

S3 MARITIME, LLC

TERMS AND CONDITIONS OF SALE

1. GENERAL. These Terms and Conditions of Sale and the non-conflicting provisions in S3 Maritime, LLC's quotation, if any, and acknowledgment or invoice from S3 Maritime, LLC (collectively, the "Agreement") govern in all respects all sales of any product ("Product") and services ("Services") from S3 Maritime, LLC, Inc. ("S3 Maritime, LLC") to the purchaser ("Buyer"), including without limitation future replacement Product purchased by Buyer. No terms stated by Buyer in any purchase order, acceptance or acknowledgment will become part of the Agreement unless expressly agreed to and accepted by S3 Maritime, LLC in writing and S3 Maritime, LLC hereby rejects any additional or different terms. The Agreement constitutes the complete and exclusive statement of the agreement between the parties and supersedes all proposals, oral, written, or electronic and all other communications between the parties relating to the subject matter of the Agreement. S3 Maritime, LLC's quotations are offers that may only be accepted in full. All typographical or clerical errors made by S3 Maritime, LLC in any quotation, acknowledgment or publication are subject to correction.

2. FEES AND PAYMENT. Fees for Product and Services will be specified on S3 Maritime, LLC's invoice. All prices are valid for 30 days from quotation, unless otherwise specified. Fees are exclusive of all shipping and handling charges, duties, tariffs, value added taxes, sales taxes, use taxes, or assessments levied by any federal, state, municipal or other government authority that may be owed by Buyer as a result of the purchase of the Product and Services, or other charges which may be imposed upon the sale or use of the Product so that S3 Maritime, LLC receives the full amount of fees payable without reduction for any such taxes or other fees or charges. Such charges paid by S3 Maritime, LLC will be for Buyer's account. Any claim for exemption from such charges must be plainly designated on the face of the order and accompanied by all required exemption certificates. Unless specifically stipulated on an invoice or otherwise agreed to in writing by the parties, fees are in U.S. Dollars and are due upon Buyer's receipt of the invoice, without right to deductions or set-off. S3 Maritime, LLC may require payment to be made

C.O.D or via Irrevocable letter of credit in favor of, and acceptable to, S3 Maritime, LLC, established at Buyer's expense, or require Buyer to provide further assurance of payment satisfactory to S3 Maritime, LLC. If payment is not made when due, S3 Maritime, LLC may suspend all future delivery or other performance with respect to Buyer without liability or penalty and, in addition to all other sums payable under the Agreement, Buyer shall pay to S3 Maritime, LLC (a) the reasonable costs and expenses incurred by S3 Maritime, LLC in connection with all actions taken to enforce collection or to preserve and protect S3 Maritime, LLC's rights hereunder, whether by legal proceedings or otherwise, including without limitation reasonable attorneys' fees, court costs and other expenses, and (b) interest on all amounts unpaid after 30 days charged at the lesser of (i) the rate of 1.5% per month (18% annum) or (ii) the highest rate permitted by law.

3. SHIPMENT; DELIVERY; FORCE MAJEURE.

Unless otherwise agreed to in writing by the parties, shipment and delivery of the Product are EXW S3 Maritime, LLC's place of manufacture (Incoterms® 2010). Risk of loss and title are transferred to Buyer at S3 Maritime, LLC's place of manufacture. All shipment, insurance or similar charges for delivery of Product shall be borne by Buyer and must be prepaid prior to shipment unless otherwise agreed in writing by S3 Maritime, LLC. All claims for loss or damage in transit or for non-delivery shall be made by Buyer against the carrier. At S3 Maritime, LLC's option, Product may be shipped in advance of the requested shipment date or in installments. Any claims against S3 Maritime, LLC for shortages by it in making shipments must be made in writing to S3 Maritime, LLC within five days after receipt of shipment and any claims for shortages occurring thereafter must be made by Buyer to the carrier. All delivery information (Including time for shipment) is approximate. S3 Maritime, LLC sole responsibility is to use reasonable commercial efforts to meet specified shipment dates. Buyer expressly absolves S3 Maritime, LLC from any liability for any loss or damage resulting from a failure to deliver or delays in delivery caused by any conditions related to, or caused by, labor dispute, fire, flood, governmental act or regulation, riot, inability to obtain supplies or shipping space, plant breakdown,

power failure, delay or interruption of carriers, accidents, acts of God, acts or omissions of Buyer, or other causes beyond S3 Maritime, LLC's reasonable control.

4. CANCELLATION; FAILURE TO TAKE DELIVERY.

The Agreement, in whole or in part, cannot be canceled or postponed by Buyer except with S3 Maritime, LLC's prior written consent and upon terms that will indemnify S3 Maritime, LLC against loss. In the event of approval of a return request, (a) any applicable packing, shipping, and delivery costs will be at Buyer's expense and (b) all returns must be shipped freight prepaid at Buyer's expense. If Buyer delays, fails, or refuses to take delivery of Product or indicates its intention to do so, then the Product will be deemed to have been delivered when S3 Maritime, LLC was willing and able to so deliver. If shipment of Product is postponed or delayed by Buyer, Buyer shall reimburse S3 Maritime, LLC for any and all reasonable additional expenses, including but not limited to storage and transportation, resulting therefrom. If S3 Maritime, LLC's scope of supply includes installation services, Buyer must notify S3 Maritime, LLC at least two weeks prior to the date Seller's personnel will be required on site to perform such services. If the completion of such services is delayed by Buyer for any reason not the fault of S3 Maritime, LLC following S3 Maritime, LLC's arrival on site, Buyer shall pay for any additional costs resulting from the delay.

5. LIMITED WARRANTY; REMEDY; WARRANTY DISCLAIMERS.

5.1 Limited Product Warranty. S3 Maritime, LLC warrants to Buyer that all Product will be free from defects in material and workmanship, and will conform to S3 Maritime, LLC specifications (or to Buyer's specifications if agreed to by both parties in writing) for a period of one year from date of shipment (or date of installation if installed by S3 Maritime, LLC), provided that:

- A. S3 Maritime, LLC is promptly notified (within the warranty period) of any warranty claim;
- B. Defective or non-conforming Product is returned to S3 Maritime, LLC, freight prepaid, after Buyer has provided acceptable documentation, such as vessel name, installation date and PO number, and

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- C. received a return merchandise authorization number from S3 Maritime, LLC; and S3 Maritime, LLC's examination of the items discloses to its reasonable satisfaction that the claimed Product defect or nonconformity was not caused by improper handling, installation, unauthorized repair, alteration or accident. Modification of Product by anyone other than S3 Maritime, LLC will invalidate the warranty.

5.2 Warranty Exclusions. S3 Maritime, LLC's Product warranty does not apply to Product, including without limitation components, parts, and materials, that (a) are not manufactured by S3 Maritime, LLC; (b) are expendable or consumable parts; (c) have been subjected to: (i) prolonged exposure to above average heat, (ii) exposure to excessive vibrations, (iii) accident or disaster, including without limitation, fire, flood, water, wind, and lightning, (iv) abuse or misuse, (v) failure of Buyer to follow S3 Maritime, LLC's most recent published operating instructions and Product documentation, (vi) modification or repair by persons other than S3 Maritime, LLC, or (vii) use for purposes other than as specified in the Product documentation or most recent published operating instructions; or (d) are not properly stored, installed, maintained, or operated under normal conditions and in accordance with S3 Maritime, LLC's recommendations. S3 Maritime, LLC's warranty is void and of no effect if the defect has arisen from damages occurring to the Product subsequent to delivery (or installation if installed by S3 Maritime, LLC) or is related to the use of unauthorized hardware or other equipment. Unless otherwise specified by S3 Maritime, LLC in writing, S3 Maritime, LLC has no duty to install, inspect, observe, advise or warn as to Product, or as to any other products or conditions located on Buyer's vessel, at the time of sale, delivery or otherwise. To the extent that Buyer or any of its agents has supplied specifications, information, representation of operating conditions or other data to S3 Maritime, LLC that are used in the selection or design of Product and the preparation of S3 Maritime, LLC's quotation, and actual operating conditions or other conditions differ from those represented by Buyer, any warranties or other provisions contained in this warranty that are affected by such conditions are null and void. S3 Maritime, LLC's warranty does not include: routine

maintenance; performing services connected with relocation of the Product or adding or removing accessories, attachments or other devices; repair of damage due to other than normal wear; any maintenance of accessories, attachments, or other devices not furnished by S3 Maritime, LLC; and any issues resulting from an unsupported service.

5.3 Remedy. All warranty claims must be brought within the warranty period. Buyer's sole and exclusive remedy, and S3 Maritime, LLC's only obligation for breach of this Product warranty, shall be, at S3 Maritime, LLC's option in its sole discretion, to either (a) repair or replace the defective Product at S3 Maritime, LLC's expense using new or refurbished parts, or (b) return such defective or nonconforming Product to S3 Maritime, LLC and issue a credit to Buyer in the amount of the unit cost of the defective Product. This remedy is conditioned upon notification and substantiation as may be required by S3 Maritime, LLC that such Product has been stored, installed, maintained, and operated in accordance with S3 Maritime, LLC's recommendations. If on-site repair or installation by S3 Maritime, LLC or its designee is required, as solely determined by S3 Maritime, LLC, then warranty-related services are provided at no additional charge to Buyer, unless travel outside of S3 Maritime, LLC's service zone is required (S3 Maritime, LLC's Docks). All warranty claims for Product against S3 Maritime, LLC must be brought within the applicable warranty period. Items repaired or replaced under warranty are warranted only for the remainder of the original warranty period.

5.4 Disclaimers. THE EXPRESS WARRANTIES SET FORTH IN THIS SECTION ARE IN LIEU OF, AND S3 Maritime, LLC AND ITS SUPPLIERS DISCLAIM ANY AND ALL OTHER WARRANTIES, CONDITIONS, OR REPRESENTATIONS (EXPRESS OR IMPLIED, ORAL OR WRITTEN) WITH RESPECT TO PRODUCT OR ANY PART THEREOF, INCLUDING WITHOUT LIMITATION ANY AND ALL IMPLIED WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS OR SUITABILITY FOR ANY PURPOSE (WHETHER OR NOT S3 MARITIME, LLC HAS REASON TO KNOW, HAS BEEN ADVISED, OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE), WHETHER ALLEGED TO ARISE BY LAW, BY REASON OF CUSTOM OR USAGE IN THE TRADE, OR BY COURSE OF DEALING. IN ADDITION, S3 MARITIME, LLC AND ITS SUPPLIERS EXPRESSLY DISCLAIM ANY WARRANTY OR REPRESENTATION TO ANY PERSON

OTHER THAN BUYER WITH RESPECT TO THE PRODUCT OR ANY PART THEREOF.

Except for S3 Maritime, LLC's express warranties under this Section 5, Buyer assumes all other responsibility for any loss, damage, or injury to persons or property arising out of, connected with, or resulting from the use or installation of Products, either alone or in combination with other products or components, and shall indemnify, defend, and hold S3 Maritime, LLC harmless for any such loss, damage or injury.

6. PRODUCT SUITABILITY. S3 Maritime, LLC's products are designed to meet stated U.S. general marine safety standards and regulations. If Buyer requires Product to meet a certain certification or specification, Buyer must submit drawings and/or plans with desired classification certification. S3 Maritime, LLC does not certify product, material or product/material usage, but is able to provide manufactures certifications as agreed upon. Because local safety standards and regulations vary significantly, S3 Maritime, LLC cannot guarantee that Product meets all applicable requirements in each jurisdiction. Buyer assumes responsibility for compliance with the safety standards and regulations in the localities in which Product will be shipped, sold and used.

7. EXPORT COMPLIANCE. Customer shall strictly comply with and refrain from exporting or re-exporting the Products in violation of United States' laws regarding trade restrictions and embargoes, as such laws may be amended from time to time.

8. LIMITATION OF LIABILITY; TIME FOR CLAIMS; INDEMNIFICATION. S3 Maritime, LLC is not liable for incidental, special, indirect, consequential or other similar damages, including but not limited to loss of profit or revenues, damage for loss of use of the Product, damage to property, or claims of third parties, including personal injury or death on account of use of the Product or failure of S3 Maritime, LLC to adequately warn against, or instruct on, the dangers of the Product or the safe and proper use of the Product, whether or not S3 Maritime, LLC has been advised of the potential for such damages. S3 Maritime, LLC's total liability under the Agreement from any cause (except liability from personal injury caused by S3 Maritime, LLC's gross negligence), whether arising under contract, warranty, tort (including negligence), strict liability,

product liability or any other theory of liability, is limited to the lesser of Buyer's actual damages or the price paid to S3 Maritime, LLC for the specific Product that is the subject of Buyer's claim. All claims against S3 Maritime, LLC must be brought within one year after the cause of action arises, and Buyer expressly waives any longer statute of limitations. Buyer shall defend, indemnify, and hold S3 Maritime, LLC and its officers, directors, agents, representatives, employees, suppliers, and affiliates harmless from any and all sums, claims, costs, duties, suits, actions, losses, damages, legal fees, obligations, liabilities, and liens arising out of (a) Buyer's purchase, use, possession, ownership, operation, condition, transfer, export, transportation or disposal of the Product, (b) Buyer's violation or alleged violation of any foreign, federal, state, county or local laws or regulation, including without limitation, the laws and regulations governing product safety and labor practices, and (c) Buyer's breach of the Agreement.

9. INTELLECTUAL PROPERTY. All equipment, designs (including drawings, plans and specifications), estimates, prices, notes, electronic data and other documents or information prepared or disclosed by S3 Maritime, LLC in connection with the Product sold under the Agreement remain S3 Maritime, LLC's exclusive property. Buyer shall not disclose any such material to third parties without S3 Maritime, LLC's prior written consent.

10. MISCELLANEOUS. The Agreement will be governed by and construed in accordance with the laws of the State of Washington, U.S.A., without regard to its conflicts of law doctrines. The United Nations Convention on Contracts for the International Sale of Goods does not apply to the Agreement. The exclusive jurisdiction and venue for all actions arising out of the Agreement, including any amendments or changes thereto, is exclusively in the federal or state courts having jurisdiction in King County, Washington, U.S.A. and Buyer agrees to submit to such jurisdiction and venue. S3 Maritime, LLC's rights and remedies under the Agreement are cumulative and in addition to any other rights or remedies provided by law or equity. The Agreement is binding upon and inures to the benefit of the parties to the Agreement and their respective successors, permitted assigns and transferees. Nothing in the Agreement confers upon any person other than S3 Maritime, LLC and Buyer any right or remedy under or by reason of the Agreement. S3 Maritime, LLC's failure to insist

on strict performance of the Agreement or to enforce a default upon the occurrence of any single, repeated, or continuing violation of any particular term or condition of the Agreement, shall not be considered a waiver of S3 Maritime, LLC's right to insist on strict performance of the Agreement or to enforce a default with respect to the violation of any other term or condition or, at any later time or upon any subsequent occurrence, with respect to that particular term or condition. If any of the provisions of the Agreement are held to be invalid, illegal, or unenforceable, then that provision will be ineffective only to the extent of its invalidity and the unaffected provisions of the Agreement will be remain in full force and effect. Each party's obligations that by their nature are intended to survive beyond the termination, cancellation or expiration of the Agreement will survive.