

AUSTAL USA INSURANCE REQUIREMENTS

Except as otherwise stated herein, capitalized terms shall have the meanings assigned in the applicable terms and conditions.

The Seller and its subcontractor(s) shall procure and maintain for the duration of this Contract insurance against claims which may arise from or in connection with Goods (as used herein, the term "Goods" refers to the supplies and/or services provided by Seller and its subcontractors at any tier). Said coverage shall include, but not be limited to any insurance required by State, Federal, and local laws and:

A. For all Goods:

(1) Workers' Compensation Insurance and Employer's Liability Insurance: Workers' Compensation insurance with coverage as required by the most current laws of the applicable state or foreign jurisdiction and Employer's Liability insurance with limits of not less than \$1,000,000 each accident for bodily injury by accident and \$1,000,000 each employee for bodily injury by disease.

(2) Commercial General Liability Insurance: Commercial General Liability insurance with limits of not less than \$1,000,000 each occurrence and \$2,000,000 in aggregate for bodily injury and property damage.

B. Whenever performance of Goods requires work or driving on a Government installation, Buyer's premises or vessel(s) (collectively hereinafter "premises"), or premises under the care, custody or control of Buyer or Buyer's customer:

(1) Workers' Compensation Insurance and Employer's Liability Insurance: Workers' Compensation insurance with coverage as required by the most current laws of the applicable state or foreign jurisdiction and Employer's Liability insurance with limits of not less than \$1,000,000 each accident for bodily injury by accident and \$1,000,000 each employee for bodily injury by disease. Buyer may, in its discretion, accept Seller's self-insurance so long as Seller provides Buyer with a copy of the certificate of authority to self-insure issued by the relevant government agency. This certificate of authority to self-insure must be provided annually until this Contract expires or Goods have been provided or completed. If an exposure exists, this insurance shall include coverage for the Longshore and Harbor Workers' Compensation Act, Defense Base Act, and Jones Act.

(2) Commercial General Liability, or Marine General Liability Insurance: Commercial General Liability or Marine General Liability insurance covering liability arising from premises, operations, products-completed operations, personal and advertising injury, independent contractors, and contractual liability with limits of not less than \$1,000,000 each occurrence, \$2,000,000 aggregate. The Seller shall maintain the products-completed operations insurance in equivalent coverage, form, and amount, including required endorsements, for at least two (2) years following the date of substantial completion of the work to be performed under this Contract.

(3) Automobile Liability Insurance: Automobile Liability insurance with a limit of not less than \$1,000,000 each accident. Such insurance shall cover liability arising out of any auto, including owned, hired and non-owned autos. If performance of Goods requires driving outside of the United States, auto liability insurance shall be commensurate with any legal requirements of the locality and sufficient to meet normal and customary claims.

C. Other special circumstances requiring insurance:

(1) Professional Liability Insurance: If providing professional services, Professional Liability (Errors and Omissions) insurance appropriate to the profession with limits of not less than \$5,000,000 per claim is required. Professional services include but are not limited to the following professions: Architects, Medical Professionals, Engineers, Programmers, and Consultants.

(2) Marine Insurance: If engaging in water-based work in which vessels are utilized in the performance of Goods, Vessel Pollution Liability insurance with limits of not less than \$5,000,000 per occurrence, Hull & Machinery insurance with limits of not less than the full agreed value thereof, and Protection and Indemnity insurance with limits of not less than \$5,000,000 per occurrence are required. Protection and Indemnity shall include coverage for voluntary wreck removal and full collision liability. Water-based work includes but is not limited to dredging services, tugs, ship towing services, and ship pilots or crews.

(3) Pollution Liability Insurance: If engaging in the storing, disposal, treatment, transportation, or remediation of hazardous substance or materials, or work that could create a new or disturb an existing pollution condition, Contractors Pollution Liability or Pollution Legal Liability insurance is required with coverage applicable to bodily injury, property damage, clean up costs, and defense, including costs and expenses incurred in the investigation, defense or settlement of claims, and claims arising from owned and non-owned disposal sites in connection with the performance of this Contract. This coverage shall apply to sudden and non-sudden pollution conditions resulting from the escape or release of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids, gases, natural gas, waste materials, or other irritants, contaminants, or pollutants. Coverage shall be maintained with limits of not less than \$2,000,000 per loss.

D. All liability insurance required in B. and C. shall be primary and shall not seek contribution from any other insurance or self-insurance available to Buyer. All liability insurance and workers compensation insurance required in B. and C. shall provide Buyer and its parent, affiliates, officers, directors, agents, and employees with a waiver of subrogation. Buyer, its parent, affiliates, officers, directors, agents, and employees shall be included as additional insureds to all liability insurance policies required in B. and C. except Workers' Compensation, Employer's Liability, and Professional Liability insurance. This additional insured requirement shall apply to both ongoing and completed operations for Commercial General Liability and Marine General Liability insurance.

E. Minimum insurance limits as set forth herein may be met with any combination of primary and umbrella, excess, or bumbershoot liability insurance provided such primary and umbrella, excess, or bumbershoot liability insurance results in equivalent or greater insurance coverage as the insurance required herein. In no event shall any umbrella, excess, or bumbershoot

liability insurance provide narrower coverage than the insurance requirements herein which are applicable to the primary policy.

F. Prior to providing Goods, and as a prerequisite for Seller and Seller's subcontractor(s) to enter the worksite where the services are to be performed, Seller shall provide Buyer with both a certificate of insurance showing compliance with the requirements set forth herein and a copy of the additional insured endorsement, or equivalent policy clause providing same effect, required for Commercial General Liability and Marine General Liability insurance as required in D.. Seller shall furnish equivalent certificate and additional insured evidence for each of its subcontractors, if any. Failure of Buyer to demand a certificate of insurance or endorsement, or failure to identify a certificate of insurance or endorsement deficiency, shall not be construed as a waiver of Seller's or Seller's subcontractor's obligation to maintain such insurance required herein, nor relieve Seller or Seller's subcontractor(s) of any of its obligations or liabilities herein. Any such waiver must be approved by Buyer in writing. Upon request, Seller shall furnish Buyer certified copies of all such policies. When allowable as provided herein, if the Seller utilizes self-insurance, the self-insured retention must be disclosed on the certificate of insurance. Certificate holder shall read "Austal USA, LLC, and its parent, affiliates, officers, directors, and employees" and shall be emailed or mailed to:

Email: Riskmanagement@austalusa.com

Mail: Austal USA, LLC
ATTN Risk Management
P.O. Box 1049
Mobile, AL 36633

G. If a "claims-made" insurance policy is maintained, Seller shall maintain such policy for two (2) years after the expiration date of this Contract or completion of all work, whichever is later. The retroactive date must precede the commencement of the work under this Contract.

H. All premiums, retentions, and/or deductibles shall be at the sole cost and expense of Seller or Seller's subcontractor(s). All insurance required herein shall have a minimum Best's rating of A- VIII or better. Seller shall immediately notify Buyer in writing of any cancellation of insurance required herein, any reduction in limits that cause remaining limits to fall below the minimum limit insurance requirements herein, any material change in the terms and conditions of required insurance herein, and shall endeavor to cause Seller's and their subcontractor's insurers to provide Buyer with a thirty (30) days advanced written notice of such events.

I. By requiring insurance herein, Buyer does not represent that coverage and limits will necessarily be adequate protection and such coverage and limits shall not be deemed as a limitation of liability to Buyer under this Contract. If broader coverage and/or higher limits than the minimums required herein are maintained, the Buyer requires and shall be entitled to the broader coverage and/or the higher limits maintained. If Buyer is damaged by the failure to purchase or maintain insurance required herein, then Seller shall bear all reasonable costs (including attorney fees and court and settlement expenses) properly attributable to the failure. Failure to obtain insurance as required herein shall not relieve any duty of defense or indemnity provided by this Contract. Insurance requirements in this Contract are intended to be separate and distinct obligations from the other obligations of Seller set forth in the Contract.