an offer to enter into a contract. Any Purchase Order is revocable, in whole or in part, by Buyer, any time prior to acceptance. Any Purchase Order, together with any commercial specifications, military specifications (MIL-SPECS) or other specifications incorporated fully therein by reference on the face of any Purchase Order, and all addendum thereto shall, when accepted, constitute the entire contract between Seller and Buyer, and it shall be conclusively presumed to be accepted upon commencement of performance or acknowledgement. If, on the face of any Purchase Order, one or more commercial specifications, military specifications (MIL-SPECS), other specifications or documents are incorporated therein by reference, then Seller agrees to be bound by each and every requirement, specification, and term contained in such commercial specifications, military specifications (MIL-SPECS), other specifications and documents so incorporated therein. Any other document or oral agreement becomes binding only after mutual acceptance of a written amendment to a particular Purchase Order. The term "goods" as used herein, shall mean that which a Bollinger company is purchasing from Seller, whether it be materials and products to be manufactured and/or delivered, or services to be rendered, or both.

2.0 DEFINITIONS

This Section Superseded by Definitions in Program Specific Terms and Conditions.

3.0 DELIVERY AND RISK OF LOSS

Buyer's production schedules and warranties to its customers are dependent upon the agreement that deliveries of the goods covered by any Purchase Order will occur on the required delivery date shown on the face thereof. Therefore, time is of the essence, and Seller shall be responsible for all damages of any kind incurred or suffered by Buyer which were caused by any delay of Seller in making deliveries of acceptable supplies. Seller agrees to notify Buyer immediately if at any time it appears that Seller may not meet the delivery schedule. Such notification shall include the reasons for the delay, actual or potential, the steps being taken to remedy the constraint, and the revision in the original delivery schedule proposed by Seller. Any assistance furnished by Buyer to overcome delays shall not be regarded as waiving Buyer's remedies for default, including termination rights, if Seller fails to meet the contractual schedule.

Unauthorized advance shipments and shipments other than for the quantity ordered are



returnable at Seller's expense. Seller shall further not ship partial or incomplete orders without Buyer's advance written approval. Such unauthorized partial or incomplete orders may, at Buyer's sole discretion, be returned to Seller at Seller's expense. Shipping terms shall be in accordance with the P/O. The packing, shipping and all other costs of all return shipments shall be borne by Seller.

4.0 WARRANTIES

All warranties of Seller, whether created expressly by law or in fact, are incorporated in any P/O by reference and shall include and are supplemented by the following express warranties:

(A) The goods shall comply with any and all specifications, drawing samples, or other descriptions furnished by Buyer; (B) the goods shall be merchantable of good material and workmanship, free from defect, and suitable for their intended purpose;

(C) Seller agrees to repair or replace, at Seller's sole expense, (which Seller's expense shall include, but not be limited to, the expense of delivery and redelivery of the goods to Seller's repair facility, insurance, packaging/packing and handling, and as to goods which cannot reasonably be shipped, Seller's expenses relating to transportation, lodging and associated expenses of Seller's repair personnel to the site of the goods to be repaired, and all labor and material costs required to effect repair), any goods found to be defective as to material or workmanship, for a period of one (1) year from the date of delivery by Buyer of Buyer's product in which Buyer has placed or incorporated Seller's goods purchased under any Purchase Order; and, the repair(s) of goods which have been repaired under this warranty shall be themselves warranted from defects in material and workmanship for an additional one (1) year from the date that the repairs are accepted by Buyer, and any additional repairs to the goods required by a failure of previous repair(s) shall likewise be effected at Seller's sole expense; (D) the goods shall have a shelf life of not less than eighty-five (85%) percent of their usable life, as measured from the date of the goods' manufacture to their expiration date, provided that in any event, the expiration date of the goods shall be not less than one (1) year from Buyer's receipt thereof; and (E) except in the case of goods for which Buyer furnished detailed manufacturing drawings, the manufacture and sale by Seller of the goods, the use of the goods by Buyer, or disclosures by Seller to Buyer in any manner shall not infringe upon or violate the legal or equitable rights of any person, corporation, or partnership arising out of any license or franchise, or out of any patent, trademark, copyright, or other proprietary right now or hereinafter in effect. All obligations of Seller under any P/O shall survive acceptance of payment by Buyer and shall include liability for any loss, consequential and incidental damages, and expenses resulting from the breach of any warranty or resulting from any other act or omission by Seller, its agents or employees, while in the performance thereof.

5.0 INSPECTION

Buyer reserves the right to inspect all goods prior to shipment by Seller, and in furtherance thereof, Seller shall permit employees or representatives of Buyer and Buyer's customer, to have access to Seller's facilities at all reasonable hours. All goods shall nevertheless be received subject to final inspection and approval by Buyer after delivery at destination. Defective goods may be returned for credit or replacement at Seller's expense. In addition to any other defects for which Buyer may reject goods upon final inspection after delivery, Buyer shall have the right to reject as defective any and all goods which weigh in excess of the weight of such goods as Buyer has specified or as may be contained in Seller's standard catalog or other data furnished to Buyer



therefor. Buyer's inspection, or its lack of inspection, shall not affect any express or implied warranties. Seller shall provide reasonable space and assistance for the safety and convenience of representatives of Buyer and its customers during the course of any inspection of any goods undertaken by Buyer at or on Seller's premises. At the time of inspection Seller shall make available to such representatives copies of all drawings, specifications and other technical data applicable for the goods ordered.

6.0 PACKING AND SHIPPING

(A) Seller shall ship only as specified herein, or as subsequently directed in writing, and in strict conformity with the governing tariff rules and regulations; (B) Seller shall pack or otherwise prepare all goods to meet carrier requirements and safeguard against damage from weather and transportation; (C) No separate charges shall be allowed for packing or cartage unless specifically noted herein; (D) Unless otherwise agreed upon in writing by Buyer, goods must be shipped prepaid at Seller's expense; (E) Each package shall be marked to show Purchase Order number, Buyer's part number and include a packing sheet in each package; and (F) Each package shall also be clearly marked with its content's expiration date, special handling and storage instructions and requirements, and the schedule of any periodic inspection requirements.

7.0 ADDITIONAL NOTIFICATIONS BY SELLER

In the event that the goods require periodic inspection, periodic maintenance, special handling or storage conditions, or are subject to expiration or limited shelf life, then Seller shall by CDRL/SDRL deliverable, or if no CDRL/SDRL deliverable is required, by separate mailing directed to the address of the Bollinger company shown on the face of a particular Purchase Order, Attention: Purchasing Agent, advise Buyer of such requirements. In the absence of such separate notification, the risk of damage to the goods shall remain with Seller, and if the goods are damaged or substantially unusable, or have expired when Buyer places such goods in service due to the failure of the notification, then the goods shall be considered "defective" and returnable by Buyer to Seller, at Seller's sole expense for a full refund of the cost paid by Buyer to Seller therefor, together with any damages sustained by Buyer as the result of the failure of the goods.

8.0 PAYMENTS

(A) Payments shall be made in accordance with the payment terms of the P/O, upon the submission of proper invoices for goods delivered and accepted. With respect to any discount offered, time shall be computed from the date of delivery or from the date correct invoice is received by Buyer, whichever last occurs. Payment is deemed to be made, for the purpose of earning the discount on the date Buyer's check is mailed; (B) Seller warrants that the price charged for the goods is no higher than that charged by other purchasers for commodities of like grade and quality under substantially similar terms and conditions.

9.0 INFORMATION DISCLOSED

No information or knowledge, disclosed to Buyer in the performance of or in connection with any P/O shall be deemed to be confidential or proprietary unless otherwise expressly agreed to in writing by Buyer in a Non-Disclosure Agreement, and any such information or knowledge shall be free from any restrictions, other than patents, copyrights, and/or registered trademarks as part of the consideration for any P/O. Vendor furnished information provided for an SDRL, CDRL, or technical deliverable must provide the data rights required by the contract.



10.0 ADVERTISING

Seller shall not, without prior written consent of Buyer, in any manner, advertise, publish or disclose the existence of any Purchaser Order or any details connected therewith, or the content of any information or knowledge transmitted by Buyer thereunder, to any third party.

11.0 DRAWING AND TECHNICAL DATA

Seller, if required as part of its performance under any P/O, shall supply any and all drawings and technical data such as catalogs, drawing cuts, certified prints, characteristic curves, part lists, service and technical manuals, and diagrams relating to such goods on or before the date specified by Buyer. If delivery of the foregoing drawings and technical data occurs after the date specified by Buyer, Seller shall be liable for any loss and expense resulting from such delay. The failure of Seller to deliver the foregoing drawings and technical data shall constitute a basis for nonpayment of the price of the goods until delivery is made. All drawings, data, design and other technical information furnished by Buyer shall remain the property of Buyer and shall be held in confidence by Seller and shall be delivered to Buyer on demand. Drawings and technical data specifically prepared at the request of Buyer shall be delivered to Buyer on demand. Buyer's approval of documents shall not relieve Seller of its obligation to comply with the requirements of this Purchase Order.

12.0 INDEMNIFICATION

A. Definitions. For purposes of this Agreement, the following definitions shall apply:

“Claims” means liability, claims, demands, losses, suits, and causes of action of every kind and character and the costs thereof (including, without limitation, court costs, any other litigation expenses, and attorneys fees including any such costs, expenses and fees incurred in suing to enforce this Agreement.

“Seller Group” means Seller, its officers, directors, agents, employees, parent companies, subsidiaries, affiliates, successors, assigns, contractors, subcontractors, insurers, the employees of each of the foregoing.

Indemnify means “indemnify, release, protect, defend, and hold harmless.”

“Regardless of Cause” means regardless of cause and whether or not said liability, claim, demand, loss, suit or cause of action is alleged to be caused in whole or in part by the sole or concurrent negligence, act, omission, fault or strict liability of the indemnified Group or as a result of claims of unseaworthiness of any vessel, defect in premises, or any other act or omission by indemnified Group, and regardless of whether such negligence, act, or omission is active or passive, primary or secondary.

Bollinger Group” means Bollinger, its officers, directors, agents, employees, parent companies, subsidiaries, affiliates, successors, assigns, contractors, subcontractors, insurers, and the employees of each of the foregoing, and the Vessel.

B. Bollinger People Indemnity. Bollinger shall unconditionally Indemnify Seller Group against any and Claims arising out of or related to injury, or death (including, but not limited to, claims, demands, or suits for bodily injuries, emotional and psychological injuries, illnesses, diseases, loss of services, loss of society, diminished earnings capacity, maintenance and cure, wages, or worker's compensation) occurring in connection with this Agreement to the extent alleged or asserted by Bollinger Group, Regardless of Cause.



C. Seller People Indemnity. Seller shall unconditionally Indemnify Bollinger Group against any and all Claims arising out of or related to injury, or death (including, but not limited to, claims, demands, or suits for bodily injuries, emotional and psychological injuries, illnesses, diseases, loss of services, loss of society, diminished earnings capacity, maintenance and cure, wages, or worker's compensation) occurring in connection with this Agreement to the extent alleged or asserted by Seller Group, Regardless of Cause.

D. Seller Property Indemnity. Seller agrees to indemnify, defend, and hold harmless the Bollinger Group from and against any and all Claims for damages to property, including the Vessel(s), arising out of, in connection with, or resulting from the activities of Seller Group in the performance of its obligations hereunder, to the extent such property damage is caused by the negligence of Seller Group.

E. Bollinger Property Indemnity. Bollinger agrees to indemnify, defend, and hold harmless Seller Group from and against any and all Claims for damages to property, including the Vessel(s), arising out of, in connection with, or resulting from the activities of Bollinger Group in the performance of its obligations hereunder, to the extent such property damage is caused by the negligence of Bollinger Group.

F. The provisions of this Article shall survive any termination or expiration of this Agreement and delivery and acceptance of the Vessel.

13.0 CHANGES

Buyer may at any time, by written direction and without notice to any sureties or assignees, make changes in the drawings, specifications, delivery schedules, method of shipment or packaging. Should any such changes increase or reduce the cost of or the time required for performance of any P/O, an equitable adjustment will be made in the contract price or delivery schedule; provided, however, notification of a request for an increase in the contract price or an extension in delivery schedule must be made within fifteen (15) working days from the date of such written direction. Following such a request, the parties will negotiate a reasonable time frame for definitization and quantification of change. Where any property is made obsolete or excess as a result of any change for which Seller makes a claim, Buyer shall have the right to proscribe the manner of disposition of such property.

Buyer shall have the right to issue a Stop Work Order. in its entirety or in part for its convenience, and not as a breach. The provisions of FAR clause 52.242-15 Stop-Work Order are hereby incorporated by reference with the following changes: The words "Contracting Officer" shall mean Buyer; the word "Contractor" shall mean Seller.

14.0 BAILMENT

Unless otherwise provided, all property furnished to Seller by Buyer shall remain the property of Buyer. Seller shall bear the risk of all loss and damage thereto while such property is in Seller's actual or constructive possession. Such property shall at all times be properly protected and maintained by Seller, shall not be commingled with the property of Seller or others, shall not be moved from Seller's premises without prior written authority from Buyer, and shall upon request by Buyer immediately be returned to Buyer. Further, such property shall be identified and marked by Seller as Buyer's property and shall be used only as expressly authorized by Buyer. Such property shall be adequately insured by Seller for any and all losses while in Seller's



possession and shall be returned to Buyer in the same condition when received, reasonable wear and tear excepted.

15.0 NON-WAIVER

The failure of Buyer in any one or more instances to enforce any of its rights or to insist upon performance of any of the terms or conditions of a P/O shall not be construed as waiving any of the terms and conditions of said P/O or any of Buyer's rights or remedies. The remedies reserved in or created by any P/O shall be cumulative and additional to any other or future remedies provide at law or equity.

16.0 INVOICE, STATEMENT, AUDIT OF BOOKS

Unless otherwise provided in any Purchase Order, no invoice shall be issued and no payment will be made prior to physical delivery of goods, or completion of services. Individual invoices, in triplicate showing the Purchase Order number, description of goods as shown therein, number of cartons shipped, and carrier and weight, shall be issued for each shipment applying hereto. One copy of each individual invoice must be plainly marked "ORIGINAL". Shipping charges and all applicable taxes, or charges for which Buyer has agreed to pay, and has not furnished an exemption certificate, shall be itemized separately on Seller's invoices. Unless such charges are itemized, Buyer may take the applicable discount on the full amount of each invoice. Seller agrees that its books and records, or such parts thereof as may relate to the performance under any P/O, shall at all reasonable times be subject to inspection and audit by a duly authorized representative of Buyer.

17.0 HAZARDOUS MATERIALS AND SAFETY DATA

Seller agrees to supply to Buyer, as a component part of the goods ordered under any P/O, all Material Safety Data Sheets, in a format and with sufficient content to meet all OSHA requirements, which pertain to all portions and components of the goods delivered thereunder. Within fifteen (15) days of the placement of the order represented by any Purchase Order, Seller agrees to furnish to Buyer a description of any and all hazardous materials and volatile organic compounds which will form any portion of the goods to be furnished under the P/O. For the purposes of any P/O, "hazardous materials" means any explosives, radioactive materials, hazardous wastes, or hazardous substances, including without limitation asbestos-containing materials, PCBs, CFCs, or substances defined as "hazardous substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §§ 9601-9657; the Hazardous Materials Transportation Act of 1975, 49 U.S.C. §§ 1801-1812; the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §§ 6901-6987; or any other federal, state or local statute, law, ordinance, code, rule, regulation, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning hazardous materials, waste, or substances now or at any time hereafter in effect.

18.0 HEADINGS

The Heading used herein are for reference purposes only and shall not affect the meaning or interpretation of any Purchase Order.



19.0 SEVERABILITY

Any provisions of any Purchase Order prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remaining provisions thereof.

20.0 COMPLIANCE WITH LAWS

Seller shall comply with all statutes, legal directives and regulations in its performance under any Purchase Order. In the event that the goods do not conform with any legal requirement in addition to the requirements of any P/O and Buyer is penalized for such nonconformance, Seller shall indemnify Buyer for all penalties, costs and expenses, including interest levied against Buyer.

21.0 TERMINATION

(A) Buyer shall have the right to terminate the Purchase Order in its entirety or in part for its convenience, and not as a breach. The provisions of FAR clause 52.249-2 "Termination for Convenience of the Government (Fixed Price)" are hereby incorporated by reference with the following changes: The words "Contracting Officer" shall mean Buyer; the word "Contractor" shall mean Seller.

(B) Further, Buyer may terminate any Purchase Order for default if Seller fails to make any delivery in accordance with the schedule set forth therein, or for failure to comply with any of the other requirements or terms and conditions for any P/O or for failure to make progress under any Purchase Order so as to endanger performance of any P/O, and does not provide a plan for cure acceptable to Buyer for such failure within a period of ten (10) days after notice from Buyer. The provisions of FAR clause 52.249-8 "Default (Fixed-Price Supply and Service)" are hereby incorporated by reference with the following changes: The words "Contracting Officer" shall mean Buyer; the word "Contractor" shall mean Seller. Failure to agree will be a dispute under the Disputes clause. If for any reason, Buyer's default termination is determined to be improper, such default termination shall convert automatically to a termination for convenience. Seller shall also be liable to Buyer for any other damages or remedies prescribed by law or equity.

22.0 GRATUITIES

Any Purchase Order may be terminated immediately if Buyer determines that Seller or any of its employees or representatives offered or gave a gratuity to any employee of Buyer, and intended by that gratuity to obtain an order or favorable treatment under an order from the Buyer. By accepting this Purchase Order, Seller certifies and represents that it has not made or solicited and will not make or solicit kickbacks in violation of FAR 52.203-7 or the Anti-Kickback Act of 1986 (41 USC 51-58)

23.0 CONFLICT

This Section Superseded by Conflict in Program Specific Terms and Conditions.



24.0 DEI DISCRIMINATION BY FEDERAL CONTRACTORS

(a) Definitions. As used in this clause—

Program participation means membership or participation in, or access or admission to: training, mentoring, or leadership development programs; educational opportunities; clubs; associations; or similar opportunities that are sponsored or established by the contractor or subcontractor.

Racially discriminatory diversity, equity, and inclusion (DEI) activities means disparate treatment based on race or ethnicity in the recruitment, employment (e.g., hiring, promotions), contracting (e.g., vendor agreements), program participation, or allocation or deployment of an entity's resources.

(b) In connection with the performance of work under this contract, the Contractor agrees as follows:

- (1) The Contractor will not engage in any racially discriminatory DEI activities;
 - (2) The Contractor will furnish all information and reports, including providing access to books, records, and accounts, as required by the Contracting Officer, for purposes of ascertaining compliance with this clause;
 - (3) In the event of the Contractor's or a subcontractor's noncompliance with this clause, this contract may be canceled, terminated, or suspended in whole or in part, and the Contractor or subcontractor may be declared ineligible for further Government contracts;
 - (4) The Contractor will report any subcontractor's known or reasonably knowable conduct that may violate this clause to the Contracting Officer and take any appropriate remedial actions directed by the Contracting Officer; and
 - (5) The Contractor will inform the Contracting Officer if a subcontractor sues the Contractor and the suit puts at issue, in any way, the validity of this clause.
 - (6) The Contractor recognizes that compliance with the requirements of this clause are material to the Government's payment decisions for purposes of 31 U.S.C. 3729(b)(4).
- (c) The Contractor must include the substance of this clause, including this paragraph (c), in subcontracts at any tier, including those for commercial products and commercial services, except those where the place of delivery or performance is outside the United States.