

**INTEROCEAN AMERICAN SHIPPING CORPORATION (IAS)**  
**PURCHASE ORDER TERMS AND CONDITIONS**

1. Shipment of all material shall be prepaid unless otherwise agreed. Attach original bill of lading and/or express bill to invoice for any shipment made against this order.
2. Time of delivery is of the essence of this purchase order. If shipment is not made when promised, Buyer reserves the right to refuse any goods and to cancel all or any part of the goods in accordance with the terms of this order. Delivery shall not be deemed to be complete until goods have been actually received and accepted by Buyers.
3. Do not substitute material on this order without authority from this office. All material furnished must be as specified and will be subject to inspection and approval of Buyer after delivery. The right is reserved (payment notwithstanding) to reject and return, at the risk and expense of the Seller, such portion of any shipment which may be defective or fail to comply with specifications, without invalidating the remainder of the order. If rejected, it will be held for disposition at the expense and risk of Seller.
4. Unless otherwise provided herein or by law, Seller shall pay all sales, use, excised and other taxes/charges and contributions now or hereafter imposed on, or with respect to or measured by the goods furnished hereunder, or the compensation paid to persons employed in connection with performance hereunder, and Seller shall indemnify Buyer against any liability and expense by reason of Seller's failure to pay the same.
5. Seller's terms of payment shall commence on the date of receipt by Buyer's designated purchasing office of an invoice, conforming with Buyer's purchase order. Return of the invoice by Buyer to Seller for any reason not attributable to the fault of the Buyer will extend the discount period so that it commences on the subsequent date of receipt of such invoice by Buyer.
6. Seller warrants and certifies; (a) that each and all of the articles herein described are free from all defects in design, workmanship, and material; (b) that unless otherwise specified herein, all such articles and the components thereof are new and have not been previously used; (c) that the said articles are fit for use for their ordinary intended purpose as any special purposes specified herein; (d) that each and all of the articles herein described and the sale hereof do not, and the use of the same for their ordinary intended purpose as well as for any special purpose specified herein; will not constitute infringement or contributory infringement or any patent, or infringement of any copyright or trademark or violation of any trade secret; and the (e) the article herein described, if produced in the United States, were or will be produced in compliance with the Fair Labor Standards Act of 1938, as amended and supplemented, and all other applicable federal, state, and municipal laws, rules, and regulations.
7. Seller agrees that it will, at Seller's cost and expense, without regard to whether the articles herein described are made according to specifications furnished by or for Buyer defend indemnify and hold buyer and Buyer's subsidiary and affiliated companies harmless from and against all present and future claims, demands, suits, actions, proceedings and litigation arising out of any alleged liability for or on account of any: (a) claimed or actual infringement or contributory infringement of any patent infringement of any copyright or trademark, or violation of any trade secret by any and all of the said articles and the sale thereof and use of the same for their ordinary intended purposes as well as any special purposes specified herein; (b) injury to or death of any person or animal, damage to any property whatsoever, and labor or material liens, arising out of or on account of the use of said articles or any work performed by Seller or Buyer's premises, and (c ) fee, commissions, or other compensation claimed by any third party because of alleged services performed or rendered for seller in connection with this order. Seller further agrees that it will, on Buyer's demand, promptly pay all losses, costs, damages, obligations, judgments, expenses and fees suffered or incurred by Buyer by reason of any such claims, demands, suits, actions, proceedings or litigation.
8. Either Seller or Buyer shall be excused from performance of the obligations hereunder when and to the extent that such performance is delayed or prevented by any circumstances reasonably beyond control, or by fire, explosion, any strike or labor dispute, of any act or omission of any governmental authority.
9. Seller's acceptance of this Purchase Order shall constitute a warranty to Purchaser that the prices specified do not exceed at the time of acceptance any applicable maximum ceiling prices then in effect pursuant to or established by any law of the United States or by any valid order, rule or regulation promulgated hereunder. Seller agrees that in the event any such law, order, rule or regulation shall establish a maximum or ceiling price for any of the goods covered by this Purchase Order subsequent to Seller's acceptance of this Purchase Order, which price is lower than the price stated herein, the price Purchaser shall be obligated to pay hereunder for such goods shall be the maximum or ceiling price as thus determined in effect on the date of delivery of such goods. The establishment of any such ceiling price shall not otherwise offset the rights of the parties hereunder, nor shall it constitute a cause for termination or avoidance of the Purchase Order by either of the parties hereto.

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10. To the extent that this agreement calls for work to be performed upon property owned or controlled by Buyer. Seller agrees that as an Independent Contractor hereunder it will.
- (a) Furnish all materials, labor licenses, permits and other things necessary for performance, and otherwise perform expeditiously and in good and workmanlike manner.
  - (b) Keep the premises and work free of all claims, liens and claims of liens, and agrees that final payment shall not become due and payable to Seller, until Seller shall deliver to Buyer satisfactory releases, satisfaction or waivers of all claims, liens and claims for liens connected with performance under the Purchase Order. Final payment to Seller shall not relieve Seller of its obligation to discharge any lien filed previous to or subsequent to payment for services hereunder and Seller hereby expressly acknowledges this duty and obligation.
  - (c) That work shall remain at Seller's risk prior to written acceptance by Buyer, and at all work and/or materials damaged, or destroyed by fire, force or violence of the element or otherwise, prior to such acceptance, shall be replaced by Seller at its expense.
  - (d) Purchase or provide the following insurance:
    - (1) Insurance which shall comply with the **WORKER'S COMPENSATION** and Occupational Disease laws of the stat or states in which the work is to be performed including **LONGSHOREMEN & HARBOR WORKER'S ACT** Coverage; no minimum. The purchase of commercial Workmen's Compensation insurance is not required if Seller has stated approval to carry as own risk.
    - (2) **EMPLOYERS LIABILITY** - \$1 million bodily injury by accident, each accident. \$1 million bodily injury by disease each accident. \$1 million bodily injury by disease in the aggregate
    - (3) **MARITIME EMPLOYERS LIABILITY** (Jones Act): \$1 million for each person per occurrence and \$1 million in the aggregate.
    - (4) **COMPREHENSIVE GENERAL LIABILITY**: \$1 million combined single per occurrence limit for bodily injury and property and \$1 million in the aggregate
    - (5) **SHIP REPAIRERS LEGAL LIABILITY**: \$1 million per vessel, per occurrence.
    - (6) **POLLUTION LIABILITY**: \$1 million per occurrence.
    - (7) **AUTOMOBILE LIABILITY INSURANCE**: covering all owned, non-owned and hired motor vehicles used in connection with the work contracted with minimum damage limits of \$100,000 for bodily injury to each person and \$300,000 each accident and property damage \$100,000 each accident.
    - (8) Subrogation – All policies of insurance held or obtained by Seller and each subcontractor, whether required by this contract or not, shall be sufficiently endorsed to waive any and all claims by the underwriters or insurers against Buyer, and vessel owners, their said so-owners and joint venturers, and its and their officers, directors, agents, employees and invitees for injuries, deaths, losses or damaged covered by such policies. Certificates evidencing such insurance coverage and waivers shall be furnished to Buyer.
    - (9) That failure to comply with any of the provisions of paragraph (d) will entitle the Buyer to terminate this contract at any time and also to recover from the Seller any payment or payments made by the Buyer by reason of such failure.
  - (e) That for audit and invoicing purposes
    - (1) Seller records pertaining to charges made pursuant to this agreement will subject to audit by representatives of Buyer
    - (2) Invoices submitted for work charged on an hourly basis will be supported by work tickets showing description, date and location of work performed and the names employees and hours each worked Seller will retain supporting records for a minimum period of three years
  - (f) Indemnity – Seller shall defend indemnity, protect, and hold harmless Buyer, its co-owners and joint venturers (if any) in the project covered hereby or in connection with which the work or operations covered or contemplated by this agreement are to be performed, and its and their officers, directors, agents, employees and invitees, from any against injuries to or illnesses or deaths or any and all persons and losses or damages to property caused by, resulting from, occurring in connection with, or arising out of, the performance or non-performance of this agreement or the prosecution of work or operations covered or contemplated hereby, wheresoever or howsoever caused, and from and against all liabilities, claims, actions and judgments therefore together with costs and expenses (including attorneys fees) incurred in connection therewith.

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- (g) Perform the work in a safe manner and adhere to all applicable Federal and State safety standards and regulations promulgated pursuant to the Occupational Safety and Health Act of 1970, as well as all safety procedures of Buyer Seller hereby acknowledges it has inspected the work area and is fully informed of all existing conditions at the work site which may create a safety hazard, including those conditions to which Federal State and Local safety and/or health laws and regulations may be applicable.

11. By accepting this Purchase Order Seller agrees as follows.

- (a) The Seller will not discriminate against any employee or applicant for employment because of race, religion, color, sex, or national origin. The Seller will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, sex, or national origin. Such action shall include, but not limited to the following Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay other forms of compensation, and selection for training, including apprenticeship. The Seller agrees to post in conspicuous places, available to employees and applicants to employment, notices to be provided by the contracting office setting forth the provisions of this non-discrimination clause.
- (b) The Seller will in solicitations or advertisements for employees placed by or on behalf of the Seller; state that all qualified applicants will receive consideration to employment without regard to race, religion, color, sex, or national origin.
- (c) The Seller will send to each labor union or representative of works with which has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the Seller's commitments under Section 202 of Executive Order 11246 September 24, 1965 as amended, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (d) The Seller will comply with all provisions of Executive Order 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- (e) The Seller will furnish all information and reports required by Executive Order 11246 of September 24, 1965, as amended, and by the rules, regulations, and order of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purpose investigation to ascertain compliance with rules, regulations, and order.
- (f) In the event of the Seller's noncompliance with the non-discrimination clauses of this contract or with any of such rules, regulations, or orders. This contract may be canceled, terminated or suspended in whole or in part and the seller may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, as amended, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, as amended, or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.
- (g) The Seller will include in provisions of paragraphs (a) through (g) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each subcontractor. The Seller will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event that the Seller becomes involved in, or is threatened with litigation with a subcontractor or another Seller as a result of such direction by the contracting agency, the Seller may request the United States to enter into such litigation to protect the interests of the United States.

The Seller further agrees that in compliance with Executive Order 11246, as amended, he will unless exempted:

- (1) File on or before March 31 of each year or within 30 days of accepting a new order complete and accurate report on Standard Form 100 (EEO-1) with the appropriate contracting agency.
  - (2) Develop a written affirmative action compliance program to identify correct and improve problem areas in the employment and utilization of minority group personnel and that if such a program has not been developed that it will be with 120 days of the date of this purchase order; and that the program will include each establishment under the control of Seller.
- (h) Buyer's vessels are certified under the regulations of ABS. As a minimum requirement all parts, supplies, materials and services provided by the seller shall conform to the requirements and regulations of the American Bureau of Shipping, for shipboard use.

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- (i) Contractors shall assume responsibility for the disposal and tracking of all hazardous materials (as defined by the cognizant EPA office) generated or accumulated as a result of the work performed. Contractors shall ensure that all local, state and federal laws/ regulations are adhered to and reporting requirements/ fees are included in the price quote to IAS. All fees and reports made to government entities shall be made under the contractor's EPA/ State generator number.



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FAR 52.222-40	NOTIFICATION OF EMPLOYEE RIGHTS UNDER THE NATIONAL LABOR RELATIONS ACT (DEC 2010) (E.O. 13496), IF FLOW DOWN IS REQUIRED IN ACCORDANCE WITH PARAGRAPH (F) OF FAR CLAUSE 52.222-40.	(DEC 2010)
FAR 52.222-50	COMBATING TRAFFICKING IN PERSONS	(FEB 2009)

THE CONTRACT SHALL INCLUDE THE TERMS OF THE ABOVE CLAUSES, INCLUDING THIS PARAGRAPH, IN SUBCONTRACTS AWARDED UNDER THIS CONTRACT.

**THE USE OF SHREDDED PAPER, WHETHER NEWSPAPER, OFFICE SCRAP, COMPUTER SHEETS, OR WAX PAPER, AS PACKING MATERIAL FOR SHIPMENT TO GOVERNMENT ACTIVITIES IS PROHIBITED.**