



Standard Insurance Requirements

Seller will comply with the following obligations regarding insurance:

1. Insurance Types and Amounts. Seller must obtain and maintain the insurance coverages described in this Section 1 (the “*Required Insurance*”) from the date of each Order through the last day of the Warranty Period for the Goods and Services described in this Order. Each insurance policy and each certificate of insurance must provide that: (a) the insurer waives all rights of recovery or subrogation against Vigor, Customer, their affiliates, the vessels, and their respective underwriters that might arise by reason of any payment under each policy with respect to liabilities assumed by Seller under the Terms or any Order; (b) each policy, except the workers' compensation/employers liability policy, names Vigor, Customer, their affiliates, and any vessel(s) as an additional insured and is primary to all other insurance policies available to Vigor, Customer, their affiliates, and any vessel(s), and any insurance Vigor carries will be excess and non-contributory; and (c) territorial limits include all areas in which the work is to be performed.

- All risk property insurance for all properties owned and operated by Seller on a full replacement basis, including real property, personal property, and property of others, including the perils of fire, wind, flood, and earthquake, with extension of coverage for electronic data, programs, or software. This insurance must include business interruption and extra expense, property damage, service interruption, time element, transportation, expediting costs, operational testing, personal property not at Seller's facilities, and mobile equipment. The deductible for this insurance must not exceed USD \$100,000. This insurance must name Vigor as a loss payee as its interest may appear.

- Workers Compensation insurance coverage with statutory limits as required by the law of the state where the Goods are manufactured or the Services are performed, with appropriate endorsements to provide coverage to full statutory limits; Employer's Legal Liability coverage with a policy limit of not less than USD \$1,000,000, with third party extension; and, if Seller will perform Services at any Vigor's shipyard, USL&H, Jones Act and Maritime Employer's Liability insurance coverage.

- Comprehensive Marine General Liability and/or General Liability Insurance, subject to standard forms, including premises, operations, completed operations coverage, product liability coverage, pollution and contractual liability coverage including tort liability of another assumed an Order or any other business contract, and all indemnity obligations, including for bodily injury (including death), property damage, independent contractors, and advertising injury, along with associated defense costs, with limits of not less than USD \$1,000,000 each occurrence, combined single limit, and \$2,000,000 annual policy in the aggregate, for personal injury and property damage, with an annual deductible of not more than USD \$100,000. Any watercraft exclusion clause must be deleted from these insurance policies in order to provide for vessel coverage.

- Automobile liability insurance coverage for any vehicle licensed for public road use, including, owned, non-owned, and hired autos, as required by statute or local regulation but with a minimum combined single limit of USD \$1,000,000 per occurrence on vehicles owned, leased, or rented by Seller or by its subcontractors while performing under any Order. The business automobile liability insurance policy will be written on an occurrence basis.

- Excess (umbrella) liability insurance coverage with minimum limits of USD \$2,000,000 per occurrence and in the aggregate.

Seller will also carry the following types of insurance:

If Seller will have access to Vigor or Customer's bank accounts, computer network, precious metals, or other valuable property:

Crime insurance in an amount not less than USD \$1,000,000 covering the acts of its officers, employees and agents, in performing any and all of the services required to be performed under each Order. Seller will promptly notify VIGOR in writing of any material amendment or cancellation of this policy or bond and of any decrease in the amount of available coverage. Seller will also promptly notify VIGOR in writing when available limits drop to less than USD \$1,000,000.

If Seller will perform professional Services:

Errors and omissions liability insurance coverage written on a claims-made or project-specific basis, with a limit of not less than USD \$2,000,000 per claim. The policy's retroactive coverage date will be no later than the date of each Order. Upon the full performance or earlier termination of an Order, Seller will maintain an active policy, or purchase an extended reporting period, providing for claims first made and reported to the insurance company within two (2) years after Vigor's final payment for Seller's performance under an Order.

If Seller will perform design or engineering Services:

Professional liability insurance for design and engineering Services with limits of USD \$5,000,000 per occurrence and in the annual aggregated. Covered professional services must specifically include design and engineering performed under the Agreement.

If Seller will perform Services on a vessel:

Vessel pollution insurance covering all owned or operated watercraft used in manufacturing the Goods and/or performing the Services. This coverage must be written on the Water Quality Insurance Syndicate policy form, or equivalent, and must include bodily injury. Limits of liability will be in accordance with OPA90, but will be not less than USD \$1,000,000 each occurrence. The vessel owner or operator must also have Certificate of Financial Responsibility pursuant to OPA90, Coast Guard Regulations and if applicable, the State of Washington.

If Seller will perform Services that involve hazardous materials or have the potential of causing a release of hazardous materials:

Environmental pollution / contractor's pollution liability - pollution liability policy form or other policy form acceptable to Vigor providing coverage for liability caused by pollution conditions arising out of Seller's operations. Coverage must apply to bodily injury, property damage, including loss of use of damaged property or of property that has not been physically injured, cleanup costs, and defense, including costs and expenses incurred in the investigation, defense, or settlement of claims. The policy limit must not be less than USD \$5,000,000 per claim and USD \$10,000,000 general aggregate. All activities contemplated in each Order must be specifically scheduled on the policy as "covered operations." The policy must provide coverage for the hauling of waste from Seller's site and if applicable, from the Vigor Site, to the final disposal location, including non-owned disposal sites. There will not be any exclusion for work in, on, or under water. Coverage must be included on behalf of the insured for covered claims arising out of the actions of independent contractors. If the insured is using subcontractors the policy must include work performed "by or on behalf" of the insured. The policy coverage term must be equal to the total period of construction and also provide 10 years of completed operations coverage after the project construction is complete.

If Seller has access to Vigor’s computer network or to the personal, financial and/or health information of Vigor’s employees or any other individual:

Cyber/Privacy insurance for claims and losses with respect to network or data risks (such as data breaches, release of confidential information, unauthorized access/use of information, and identity theft) with minimum limits of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate.

Seller is responsible for and will pay all deductible payments and self-insured retentions under the Required Insurance, and Seller will act as Vigor’s and Customer’s insurer for the amount of those deductibles and retentions under the terms and conditions of the policies to which the deductibles pertain.

2. Insurance Certificates. On the effective date of the Order, and upon the renewal of the Required Insurance policies, Seller will deliver to Vigor at 5555 N. Channel Avenue, Portland, OR 97217, Attn: Risk Management, certificate(s) of insurance for the insurance coverages required under Section 1 above and, if requested by Vigor, copies of the policies, evidencing not less than the coverage described in Section 1. The certificates must evidence the most recent AM Best or Lloyds of London rating of each insurer. If any of the Required Insurance coverages specified in Section 1 are required to remain in force after final payment, an additional certificate evidencing continuation of that coverage must be submitted with the final application for payment. Seller’s failure to provide those certificate(s), or Vigor’s failure to request those certificate(s) or copies of those policies does not and will not relieve Seller of the responsibility to maintain full coverage described in this Appendix.

3. Other Insurance Requirements. The Required Insurance must be primary and any other insurance does not apply to Vigor or Customer with respect to the liabilities assumed by Vigor. Any “sue and labor” provisions in the Required Insurance do not apply to Vigor or Customer. Seller’s insurance companies will not have any recourse against Vigor or Customer for payment of any premium or for assessments under any mutual form of policy.

4. Breach. If Seller fails to comply with the insurance requirements in this Appendix, Vigor may, at its election (a) provide written notice to Seller of that failure and if Seller does not remedy the failure within five days of receipt of that notice, immediately terminate any or all Orders under Section 9.1 of the Terms; or (b) purchase the required insurance coverage and charge the premium to Seller.