



Thunderbolt Marine Pricing Conventions

Thunderbolt Marine supplies services and materials to vessels according to authorized work order agreements based on clients' task lists and other requests. Work Authorizations are prepared detailing the nature of the work, specifications, and scope of supply of services and materials. The initiation of work orders is accepted by original signature, faxed authorization, or e-mailed authorization directly referencing the document. Depending on the nature of the work, the agreements are priced for billing according to various arrangements listed below. The billing method is listed on each line of a work order accordingly. The arrangements are intended to apply the most equitable means for each party to accomplish determined goals in a commercial environment. Except for fixed price quotes in which the work conforms to agreed specifications and job scope, TMI is not obligated to perform or continue jobs with changed or emergent work outside the scope of documented agreements.

Definitions:

Quotes or Bids

A firm, fixed price agreement for goods or services given for a task with a well-defined scope of work and materials. Once a client agrees to proposed work package and schedule, the vessel's representative will have opportunities to participate in quality and progress checklists and sign off on completion acceptance. Billing will be according to progress milestones or at periodic intervals as agreed. Any changes to the agreed work or emergent work are priced separately in change orders to be submitted for approval describing the new tasks.

Estimate

The amount of labor, materials, and other charges that TMI anticipates for a project with a described scope of work as detailed in the bid proposal for the project within stated boundaries. Estimates are normally employed when an exact scope of work or material requirements cannot be determined at the onset of a task and it is agreed that the most equitable billing method for both parties is to work through the task under constant review with an approximate understanding. Normally the boundaries referred to stipulate that cost accounting is available daily and that billing against an estimate will not exceed 15% of the agreed amount unless changes emerge in the scope of work or supply of materials.

Allowance(s)

The amount of labor, materials, and other costs that TMI budgets for a project based on past histories or industry standards because the scope of work or materials is not fully defined. As the parties work through developing the work package, a quote or estimate can be developed.



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- Block of Hours** An agreed number of labor hours plus materials to evaluate the condition and requirements of a task so that a scope of work and budget can be determined. When that point is reached, a quote or estimate can be developed or an agreed number of work hours can be added. This billing method is also utilized for tasks where the completion point is entirely subjective such as polishing or cleaning when the vessel's representative can express satisfaction on the outcome of a task or choose to dedicate more hours.
- Cost Plus** An agreement, usually involving a second party subcontractor, in which services and materials are marked up as a fixed amount. Clients are entitled to receive copies of vendor proposals and invoices with agreed markups clearly shown.
- Change Order** A supplementary work order agreement that modifies an existing authorization because the basis for the existing agreement has changed in scope due to emergent, unforeseen task(s), or other changes to the original scope of work. In most cases change orders will be fixed price quotes.
- TBD** A place marker on agreement line items indicating further inspection, specifications, or other information is required to price a job by one of the above methods.

For agreements other than those with fixed prices clients are entitled to receive daily time card reports for review and sign off. TMI work order proposals are initiated by mutual agreement. The failure of a vessel's appointed representative to review accounts, quality checks, or progress does not affect the position of Thunderbolt Marine acting in good faith in dedicating resources to authorized tasks and collecting payment for them. Clients may cancel jobs in progress provided charges are paid for services and materials supplied to the vessel through the time of cancellation. Thunderbolt Marine reserves the right to stop work when the totals of Allowances, Blocks of Hours, and in some cases Estimates are reached in the absence of change orders, until agreements to complete are reached. Thunderbolt Marine takes the position that work orders authorized by a vessel's appointed representative are legally binding agreements with the vessel according to the attached Terms and Conditions. At a time when job sharing and crew changes are becoming common, TMI takes the position that the text and intent of existing agreements with a vessel rule in the case of questions of interpretation by a new representative.

Signed _____ Date: _____
Vessel's Authorized Representative