



**UNITED
MARITIME
GROUP**

PURCHASE ORDER TERMS & CONDITIONS (Hereinafter the “Terms”)

1.0 Scope of Agreement. The parties to the Purchase Order referred to as Contractor and the UMG Company for which these Terms are attached or referenced agree that these Terms shall apply to the goods, work and/or services as described in the Purchase Order and any attachments thereto. In addition, Contractor and the UMG Company agree that all provisions as set forth in the Master Procurement Agreement or General Service Agreement between the parties or their parent companies shall be incorporated herein by reference as if set forth in their entirety herein, and shall be considered as part of these Terms. No pre-printed terms, conditions or the like of Contractor shall apply to the Purchase Order unless signed by the UMG Company with a reference to both the corresponding Master Procurement Agreement / General Services Agreement between the parties and these Terms.

2.0 Acceptance. Contractor's commencement of work, services or shipment of goods subject to this Purchase Order, whichever occurs first, shall be deemed an effective mode of acceptance of this Purchase Order. Any acceptance of this Purchase Order is limited to acceptance of the express terms contained in the Purchase Order, attachments to the Purchase Order as provided by the UMG Company, and these Terms. Any proposal for additional or different terms or any attempt by Contractor to vary in any degree any of the terms of this offer in Contractor's acceptance is hereby objected to and rejected.

Contractor shall notify the UMG Company in writing within two (2) business days after receipt of this Purchase Order if Contractor is unable to accept the UMG Company's requested Delivery Date. Failure of Contractor to object to the requested Delivery Date with two (2) business days shall constitute Contractor's acceptance of the Delivery Date.

3.0 Termination for Convenience. The UMG Company reserves the right to terminate this Purchase Order or any part hereof for its sole convenience. In such event, Contractor shall, and shall cause any of its suppliers, contractors or subcontractors to immediately cease work pursuant to this Purchase Order. Contractor, in settlement of all claims in accordance with this Purchase Order, shall be paid a reasonable termination charge of a percentage of the Purchase Order price reflecting the percentage of the goods actually delivered and accepted and/or services performed and accepted prior to the notice of termination. Any advance payments paid by the UMG Company to Contractor in excess of the afore referenced amount due to Contractor in the event of termination shall be refunded to the UMG Company by Contractor within five (5) business banking days of termination of this Purchase Order. CONTRACTOR AGREES TO DEFEND, INDEMNIFY (INCLUDING THE PAYMENT OF ALL ATTORNEYS' FEES, COURT COSTS AND LITIGATION EXPENSES) AND HOLD HARMLESS THE UMG COMPANY, AND ALL OF ITS AFFILIATED AND RELATED ENTITIES, AND THEIR OFFICERS, DIRECTORS, AGENTS, EMPLOYEES AND VESSELS FROM ANY CLAIMS AND/OR DEMANDS BROUGHT BY CONTRACTOR AND/OR CONTRACTOR'S CONTRACTORS, SUBCONTRACTORS OR AGENTS RESULTING FROM TERMINATION OF THIS PURCHASE ORDER IN ACCORDANCE WITH THIS PROVISION.

4.0 Termination for Cause. If Contractor does not comply with the UMG Company's delivery or performance schedule or in the event it becomes apparent that delivery or completion cannot be accomplished within the time specified, the UMG Company, at its option, may either approve a revised delivery schedule or may terminate this Purchase Order either in whole or in part without penalty or liability to the UMG Company, except for materials received and accepted or work completed and accepted, and Contractor shall, within five (5) business banking days of termination of this Purchase Order, refund to the UMG Company any advances or progress payments not so earned in accordance with this Provision.

5.0 Warranty. Contractor warrants that (a) it owns all rights, title and interest in the goods provided hereunder and that it has the legal authority to sell, license, or otherwise transfer the right to use, sell or otherwise benefit from the goods to the UMG Company; (b) all goods provided hereunder will be (1) free from all defects in workmanship, design and materials, (2) new, unless expressly permitted otherwise by the UMG Company, and (3) in full compliance and conformity with the Purchase Order specifications or of the best grade of their respective kinds if no quality is specified; and (d) all services shall be performed in a good, workmanlike, and diligent manner using sound engineering and/or

technical principles where applicable. No inspections, acceptances, or rejections of any goods at any stage by the UMG Company or any designated representatives, agents or other third parties shall relieve Contractor of its warranty obligations under the Purchase Order. All warranties will be construed to be conditions and will not be deemed exclusive. To the extent assignable, all rights and remedies available to Contractor from its suppliers and manufacturers shall also be passed directly to the UMG Company. All warranties will run to the UMG Company, its successors and assigns. The foregoing warranties are in addition to all other warranties, express or implied, by applicable laws, and shall survive delivery, inspection, acceptance, or payment by the UMG Company. Contractor will promptly replace or correct or re-perform, without any expense to the UMG Company, any goods or services not conforming to the requirements of the Purchase Order when notified by the UMG Company within twelve (12) months from the date of first use or eighteen (18) months after delivery, whichever first occurs. In the event Contractor fails to timely deliver or correct or replace or re-perform goods or services as required herein, the UMG Company may procure the goods from another source or repair or replace or have re-performed the non-conforming goods or services and charge the cost thereof to Contractor, without voiding the warranties herein. Vendor will further warrant all replacement or repaired goods in accordance with the terms hereof for a further period of twelve (12) months from delivery of the replacement or repaired goods and acceptance thereof by the UMG Company.

6.0 Price. Payment terms of 2%10 net 60 apply. Cash discount periods begin when the goods are received, services or work are performed, or invoice therefore is received, whichever is later; provided, however, such period shall be extended during any delay caused by errors in invoicing requiring correction. The prices specified in the Purchase Order shall prevail subject to the following provisions: a) the UMG Company shall receive the benefit of any general reduction in Contractor's prices prior to shipment and delivery, and in no event shall the UMG Company be charged higher prices than Contractor's other similar customers who take delivery at the same time and in substantially the same amounts; and b) where escalation is expressly agreed to be applicable, the UMG Company shall not be subject to price increases effective after the specified delivery or completion date.

7.0 Invoicing. Except to the extent provided to the contrary in the Purchase Order for which these Terms are attached, Contractor shall invoice UMG Company within thirty (30) days of completion of work, completion of services or the UMG Company's receipt of the goods. Contractor will include on such invoices Contractor's Tax ID Number and include all documentation reasonably necessary for the UMG Company to evaluate and audit Contractor's invoice so as to determine whether the invoice should be paid.

8.0 Variations/Extras. No variations as to quantities, description, prices, destination for delivery or any other term of the Purchase Order shall be made, nor shall any charge for extras, freight or transportation be allowed, unless same have been authorized in writing by an authorized representative of the UMG Company, and the proper price adjustment stated in such writing. The UMG Company reserves the right at any time to make variations in the Purchase Order by written notice to Contractor, and Contractor agrees to comply with same. If such variations cause a material increase or decrease in Contractor's costs or time of performance, Contractor shall notify the UMG Company immediately and negotiate an equitable adjustment. Failure to so notify the UMG Company shall constitute a waiver of Contractor's right to thereafter make any claim in connection with such variation. Contractor shall not suspend performance of this Purchase Order while the UMG Company and Contractor are in the process of making such variations and any related adjustment, and Contractor shall comply with and perform such variation in accordance with the terms of this Purchase Order during such time.

Contractor shall be able to accommodate increases in the UMG Company's forecast for additional goods as may be ordered in weekly time periods of 100% in 12 weeks, 75% in 8 weeks and 50% in 4 weeks. Finished goods inventory as part of a flexible supply program maintained by or on behalf of Contractor shall be counted as part of the increased capability as specified in the preceding sentence.

9.0 Delivery/Shipping. Contractor will provide the UMG Company with a written or electronic acknowledgment that the goods ordered hereunder are available and will be



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provided in accordance to the Terms hereof. Contractor shall then promptly deliver all such goods FOB destination and in accordance with the shipping terms specified in the Purchase Order. Contractor shall complete its obligations under the Purchase Order by the specified delivery date(s), but in no event shall such deliveries be earlier than five (5) business days before the associated delivery date(s) or later than zero (0) days beyond the delivery date(s) as set forth in the Purchase Order without the written consent of the UMG Company.

Contractor shall immediately notify the UMG Company in writing of any anticipated delay in meeting the delivery date(s) as set forth in the Purchase Order, stating the root cause of such delay and the corrective action Contractor will take to remedy the delay. Contractor agrees that for all such orders failing to meet the delivery date, Contractor shall expedite shipment of such goods at no additional cost to the UMG Company. Similarly, Contractor shall immediately notify the UMG Company in writing of all changes in lead-times.

Combined shipments are not allowed unless requested by the UMG Company. Contractor shall, upon the UMG Company's request, provide to the UMG Company a schedule indicating major milestones (e.g. engineering, receipt of materials, fabrication, inspection, completion, factory acceptance testing, readiness for shipment, and shipment). Delays in any milestones shall be reported promptly by Contractor to the UMG Company and will be subject to the terms and conditions of Provision 4.0 above. The established price for the goods and materials covered by the Purchase Order shall include proper packing for safe domestic transportation (or export packing if specified in the Order) via the mode designated in the Purchase Order and shall also include all customary loading and securing on the carrier's equipment at the shipping point and unloading at the delivery point. No allowance will be made for packing, cartage, or crating costs of items covered by this Purchase Order unless specifically authorized on the face of this Purchase Order. Contractor agrees to ship all goods and materials covered in this Purchase Order via the specified mode, carrier, and routing, and to maintain a complete file of all delivery and shipping documents in the event proof of delivery is required. C.O.D. and cash collect shipments are prohibited. Contractor warrants that goods and materials will be adequately contained, packaged, and labeled, and are suitably packed to assure safe transit and to secure lowest transportation and insurance rates. The UMG Company's count shall be accepted as final and conclusive on shipments not accompanied by Contractor's itemized packing list. Contractor shall show the Purchase Order number on all invoices and packages, include priced packing list, tag each item with part number, and on part number changes show old part number in parenthesis. Export symbols, serial numbers, weights, measurements and other identification shall be clearly stenciled on each box, crate, bundle, package, etc., as directed by the UMG Company prior to shipment. No extra charge for marking shall be allowed unless agreed to and specified in this order.

10.0 Inspections, Acceptance, Rejection. The UMG Company has the right, but not the obligation, to inspect all goods and the results of all services on both an interim and final basis to determine that they are not defective or damaged and are conforming to the Purchase Order. Said inspection may be performed, at the UMG Company's option, during manufacture, at the time of shipment, prior to accepting delivery, or reasonably soon thereafter (usually before the goods are placed in use) including at the Contractor's plant, shipping point, delivery location, storage location, or at the UMG Company's worksite or location. The UMG Company may reject and/or return any goods that the UMG Company, in its sole and reasonable judgment, considers non-conforming, defective, or damaged and may either repair such goods, return them to Contractor for full credit, return them for replacement, or handle such nonconformities in accordance with Provision 4.0. Any and all costs and expenses of inspection, repair, or return and re-shipment shall be borne by Contractor and shall be payable to the UMG Company within five (5) business banking days of the UMG Company making demand for such payment. The making or failure to make any inspection of, and/or payment for, the items covered by the Purchase Order shall in no way impair the UMG Company's right to reject nonconforming or defective goods or work, nor be deemed to constitute acceptance by the UMG Company of the goods or work.

11.0 Prohibition Against Assignment. The performance of Contractor's obligations under the Purchase Order or Contractor's rights or benefits under the Purchase Order shall not be assigned, novated, subcontracted, or delegated by Contractor without the prior written consent of the UMG Company, which may be withheld in Company's sole discretion. Any assignment, novation, subcontracting, or delegation of Contractor's obligations, rights, or benefits under the Purchase Order in whole or in part, voluntarily, by operation of law, or otherwise, without the prior written consent of the UMG Company, shall be void. Any such assignment, delegation, or subcontracting shall not in any way relieve Contractor of its obligations under or in connection with the Purchase Order and Contractor shall remain fully liable for the acts and omissions of its assignees, novatees, and subcontractors.

12.0 Liquidated Damages for Late Delivery. In the event the goods and/or services made subject of this Purchase Order are not provided in accordance with the specifications and conditions of the Purchase Order and these Terms by the corresponding delivery date, the parties acknowledge that the UMG Company will suffer damages as a result of such delays which may be difficult to quantify. Accordingly, if the goods and/or services are not provided in accordance with the specifications and conditions of the Purchase Order and these Terms by the corresponding delivery date, Contractor shall, in addition to any other remedies the UMG Company may be entitled to receive, reduce the Purchase Order's total price by 3% per day until such good and/or services are so provided, capped at 36% of the total Purchase Order's price.

13.0 Notice. All notices shall be in writing and furnished to the other party by personal in-hand service, U. S. mail or facsimile at the address or facsimile number set forth on the face of this Purchase Order. Notices delivered in person shall be deemed given upon delivery; notices sent by mail shall be deemed given five (5) days after posting thereof, notices given by facsimile shall be deemed given twelve (12) hours after sending thereof.