

MARINE SYSTEMS, INC.
GENERAL TERMS AND CONDITIONS FOR FIELD SERVICE
DOMESTIC and OVERSEAS

Effective Date: February 22, 2021

Field Representative Services are available for the installation, inspection, operation, maintenance and repair of diesel engines, marine gears, and transmissions. Field Representatives to service these products are normally available on twenty-four (24) hours' notice.

As used herein, the term "Company" shall mean Marine Systems, Inc.

GENERAL:

An eight hour minimum per day will be charged when personnel are required to spend weekends out-of-town, but are not required to be on the job. Invoices not paid within thirty (30) days are subject to a late charge of 1.5% per month.

A. FIELD SERVICE REPRESENTATIVE

If the services of two or more Field Service Representatives are to be furnished, the term "Representative" or any corresponding pronoun used herein shall be deemed to refer to each such Field Service Representative.

B. SCOPE OF REPRESENTATIVES' SERVICES

- 1) The Representative shall act in an advisory capacity or perform the work. He will interpret the Company's drawings, advise the Purchaser regarding the sequence of steps in installation, inspection, start-up, dismantling, or repairs, as the case may be, explain features and components of the Company's products and their functions, and constructively criticize work conditions, methods and procedures at the job site.
- 2) The Representative shall not be required to superintend or supervise personnel supplied by the Purchaser or train them in their respective crafts in connection with the performance of their work.
- 3) Neither the Company nor the Representative shall be responsible for any acts, omissions or workmanship of employee's, contractors, subcontractors, or agents of the Purchaser or for their failure to follow the advice or instructions of the Representative or for performing any work or giving any advice in respect to equipment manufactured or services sold to the Purchaser by others.
- 4) The Company's Field Service Representatives shall comply with the Purchaser's rules for visitors pertaining to safety, plant protection and the operation and parking of vehicles.

C. PURCHASER'S RESPONSIBILITIES

- 1) Labor, Material, Tools and Equipment
The Purchaser shall furnish, at his own expense and responsibility, all cranes, rigging, tools, facilities and equipment, material, and repair or replacement parts, together with sufficient skilled and common labor and foreman, supervisors and interpreters for the efficient performance of the work, and all fuel, lubricating oil, water, electric power and other supplies and utilities that may be required in connection with the work.
- 2) Purchaser's Representative

The Purchaser's Representative shall be responsible for coordinating the work and shall be in

charge of the labor, material, supplies, tools and facilities to be furnished by the Purchaser. The Purchaser's Representative shall inspect and accept all details of the work as they are completed. Except in instances where the Company has such right under the terms of the warranty covering the product involved, the decisions with respect to repair or replacement of the Purchaser's equipment or parts thereof, shall remain solely with the Purchaser.

3) Safety

The Purchaser shall furnish Company's Representative a safe and healthful place to work, including first aid, wash-up, and toilet facilities at the site. If, in the opinion of the Company, the Purchaser fails to comply with the foregoing, or if in the Company's opinion, the Representative's health or safety is or would be jeopardized during the period of the assignment, the Company may order its Representative to return to their headquarters under the same provisions as set forth in Paragraph D4b(4). Prior to the start of work Company may request Purchaser to provide written evidence of the safety of the location where work is to be performed with regard to hazardous materials.

D. CHARGES

Purchaser shall pay the Company for the time and expense of each Field Service Representative and for tool rental and purchased material and services, based on the conditions set forth below.

1) General

- a) If the price for performing field service is fixed, such price shall apply only to the work called for at the inception of this contract, and shall be performed on a straight time basis only unless otherwise agreed in writing. Changes in the scope of the work or in the schedule of hours in excess of that specified requested by the Purchaser shall be paid as additional charges by the Purchaser pursuant to Paragraphs D 1b through D6.
- b) If the contract is not on a fixed price basis, the Purchaser shall pay the Company for the straight time, overtime, Sunday time, standby time and travel time as defined herein. Rates shall be the applicable rates in effect at the time the work is performed.

2) Time

- a) **Straight time** for Medium Speed diesel engines shall mean all hours worked between 7:00 AM and 3:30 PM, Monday through Friday, excluding Holidays. Straight time for High Speed diesel engines shall mean all hours worked between 7:00 AM and 4:00 PM, Monday through Friday, excluding Holidays. Purchaser shall pay Company for each hour of straight time worked at the applicable straight time rate.
- b) **Overtime** for Medium Speed diesel engines shall mean the time worked before 7:00 AM and after 3:30 PM, Monday through Friday and all hours worked on Saturday excluding Holidays. Overtime for High Speed diesel engines shall mean the time worked before 7:00 AM and after 4:00 PM, Monday through Friday and all hours worked on Saturday excluding Holidays. Purchaser shall pay Company for each hour of overtime worked at the applicable overtime rate.
- c) **Sunday time** shall mean the time worked between 12:01 AM and 11:59 PM on Sunday. Purchaser shall pay Company for each hour of Sunday time worked at the applicable Sunday time rate.
- d) **Holiday** shall mean any day observed by the Purchaser as a holiday in the place where the work is being performed.
- e) **Standby time** shall mean the time, up to 10 hours per day, Monday through Sunday, during which the Representative, during the course of his assignment, is available for work but is not working because of circumstances beyond the Company's control. Purchaser shall pay Company for each hour of standby time at the applicable rate.

- f) **Travel time** shall mean the actual amount of time spent by the Representative in traveling from his headquarters to the job site and in returning, including travel occurring on Saturdays, Sundays, and Holidays, a reasonable period of rest (up to 24 hours) upon completion of the Representative's travel to job site if such travel is twelve hours or more in duration, and the time necessary for the Representative to travel between the job site and the Representative's local residence. Delays encountered by the Representative in obtaining return travel shall be treated as standby time. Purchaser shall pay Company for each hour of travel time at the applicable rate.
 - g) Time worked, time traveled and standby time occurring on the same day will be charged at the rates and within the limitations aforesaid.
- 3) **Minimum Charge**
The minimum charge for each service call shall be four hours unless actual time worked and traveled exceeds four but is less than eight hours, in which case the minimum charge shall be eight hours at the current rates plus, in all events, travel and living expenses.
- 4) **Expenses**
All travel, living, incidental and other expenses incurred by the Company in the complete performance of the assignment, including Company handling charges, shall be charged to the Purchaser.
- a) **Travel Expenses**

Expenses for air or rail transportation and local bus, taxi and automobile rental. (Air or rail transportation will ordinarily be in coach, tourist, or economy class accommodations. First Class accommodations will be used only under special circumstances such as the unavailability or unsuitability of lesser accommodations.)
If the Representative uses a Company truck for transportation to the job site and return, or for daily work transportation, travel expense shall be calculated at the current rate.
 - b) **Living Expenses**
The Purchaser shall reimburse the Company for the Representative's lodging, meals and other incidental expenses to United States standards.
 - i. Where adequate and acceptable commercial living and eating accommodations are available to the Representative, the Purchaser shall reimburse the Company for the cost of such expenses plus the applicable markup defined in Company's current RATES FOR FIELD SERVICE, DOMESTIC and FOREIGN.
 - ii. Where such commercial accommodations are not available, or when it is agreed in advance, the Purchaser shall provide the Representative with acceptable living quarters, food, local transportation, domestic help, etc. Such accommodations shall be comfortable in every respect including air conditioning, appliances, and household equipment.
 - iii. If, in the opinion of the Company, the Purchaser fails to furnish acceptable accommodations and they are not available commercially, the Company may order the Representative to return to his headquarters at the Purchaser's expense and the Company shall not be obligated to have him or his replacement return to the work site until given satisfactory assurance of compliance by the Purchaser of its obligations. All costs and expenses for the return to the job for the Representative

or his replacement shall be for the account of the Purchaser.

iv. If the services of the Representative are required for a period longer than six months, additional items of expense will be for the Purchaser's account such as travel expense of the Representative's immediate family, family living accommodations, vacation and rotation of personnel.

5) Tools, Instruments and Equipment

a) Transportation and Related Charges

The Purchaser shall pay for round-trip transportation or excess baggage charges for tools and equipment furnished by the Company or the Representative. If applicable, the Purchaser shall assist the Company in arranging entry and exit permits for such tools and equipment.

b) Tool Rental (Special)

If at the request of the Purchaser, the Company furnishes tools or equipment, a charge will be made at the Company's current regular rates therefore plus round-trip transportation. See Attachment 2 "Tool Rental Rate Sheet".

c) Company and Personal Tools

Tools and equipment furnished by the Company or the Representative shall remain the property of the Company or the Representative at all times. All such tools and equipment shall be for the exclusive use of the Representative. If such tools and equipment are not returned to the Company, the Purchaser shall reimburse the Company for their full replacement value.

d) Purchased Tools and Equipment

If under the terms of the Contract the Company is to provide tools, test instruments, vehicles or household equipment, they will be procured and shipped by the Company. Unless otherwise agreed and specified, the purchase price, packing and shipping expense, Insurance, taxes and other expenses involved and pertaining to this equipment plus the current handling charge will be for the account of the Purchaser. Title, liability and maintenance responsibility passes to the Purchaser upon delivery but right of exclusive use by the Representative is reserved by the Company until the work is completed.

e) Storage Facilities

The Purchaser shall provide suitable locked storage facilities for the exclusive use of the Representative for the storage of personal or Company property such as drawings, tools, instruments and other special equipment.

E. INVOICING AND PAYMENT

1) Invoicing

Subject to credit approval, the Company will submit periodic invoices on a net 30 basis covering the time and expenses of the Representative, and a final invoice upon completion of his work. Separate or combination invoices for purchased material, labor, engineering, services, tool rental, or other items furnished by the Company will be issued on the same basis.

2) Payment

With approved credit, all payments shall be made by the Purchaser in US Dollars within 30 days of receipt of invoice. INVOICES NOT PAID WITHIN 30 DAYS FROM INVOICE DATE SHALL BE SUBJECT TO A SERVICE CHARGE OF 1½% OF THE UNPAID BALANCE FOR EACH MONTH THEY REMAIN UNPAID BUT NOT TO EXCEED THE MAXIMUM AMOUNT PERMITTED BY LAW.

Purchasers who do not have approved credit and Purchasers outside of the United States will be required to provide advance payment in the form of wire transfer or Company Check (check clearance required prior to dispatch of service personnel and /or shipment of parts). If the Purchaser prefers, an irrevocable confirmed letter of credit with an acceptable US bank may be provided. In all cases, all banking charges and fees will be for Purchaser's account.

3) **Verification of Time and Expenses**

The Representative will present a copy of his regular Daily Field Service Report (DFSR). The DFSR shall include a description of the work completed and the hours spent on the job. The Purchaser shall indicate his approval of such reports by signing the same.

F. DELAYS, SUSPENSION, DEFERMENT

1) If the work is suspended or delayed due to no fault of the Company, such as, but not limited to, acts of God, war, act of government, act of Purchaser, priorities, or allocations, fire, flood, strike or sabotage, the time of performance, if any such is specified, shall be extended for a period of time equal to the period of the delay and its consequences. If the work is suspended because of such a delay, the Company may temporarily withdraw the Representative and/or its contractor's personnel and return to the job when needed and available. Rates current at the time the work is resumed and any additional costs (including travel time and expense) incurred by the Company because of the foregoing will be charged to the Purchaser.

2) If for any reason the Purchaser defers start of the work, the Purchaser will give the Company written notice immediately. It is understood that the Company may not be able to furnish the Representative or its contractor at the precise date the work is rescheduled to start, but it will make every reasonable effort to do so. The Company, at its option, shall be relieved of its obligation to provide service hereunder without further obligation if the Purchaser defers start of the work beyond six months of the starting date originally specified, or if the work is suspended for more than six months, or if in the Company's opinion, conditions in the job site area constitute a hazard to the Representative's health or safety.

G. ENGINEERING INFORMATION

While the Company will provide advisory assistance to its Field Service Representative relating to routine engineering problems encountered in connection with the performance of this field service assignment, the Company reserves the right to charge the Purchaser at its regular rates for engineering services such as layout, design, drawings, engineering analysis, engineering reports and visits to the job site or elsewhere by Company engineering personnel. However, no such engineering services will be undertaken without the authorization of the Purchaser.

H. MATERIAL

Material furnished by the Company at the Purchaser's request will be invoiced to the Purchaser at the Company's current regular price and under the Company's current Terms and Conditions.

I. LABOR PERMITS AND TAXES 1) The Purchaser, at his own expense, shall secure any work permit, labor permit, tax exemption certificate, or any other authorization which may be required to permit the Representative to perform the requested services. Any loss of the Representative's services pending the procurement of any such permit or authorization shall be for the Purchaser's account, and shall be paid for by the Purchaser as standby time as defined and specified herein.

2) The price quoted for services do not include any sales, privilege, use, turnover, excise or other similar tax. The amount of any such tax which the Company shall be required to pay because of the furnishing of services shall be reimbursed to the Company by the Purchaser upon presentation of invoice therefore.

J. WARRANTY

Company warrants that the materials and services furnished to Purchaser shall, at the time of delivery, be free from defects in materials and workmanship. Company agrees, (a) at its option, to repair or replace any material which proves to be defective within the period contained in any applicable manufacturer's warranty, and, if there be no such applicable warranty, then within six (6) months from the date the material is placed in service, but in no event to exceed twelve (12) months from the date of shipment to Purchaser, and (b) to correct any defects arising out of any services furnished to Purchaser within thirty (30) days from the date such services are rendered.

Purchaser shall promptly notify Company in writing of any defect in material or workmanship found during the warranty period and Company shall have the right to make an investigation of the reported defect before corrective action is undertaken. Company shall have the option to repair, replace or correct any defect in the field or at its plant. Purchaser shall bear all costs incurred by Company to enable it to gain access to a defect in material or workmanship in order to repair, replace or correct same.

This warranty does not cover and Company shall have no responsibility for:

- Conditions which, in the reasonable judgment of the Company, arise from misuse, overloading, negligence, alteration, accident or lack of performance of necessary maintenance services.
- Claims for consequential damages, including, but not limited to, loss of use, loss of revenue or profit and loss of or damage to Purchaser's property.
- Claims which, in the reasonable judgment of the Company, arise from materials not provided by Company.

THIS WARRANTY IS EXPRESSLY IN LIEU OF ANY WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR WORKMANLIKE SERVICE, AND OF ANY NON CONTRACTUAL LIABILITIES INCLUDING PRODUCT AND/OR COMPLETED OPERATIONS LIABILITIES BASED UPON NEGLIGENCE OR STRICT LIABILITY.

NOTWITHSTANDING THE FOREGOING, COMPANY MAKES NO WARRANTY WHATSOEVER WITH RESPECT TO BLOCK AND GEARCASE WELDING, GEARING, OR GEARING COMPONENTS, WHETHER ORIGINAL, SUPPLIED, OR REUSED, AND ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR WORKMANLIKE SERVICE, AND OF ANY NON CONTRACTUAL LIABILITIES INCLUDING PRODUCT AND/OR COMPLETED OPERATIONS LIABILITIES BASED UPON NEGLIGENCE OR STRICT LIABILITY, ARE HEREBY EXCLUDED AND DISCLAIMED BY COMPANY WITH RESPECT TO THESE PARTS AND/OR SERVICE. FURTHER, PURCHASER ACKNOWLEDGES THAT WITH REGARD TO GEARING, OR GEARING COMPONENTS, LATENT DEFECTS MAY EXIST.

K. INSURANCE LIABILITY

- 1) The Company will carry Workmen's Compensation insurance to cover its Representative and will require similar coverage from its subcontractors while on the assignment for the Purchaser and will maintain public liability and property damage insurance in reasonable amounts to cover the liability arising from their activities. The Company shall be liable for loss or damage to equipment or property of the Purchaser only if caused by the Company's negligence and only if and to the extent such damage or loss is not covered by the Purchaser's insurance. The liability of the Company whether in contract, in tort, or otherwise, shall expire one year after the completion of the work, and with respect to the equipment being worked on, shall not, in any event, exceed the total contract price for field services

rendered hereunder.

- 2) NEITHER COMPANY NOR ITS SUPPLIERS SHALL BE LIABLE, WHETHER IN CONTRACT OR IN TORT OR UNDER ANY OTHER LEGAL THEORY FOR LOSS OF USE, REVENUE OR PROFIT OR FOR COST OF CAPITAL OR OF SUBSTITUTE USE OR PERFORMANCE OR FOR INCIDENTAL, INDIRECT SPECIAL OR CONSEQUENTIAL DAMAGES, OR FOR ANY OTHER LOSS OR COST OF SIMILAR TYPE, OR FOR CLAIMS BY PURCHASER FOR DAMAGES OF PURCHASER'S PURCHASER.
- 3) Likewise, Company shall not, under any circumstances, be liable for the fault, negligence or wrongful acts of Purchaser or Purchaser's employees or Purchaser's other Contractors or Suppliers.

L. SUBSTITUTION OF PERSONNEL

The Company's obligation is to furnish services and not specific personnel. The Company reserves the right at any time, and from time to time, to recall and substitute any of its personnel.

M. MODIFICATIONS

It is recognized that the nature of field service is such that changes in the scope of it as originally contemplated often occur. The Company will undertake additional services within the normal scope of field service but reserves the right to require the Purchaser to confirm in writing any extension of the services originally ordered. The Company shall be entitled, however, to rely upon oral orders, including instructions of the Purchaser's Representative at the site. Any additional services performed by the Company pursuant to such written or oral orders or instructions shall be paid for on the basis set forth herein or as otherwise agreed to in writing between the parties.

N. GOVERNING LAW

The interpretation of this contract shall be governed by the laws of the State of Louisiana, U.S.A.

O. MATERIALS RETURN

- 1) General. In the event that the Purchaser wishes to return materials furnished to the Purchaser by the Company, the Purchaser shall request in writing that the Company issue a Return Materials Authorization (RMA). Purchaser must obtain an RMA from the Company prior to returning the materials, and a copy of the RMA must accompany the return shipment. No materials will be accepted for return or for credit to the Purchaser's account without an RMA. Purchaser shall ensure that the materials to be returned are adequately packaged for the return shipment, considering the nature and value of the materials. Non-stock materials, including but not limited to Order As Needed (OAN) materials, custom designed and/or custom fabricated materials, electrical and electronic materials, special order materials and lighting materials, may not be returned for any reason except in connection with a warranty claim, nor may the order for such non-stock materials be cancelled after the Company has placed the corresponding order with its supplier.
- 2) Routine Returns. Company shall assess the Purchaser a restocking charge, at the rate periodically established by the Company, for each item of material returned, except materials returned in connection with a warranty claim. Company shall inspect each item of returned material upon receipt to determine, in its sole discretion, whether the item is suitable for resale. Purchaser shall be responsible for the cost of each item of material which the Company determines is not suitable for resale, based on the price charged to the Purchaser at the time the material was furnished to the Purchaser by the Company. The costs of packaging and return freight shall be the responsibility of the Purchaser.

- 3) **Company Shipping Error.** With respect to the return of materials which are not of the type and/or quantity ordered by the Purchaser, the Company shall not assess the Purchaser a restocking charge, and the costs of packaging and return freight shall be the responsibility of the Company.
- 4) **Defective Materials.** With respect to the return of materials in connection with a warranty claim, the Purchaser shall request an RMA for the return of such materials at the time of its written notice of defect, provided in accordance with Section J hereof. Company shall inspect such materials upon receipt to determine, in its sole discretion, whether any defect is within the warranty set forth in Section J. In the event that the Company determines that a defect in such materials is within the warranty set forth in Section J, the costs of packaging and return freight shall be the responsibility of the Company. In the event that the Company determines that there is no defect in such materials that is within the warranty set forth in Section J, the costs of packaging and return freight shall be the responsibility of the Purchaser.

P. CORE RETURN

- 1) When remanufactured, rebuilt and UTEX material is sold on an Exchange or Flat Rate Exchange basis, the Purchaser shall deliver, or cause to be delivered, to Company an "acceptable core" in exchange for the material purchased. Company will provide a Return Material Authorization (RMA) to the Purchaser at the time the remanufactured, rebuilt or UTEX materials shipped. Purchaser shall return the core, at Purchaser's sole expense, with the RMA attached, to the Company location from which the remanufactured, rebuilt or UTEX material was shipped. With respect to North American Purchasers (USA & Canada), the core must be returned within thirty (30) days from the date of shipment of the remanufactured, rebuilt or UTEX material by the Company, and, with respect to all other Purchasers, within one hundred fifty (150) days from the date of shipment by the Company.
- 2) Unless otherwise agreed in writing by Company and Purchaser, the core returned by Purchaser shall be deemed an "acceptable core" if it is from the same manufacturer and of the same model as the purchased material and can be repaired or rebuilt in accordance with the manufacturer's specifications. Purchaser acknowledges and agrees that, with respect to certain material cores, the Company cannot fully determine whether the core meets the manufacturer's specifications qualifying it to be repaired or rebuilt until the repair or rebuilding process has been completed and the finished part has been tested.
- 3) In the event that the Purchaser fails to return a core within the applicable time frame set forth herein, or, in the event that a core returned by Purchaser fails to meet the manufacturer's specifications qualifying it to be repaired or rebuilt or if the rebuilt core fails during final testing, Purchaser shall pay Company for Company's standard price, determined in the sole discretion of Company, for the specific material core in accordance with the payment terms hereof following receipt of Company's invoice. Unless the Purchaser shall request in writing, within fifteen (15) days of receipt of Company's invoice, that an unacceptable core be returned to Purchaser, freight prepaid, Company shall dispose of the unacceptable core as Company shall, in its sole discretion, deem appropriate.

Q. EXPORT COMPLIANCE

- 1) **General.** The parties understand and acknowledge that each is committed to compliance with all laws and regulations of any country in which it is located, which are applicable to its business and operations, and to conducting its business affairs according to the highest standards of integrity. Each party certifies that it has performed and will perform all of its duties under these General Terms and Conditions in accordance with such applicable laws and regulations, and that it will do nothing to cause the other to be in violation thereof. Each party will furnish the other party in a timely manner, all information reasonably requested in order to comply with

such applicable laws and regulations. In addition, each party agrees to comply with the laws and regulations of any country where the other party is located to the extent applicable to the performance of its duties under these General Terms and Conditions. Notwithstanding the foregoing, Company can only comply with such laws to the extent they are not inconsistent with U.S. law.

- 2) **Compliance with Export Controls**. The parties acknowledge that any goods, technology, software, information or data subject to these General Terms and Conditions may be subject to U.S. export controls including but not limited to the Export Administration Regulations ("EAR") 15 CFR Part 730-774, U.S. International Traffic in Arms Regulations, as codified at 22 C.F.R., Parts 120 through 130 ("ITAR"), U.S. Nuclear Regulatory Commission Regulations (NRC) on the Import and Export of Nuclear Equipment and Material, as codified at 10 C.F.R. Part 110, and/or U.S. Department of Energy (DOE) Regulations on Assistance to Foreign Atomic Energy Activities, as codified at 10 C.F.R. Part 810, and may be subject to other regulations as deemed applicable (the "Export Control Regulations"). The parties further acknowledge that export authorizations may be required from the Bureau of Industry and Security (BIS), Defense Directorate of Trade Controls ("DDTC"), NRC, DOE or other applicable U.S. government agencies (such U.S. government agencies collectively, "Export Control Agencies") prior to exporting any Products, non-public domain technical data or Services subject to the Export Control Regulations. The parties agree to comply with all applicable Export Control Regulations and any specific limitations and provisos imposed by Export Control Agencies on licenses, agreements or other authorizations particular to any transaction between the parties.

The parties acknowledge that any goods, technology, software, information or data exported under these General Terms and Conditions remain subject to the U.S. Export Regulations after such export. The Purchaser agrees that it will not authorize further disclosure, export, re-export or retransfer any such product, software, non-public domain technical data or service to a third country, to any national (regardless of whether such national is an employee, consultant or independent contractor of either of the parties) of a third country or to any entity not specifically authorized by applicable U.S. Export Control Agencies pursuant to an export license, agreement or other export control document.