

## U. S. STEEL TUBULAR STANDARD TERMS AND CONDITIONS OF SALE

Governing Sales Made by U. S. Steel Tubular Products, Inc., U. S. Steel Seamless Tubular Operations, LLC, U. S. Steel Tubular Products Canada, Inc., and U. S. Steel Oilwell Services, Inc.

**NOTICE:** The sale of goods is expressly conditioned on Buyer's assent to these Terms and Conditions. To the extent Seller performs storage or other services in connection with the sale of goods, the terms of the U. S. Steel Tubular Standard Terms and Conditions for Storage Services, U. S. Steel Tubular Products, Inc. Standard Terms and Conditions for Services, and U. S. Steel Oilwell Services, LLC Standard Terms and Conditions for Services, as applicable, shall apply to the supply of such services.

The following definitions shall be applicable, unless Seller otherwise agrees:

**"Buyer"** means the entity to which Seller is providing goods under the Contract.

**"Contract"** means the documents that comprise the agreement between Buyer and Seller for the supply of goods, including these Terms and Conditions and any other documents incorporated herein by reference, such as, the final quotation, Seller's order acknowledgement, and invoice.

**"goods"** means all goods to be sold hereunder.

**"Seller"** means the entity selling the goods hereunder, including, without limitation, any division of such entity.

**"Terms and Conditions"** means these U. S. Steel Tubular Products Standard Terms and Conditions of Sale.

1. **Payments.** Payments shall be made at par in legal tender of the United States of America and directed to the payment address, lockbox, or other means specified in Seller's invoice or EDI payment instructions. Buyer shall make such arrangements for payment as Seller shall from time to time reasonably require and Seller may suspend scheduling, production, shipment, or delivery of goods until such arrangements are made. If Seller reasonably believes that Buyer is or may become unable to perform its obligations hereunder, Seller may require that Buyer provide Seller with security for or other assurance of performance, in either case acceptable to Seller. If Buyer fails to do so or fails to make payment in full within the time set forth on the invoice or expressly agreed upon in writing by the parties, such failure will constitute a material breach of contract by Buyer permitting Seller to suspend scheduling, production, shipment, or delivery of goods under the Contract or any other contract between Buyer and Seller. Buyer shall pay to Seller interest on any unpaid amount at the rate of 18% per annum or the maximum rate permitted by law, whichever is less. In addition to all other remedies available to Seller by law, equity, or the Contract (which Seller does not waive by the exercise of any rights hereunder), Seller shall be entitled to suspend the scheduling, production, shipment, or delivery of goods if Buyer fails to pay any amounts when due hereunder. If Seller takes legal action to collect any amount due hereunder, Buyer shall pay all dispute resolution costs, including court costs plus reasonable legal fees incurred by Seller in bringing such legal action. Seller shall have the right to set off against any monies due Seller hereunder any obligations of Seller or its affiliates to Buyer. Buyer shall not withhold payment of any amounts due and payable by reason of any set off of any claim or dispute with Seller.

2. **Taxes.** To the extent legally permissible, all present and future taxes imposed by any federal, state, or local authority of any country which Seller may be required to pay or collect, upon or with reference to the sale, purchase, transportation, delivery, storage, use, or consumption of the goods or services, including taxes upon or measured by the receipts therefrom (except net income and equity franchise taxes), shall be for the account of Buyer. The purchase is subject to state or local use tax, unless it is specifically exempt from taxation. The purchase is not exempt merely because Seller was not required to collect sales tax or made by remote means. Buyer assumes responsibility for correctly assessing and remitting any use tax due to the proper jurisdiction(s).

### 3. **Risk of Loss; Title; Incidental Storage Charges; Quantity.**

(a) Risk of loss shall pass to Buyer upon tender of delivery at the delivery point specified in the Contract. Any charges at the delivery point for spotting, switching, handling, storage and other accessorial services, and demurrage, shall be for Buyer's account. Title to the goods shall pass to Buyer upon Seller's receipt of full payment for the goods. As collateral security for the full payment for the goods, Buyer hereby grants to Seller a lien on and security interest in and to all of the right, title, and interest of Buyer in, to, and under the goods, wherever located, and whether now existing or hereafter arising or acquired from time to time, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing.

(b) If any goods cannot be shipped to or received by Buyer when ready due to any cause not attributable to Seller, Seller will notify Buyer and then may ship such goods to a storage facility, including a facility within the place of manufacture or to an agreed freight forwarder. Seller shall have the right to assess a storage and handling charge for goods left in Seller's possession after notification to Buyer that the goods are available to ship. If Seller places goods in storage or if goods are detained at any port, the following conditions shall apply: (i) amounts otherwise payable to Seller upon delivery or shipment shall be payable upon presentation of Seller's invoices; (ii) all expenses and charges incurred by Seller, such as for preparation for and placement into storage, handling, inspection, preservation, insurance, storage, demurrage, removal, and any taxes shall be payable by Buyer upon submission of Seller's invoices; and (iii) when conditions permit and upon payment of all amounts due hereunder, Seller shall resume delivery of goods to the originally agreed point of delivery.

(c) The quantity of any installment of Buyer's goods as recorded by Seller on dispatch from Seller's place of business is conclusive evidence of the quantity received by Buyer on delivery unless Buyer can provide conclusive evidence proving the contrary. Seller shall not be liable for any non-delivery of Buyer's goods (even if caused by Seller's negligence) unless Buyer gives written notice to Seller of the nondelivery within two days of the date when such goods would in the ordinary course of events have been received. Any liability of Seller for non-delivery of the Buyer's goods shall be limited to replacing such goods within a reasonable time or adjusting the invoice respecting such goods to reflect the actual quantity delivered.

4. **Time of Shipment and Shipping.** Except with respect to payment of amounts due by Buyer to Seller hereunder, time is not of the essence hereunder. Each shipment is a separate sale. Seller reserves the right to ship all or any part of the goods from any shipping point other than the shipping point or points specified herein. Shipment in installments is permitted. Buyer shall furnish shipping instructions to enable Seller to perform the Contract in accordance with its terms. Failure by Buyer to do so shall entitle Seller, in addition to all other rights, to cancel such portion of the Contract that has not been performed, or to make shipment in such manner as Seller may elect. Seller will use reasonable efforts to comply with Buyer's requests regarding transportation, but Seller reserves the right to make alternate transportation arrangements, even if at a higher cost to Buyer, if the transportation specified by Buyer is deemed by Seller to be unavailable or unsatisfactory. Seller shall notify Buyer of any such change within a reasonable time.

5. **Specification Variations.** Except in the particulars specified by Buyer and expressly agreed to in writing signed by Seller, the goods furnished hereunder shall be produced in accordance with Seller's standard practices. All goods, including those produced to meet an exact specification, shall be subject to Seller's mill tolerances and variations consistent with good mill practice in respect to (a) dimension, weight, straightness, section, composition, and mechanical and/or physical properties, (b) normal variations in surface and internal conditions and in quality, (c) deviations from tolerances and variations consistent with practical testing and inspection methods, and (d) regular mill practice on over and under shipment.

6. **Inspection.** Where mill inspection is made by Buyer, Buyer's inspector shall be deemed the agent of Buyer with authority to waive specified tests and details of test procedure and to accept goods as conforming to the Contract with respect to all characteristics of such goods for which such inspection is made. In all cases Buyer shall conduct a timely inspection of the goods upon receipt or within a commercially reasonable time and manner not to exceed fifteen (15) days from such receipt. Buyer's use of the goods in its production operations shall be deemed an acceptance of the goods involved as conforming to the Contract unless Buyer provides Seller written notice of rejection or of a non-conformity respecting such goods prior to or concurrent with Buyer's use thereof. Buyer's inspection or failure to inspect shall not delay payment.

7. **Force Majeure; Allocation of Production.** In the event Seller's performance hereunder is delayed, prevented, or made impossible, or commercially impracticable, directly or indirectly, due to causes, including, but not limited to, acts of God, fire, earthquake, explosion, war, invasion, hostilities (whether war is declared or not), terrorism, riot, epidemic, civil unrest, national emergency, strike or other differences with workers, shortage of energy sources, facility, material, or labor, delay in or lack of transportation, temporary or permanent plant shutdown, breakdown or accident, supplier non-performance, compliance with or other action taken to carry out the intent or purpose of any law, regulation, or other requirement of any governmental authority, or any cause beyond Seller's reasonable control (each, a "force majeure event"), Seller shall have such additional time in which to perform the Contract as may be reasonably necessary under the circumstances. However, the obligation of Buyer to pay for goods delivered is never suspended or delayed. In addition, if due to a force majeure event or any other cause, Seller is unable to produce sufficient goods to meet all demands from customers and internal uses, Seller shall have the right to allocate production among its customers and plants in any manner which Seller may determine, acting reasonably. This Section is to be applied in conjunction with UCC Section 2-615, Excuse by Failure of Presupposed Conditions; provided, however, that in the event of a conflict, this Section shall govern.

8. **Patent Indemnity.**

(a) SELLER SHALL INDEMNIFY BUYER FOR (I) ALL DIRECT AND ACTUAL DAMAGES RECOVERED FROM BUYER BY A THIRD PARTY IN A LEGAL ACTION FOR INFRINGEMENT OF A U. S. PATENT CLAIM COVERING GOODS FURNISHED HEREUNDER, ON CONDITION THAT BUYER PROMPTLY NOTIFIES SELLER OF THE ALLEGED INFRINGEMENT, AFFORDS SELLER THE OPPORTUNITY TO ASSUME DEFENSE THEREOF, AND COOPERATES WITH SELLER IN DEFENSE OF THE ACTION AND IN ANY FEASIBLE MITIGATION OF DAMAGES AND (II) BUYER'S DIRECTLY AND REASONABLY INCURRED EXPENSES IN DEFENDING SUCH LEGAL ACTION IF, AFTER SUCH NOTICE AND OPPORTUNITY GIVEN BY BUYER, SELLER ELECTS NOT TO ASSUME SUCH DEFENSE, PROVIDED THAT SUCH ELECTION BY SELLER SHALL NOT OTHERWISE AFFECT BUYER'S AFORESAID OBLIGATIONS. IN LIKE MANNER, BUYER SHALL INDEMNIFY SELLER, AND SELLER'S INDEMNITY OF BUYER HEREUNDER SHALL NOT APPLY, WITH RESPECT TO A CLAIM ARISING OUT OF SELLER'S COMPLIANCE WITH SPECIAL DESIGNS OR SPECIFICATIONS FURNISHED BY BUYER, NOW OR HEREAFTER FORMING A PART OF THE CONTRACT, OR WITH OTHER WRITTEN INSTRUCTIONS GIVEN BY BUYER FOR THE PURPOSE OF DIRECTING THE MANNER IN WHICH SELLER SHALL PERFORM THE CONTRACT. IN NO EVENT SHALL EITHER PARTY HAVE ANY LIABILITY HEREUNDER FOR INDIRECT OR CONSEQUENTIAL LOSSES OR DAMAGES SUFFERED, OR OTHER EXPENSES INCURRED, BY THE OTHER PARTY HERETO OR ANY THIRD PARTY BY REASON OF ANY PATENT INFRINGEMENT CLAIM.

(b) THIS PROVISION STATES SELLER'S ENTIRE LIABILITY FOR INDEMNIFICATION FOR PATENT, TRADEMARK, COPYRIGHT, AND TRADE SECRET INFRINGEMENT.

(c) Seller shall have all right, title, and interest in and to all statutory and non-statutory intellectual property rights worldwide, which are available to protect discoveries, ideas, designs, inventions, improvements, processes, works of authorship (including software), trade secrets and other intellectual property of any kind including, without limitation, patents, copyrights, and all other rights available to protect trade secrets and confidential information, based in whole or in part on inventions, developments or improvements created, conceived or reduced to practice by or on behalf of Seller in connection with any goods.

9. **Warranty; Disclaimers.** SELLER WARRANTS THAT THE GOODS FURNISHED HEREUNDER WILL BE FURNISHED IN ACCORDANCE WITH THE SPECIFICATIONS SET FORTH OR INCORPORATED BY EXPRESS REFERENCE ON THE FACE OF ANY OFFER, ACCEPTANCE, OR ORDER ACKNOWLEDGEMENT (AS THE CASE MAY BE) ISSUED BY SELLER THAT INCORPORATES THESE STANDARD TERMS AND CONDITIONS BY REFERENCE. HOWEVER, NO WARRANTY OF MERCHANTABILITY, WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSE, OR ANY OTHER REPRESENTATION OR WARRANTY, WHETHER EXPRESS OR IMPLIED, IS MADE RESPECTING SAID GOODS OR THE PRODUCTION THEREOF AND THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE AFOREMENTIONED WARRANTY WITH RESPECT TO SPECIFICATIONS SET FORTH OR INCORPORATED BY EXPRESS REFERENCE ON THE FACE OF ANY OFFER, ACCEPTANCE, OR ORDER ACKNOWLEDGEMENT (AS THE CASE MAY BE) ISSUED BY SELLER THAT INCORPORATES THESE STANDARD TERMS AND CONDITIONS BY EXPRESS REFERENCE. ANY TECHNICAL ADVICE PROVIDED BY SELLER WITH RESPECT TO THE USE OF GOODS SOLD HEREUNDER SHALL BE FOR INFORMATIONAL PURPOSES ONLY, AND SELLER MAKES NO REPRESENTATION OR WARRANTY NOR ASSUMES ANY OBLIGATION OR LIABILITY FOR ANY SUCH ADVICE. NOTWITHSTANDING ANYTHING TO THE CONTRARY, NO REPRESENTATION OR WARRANTY WHATSOEVER IS PROVIDED WITH RESPECT TO ANY GOODS SOLD ON AN 'AS IS' BASIS OR WITH RESPECT TO MATERIALS COMMONLY KNOWN AS 'NONPRIME,' 'SECONDARY' OR 'DECLASSED' MATERIALS.

10. **Limitation of Remedies.**

(a) SELLER WILL REPLACE, AT THE DELIVERY POINT SPECIFIED HEREIN, ANY GOODS FURNISHED HEREUNDER THAT ARE CONFIRMED BY SELLER TO BE DEFECTIVE OR OTHERWISE FAIL TO CONFORM TO SELLER'S WARRANTY OR THIS CONTRACT, OR, AT SELLER'S OPTION, SELLER WILL REPAY THE PRICE PAID FOR SUCH GOODS PLUS ANY TRANSPORTATION CHARGES PAID BY BUYER IN ADDITION TO SUCH PRICE AND LESS ANY SCRAP VALUE REALIZED BY BUYER FOR SUCH GOODS. CLAIMS FOR DAMAGED GOODS OR INCORRECT SIZE, GRADE, OR QUANTITY OF GOODS ARE SUBJECT TO THE U. S. STEEL TUBULAR PRODUCTS CLAIM POLICY AND MUST BE MADE IN WRITING, PROMPTLY, AND IN NO EVENT LATER THAN FIFTEEN (15) DAYS FOLLOWING DELIVERY OF THE GOODS TO BUYER OR ALL SUCH CLAIMS SHALL BE DEEMED WAIVED. BUYER SHALL SET ASIDE, PROTECT, AND HOLD SUCH GOODS WITHOUT FURTHER PROCESSING UNTIL SELLER HAS AN OPPORTUNITY TO INSPECT AND ADVISE OF THE DISPOSITION, IF ANY, TO BE MADE OF SUCH GOODS. IN NO EVENT SHALL ANY GOODS BE RETURNED, REWORKED, OR SCRAPPED BY BUYER WITHOUT THE EXPRESS WRITTEN AUTHORIZATION OF SELLER. BUYER'S EXCLUSIVE REMEDIES WITH RESPECT TO ANY GOODS FURNISHED BY SELLER HEREUNDER THAT ARE FOUND TO BE DEFECTIVE OR OTHERWISE NOT IN CONFORMITY WITH SELLER'S WARRANTY OR THIS CONTRACT SHALL BE LIMITED EXCLUSIVELY TO THE RIGHT TO REPLACEMENT THEREOF OR, AT SELLER'S OPTION, TO REPAYMENT OF THE PRICE, AS ABOVE PROVIDED.

(b) NOTWITHSTANDING ANYTHING TO THE CONTRARY SET FORTH IN THIS CONTRACT OR ANY OTHER AGREEMENT BETWEEN THE BUYER AND SELLER, SELLER'S MAXIMUM LIABILITY ARISING OUT OF OR RELATED TO THIS CONTRACT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE SHALL BE LIMITED TO THE LESSER OF (I) THE DIFFERENCE BETWEEN THE DELIVERED PRICE OF THE GOODS COVERED HEREBY AND THE MARKET PRICE OF SUCH GOODS AT BUYER'S DESTINATION AT THE TIME OF SUCH BREACH OR (II) THE AGGREGATE AMOUNT OF U.S. \$500,000.

(c) IN NO EVENT SHALL SELLER BE LIABLE FOR PERSONAL INJURY, PROPERTY DAMAGE, DELAY, OR ANY SPECIAL, EXEMPLARY, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, LOSS OF PROFIT OR REVENUE, LOSS OF PRODUCT, LOSS OF USE OF EQUIPMENT, INTERRUPTION OF BUSINESS, COST OF CAPITAL, COST OF COVER, DOWNTIME COSTS, INCREASED OPERATING COSTS, FAILURE TO DETECT ANY FLAW IN THE SUBJECT MATTER OF A TEST, LOSS OF GOODWILL, LOST OPPORTUNITIES, OR CLAIMS OF BUYER'S CUSTOMERS FOR DAMAGES, WHETHER ARISING FROM CONTRACT, BREACH OF CONTRACT, TORT, SELLER'S NEGLIGENCE, STRICT LIABILITY, OR ANY EXPRESS OR IMPLIED WARRANTY, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

(d) IN NO EVENT WILL SELLER OR ITS AFFILIATES BE RESPONSIBLE FOR (I) POLLUTION, CONTAMINATION, OR RADIATION DAMAGE (INCLUDING THE COST OF CONTAINMENT, CLEANUP, AND DISPOSAL), (II) SUBSURFACE LOSS OR DAMAGE, INCLUDING LOSS OR DAMAGE TO ANY RESERVOIR, FORMATION, STRATA, WELL, BOREHOLE, OR IN-HOLE EQUIPMENT, OR IMPAIRMENT OF ANY PROPERTY RIGHT TO WATER OR GAS OR OTHER MINERAL SUBSTANCES, (III) DAMAGE, LOSS, DESTRUCTION, PERSONAL INJURY, OR DEATH ARISING ON THE SURFACE AS A RESULT OF SUBSURFACE OCCURRENCE (INCLUDING DAMAGE TO OR LOSS OR DESTRUCTION OF ANY EQUIPMENT, DRILLING RIG, PLATFORM, OR OTHER FIXED OR FLOATING STRUCTURE AT OR AROUND THE WELL SITE), AND/OR (IV) KILLING OR REGAINING CONTROL OF A WILD WELL OR REDRILLING, REWORKING, OR FISHING (INCLUDING THE COST THEREOF), EVEN IF THE DAMAGE, LOSS, COSTS, OR EXPENSES RESULT FROM THE SOLE OR CONCURRENT NEGLIGENCE OF SELLER AND/OR ITS AFFILIATES (INCLUDING THEIR SUBCONTRACTORS).

(e) FURTHERMORE, IN NO EVENT WILL SELLER OR ITS AFFILIATES BE RESPONSIBLE FOR RETRIEVING DAMAGED OR DEFECTIVE GOODS FROM ANY WELL, DELAY OR CURTAILMENT OF OPERATIONS, POLLUTION, AND/OR THE COST OF

DISMANTLING AND REMOVAL OF GOODS TO BE REPAIRED OR REPLACED RESULTING FROM DEFECTIVE MATERIAL, FAULTY WORKMANSHIP, OR OTHERWISE.

(f) NO CLAIMS OF ANY NATURE, WHETHER BASED IN CONTRACT OR OTHERWISE, MAY BE BROUGHT AGAINST SELLER OR ANY OF ITS AFFILIATES MORE THAN 12 MONTHS AFTER SHIPMENT OF THE GOODS FROM SELLER'S FACILITY.

(g) PROJECT LINE PIPE LIMITATION OF REMEDIES. IN ADDITION TO ALL OTHER PROVISIONS OF THESE TERMS AND CONDITIONS, THIS SUB-PARAGRAPH (G) SHALL GOVERN THE LIMITATION OF LIABILITIES RELATIVE TO THE SALE OF PROJECT LINE PIPE, EXCLUDING REPAIR WORK PERFORMED ON EXISTING PIPE LINES, AND THIS SUB-PARAGRAPH (G) SHALL CONTROL IN THE EVENT OF A CONFLICT BETWEEN THE TERMS OF THIS SUB-PARAGRAPH (G) AND ANY OTHER PROVISION OF THESE TERMS AND CONDITIONS WHERE THE SUBJECT SALE IS OF PROJECT LINE PIPE PRODUCT. THIS SUB-PARAGRAPH (G) SHALL NOT APPLY TO THE SALE OF STANDARD PIPE, OIL COUNTRY TUBULAR GOODS, OR ANY OTHER PRODUCT WHICH IS NOT PROJECT LINE PIPE. THE LIABILITY OF SELLER FOR PROJECT LINE PIPE SHALL BE LIMITED TO NONCONFORMITIES TO THE SPECIFICATIONS OF MILL ORIGIN DISCLOSED DURING THE INITIAL FIELD HYDROSTATIC TESTING OF THE PIPE LINE WHERE THE TEST PRESSURE DOES NOT PRODUCE A STRESS EXCEEDING 100% OF THE MINIMUM SPECIFIED YIELD STRENGTH OF THE PIPE, OR WHICH ARE DISCOVERED WITHIN 12 MONTHS OF SHIPMENT FROM SELLER'S FACILITY. IN THE EVENT A FAILURE OCCURS DURING THE AFOREMENTIONED PERIOD THAT IS PROXIMATELY CAUSED BY A PRODUCT NONCONFORMANCE OF THE SPECIFICATIONS, THE LIABILITY OF SELLER IS LIMITED TO THE CONTRACTOR'S REASONABLE DIRECT COSTS INCURRED FOR THE PERSONNEL AND EQUIPMENT REQUIRED TO LOCATE AND REPAIR SUCH FAILURE. SELLER'S WARRANTY OBLIGATION IS CONDITIONED UPON (I) VERBAL NOTIFICATION OF SELLER'S SALES OFFICE OF SUCH FAILURE AS SOON AS POSSIBLE FOLLOWED BY NOTIFICATION IN WRITING WITHIN 48 HOURS OF DISCOVERY OF FAILURE, (II) REASONABLE OPPORTUNITY AFFORDED SELLER TO CONDUCT METALLURGICAL INVESTIGATION, AND (III) ADVANCE CONSULTATION WITH SELLER REGARDING THE METHODS OF LEAK DETECTION TO BE USED AND THE ASSOCIATED COSTS TO BE INCURRED FOR NECESSARY REPAIRS. ONLY REASONABLE DIRECT COSTS FOR CONTRACTOR PERSONNEL AND EQUIPMENT INCURRED DURING THE ACTUAL TIME EXPENDED TO EFFECT NECESSARY REPAIRS SHALL BE SUBJECT TO REIMBURSEMENT. ALL OTHER COSTS INCLUDING, BUT NOT LIMITED TO, STANDBY COSTS FOR ADMINISTRATIVE PERSONNEL AND EQUIPMENT, SUCH AS SIDE BOOMS, WELDING RIGS, TRUCKS TRACTORS, AND OPERATORS ARE EXPRESSLY EXCLUDED FROM WARRANTY COVERAGE AND FROM REIMBURSEMENT BY SELLER. NOTWITHSTANDING ANY OTHER PROVISION OF THE PURCHASE ORDER, ORDER ACKNOWLEDGEMENT, OR OTHER CONTRACT DOCUMENTS RELATING TO THE SUBJECT PIPE, SELLER SHALL NOT BE LIABLE FOR ENVIRONMENTAL IMPACT OR REMEDIATION OF ANY KIND, PERSONAL INJURY, PROPERTY DAMAGE, LOSS OF PROFIT, DELAY, OR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES RESULTING FROM ANY SUCH FAILURE OF PIPE OR BREACH OF WARRANTY OR OF CONTRACT GENERALLY, ACTUAL OR ALLEGED, OF WHATEVER DESCRIPTION OR UNDER WHATEVER THEORY PURSUED AGAINST SELLER.

11. **Conditions Incorporated by Reference.** Any clause required to be included in a contract of this type by any applicable law or regulation shall be deemed to be incorporated herein. Without limiting the generality of the foregoing, to the extent applicable, Buyer shall abide by the requirements of 41 CFR 60-1.4(a), 60-300.5(a), and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status, or disability.

12. **Governing Law.** The Contract shall be governed by the laws of Texas, U.S.A., exclusive of its conflicts of laws rules and of any principles therein that would require the application of The United Nations Convention on Contracts for the International Sale of Goods ("CISG"). CISG shall not apply to this or any other agreement between the parties. Seller and Buyer each irrevocably agrees that any legal proceeding seeking the enforcement or interpretation of the Contract shall be brought in the state or federal courts located in Houston, Texas, U.S.A. Each Party hereby irrevocably submits itself to the jurisdiction of any such courts, and waives any objection it may now or hereafter have to the placing of venue in any such courts and any right to remove any such action or proceeding to another court.

13. **Export Control and Economic Sanctions Compliance.**

(a) Any sale made pursuant to the Contract shall at all times be in strict conformity with all applicable export control laws and regulations, and Buyer represents and warrants that it will comply at all times with all applicable export control regulations. Buyer represents and warrants that it will not make any disposition or transfer, by way of trans-shipment, export, re-export, diversion, or otherwise, of the goods or information provided by Seller, except as such laws and regulations may expressly permit, with Buyer bearing full responsibility for obtaining any required export licenses or other permits, and that no such disposition or transfer will be made other than to the ultimate country of destination specified in connection with the Contract. Buyer will furnish to Seller, upon request, proof that the goods have been entered into, and will remain in, the specified destination country. Buyer further represents and warrants that it will not export, re-export, transfer (in-country), or supply any goods or Seller information to any end-user or for any end-use requiring a specific export license under the U.S. Export Administration Regulations or any other applicable export control regulation.

(b) Buyer represents and warrants that, with respect to its obligations under the Contract and any other agreement with Seller, it is currently in compliance with, and shall remain in compliance with applicable economic sanctions, including the laws, regulations, and Executive

Orders administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") and any other applicable economic sanctions, which prohibit, among other things, engaging in transactions with, and providing services to, certain countries, territories, entities, and individuals. Buyer represents and warrants that neither Buyer nor any person that controls or has a beneficial interest in Buyer is (i) a person whose name appears on the list of Specially Designated Nationals and Blocked Persons published by OFAC or any other list of sanctioned parties (a "Listed Person") or (ii) a department, agency, or instrumentality of, or is otherwise directly or indirectly controlled by or acting on behalf of, any Listed Person or the government of a country subject to comprehensive U.S. economic sanctions administered by OFAC (currently Iran, Sudan, Cuba, Syria, and North Korea) (each Listed Person and each other entity and country described in clause (ii), a "Blocked Person").

(c) Buyer further represents and warrants that none of the transactions undertaken pursuant to the Contract nor the goods that it is receiving from Seller will involve, require interaction with, concern, or relate to, in whole or in part, any Blocked Person or their assets or products.

(d) Buyer hereby acknowledges and agrees that Buyer's breach of any of the terms of this Section 14 at any time shall be a material breach of the Contract.

(e) Buyer hereby agrees to indemnify, defend, and hold harmless Seller and its officers, directors, and employees from and against any and all claims, demands, damages, costs, penalties, and fines arising in connection with any alleged breach by Buyer or its agents of this representation and warranty. Seller may reject, suspend, or cancel any transaction involving a Blocked Person without penalty or payment for the rejected, suspended, or cancelled goods or services, and/or cancel or terminate the Contract or any other applicable agreement with Seller, in whole or in part, if it has a good faith basis for believing that Buyer or its agent has violated or intends to violate the above representations and warranties. Buyer will pay all penalties and damages incurred as a result of its breach of the terms of this Section.

(f) Drawback. Seller reserves to itself the right to drawback of duty paid on materials used in the manufacture of the goods sold hereunder. Buyer agrees to furnish Seller proof of exportation, as well as any other necessary documents, and to cooperate with Seller to facilitate the collection of such drawback.

#### 14. Anti-Corruption Compliance.

For any Buyer that is an end user of Seller's goods:

(a) Buyer hereby represents and warrants that Buyer is aware of and familiar with the provisions of the U.S. Foreign Corrupt Practices Act, as amended (the "FCPA"), and its purposes and any other anti-corruption laws applicable in a jurisdiction in which Buyer may have conducted or will conduct business and that neither Buyer nor any of its agents or intermediaries engaged in connection with the Contract has violated any applicable anti-corruption law. Buyer represents and warrants that it, and each of its directors, officers, and employees, as well as any subcontractors, agents, representatives, vendors, and any other intermediaries or third parties engaged in connection with the Contract, will comply in full with the FCPA and any other applicable anti-corruption laws at all times in connection with the Contract.

For any Buyer that is not an end user of Seller's goods, such as a sales agent, reseller, or distributor that is selling products on behalf of Seller:

(a) Buyer hereby represents and warrants to Seller that Buyer is aware of and familiar with the provisions of the FCPA, and its purposes and any other anti-corruption laws applicable in a jurisdiction in which Buyer may have conducted or will conduct business and that neither Buyer nor any of its agents or intermediaries that will be engaged in connection with the Contract has violated any applicable anti-corruption law. In connection with the goods that are the subject of the Contract, Buyer represents and warrants that it, and each of its directors, officers, and employees, as well as any subcontractors, agents, representatives, vendors, and any other intermediaries or third parties that it engages pursuant to the Contract, will comply in full with the FCPA and any other applicable anti-corruption laws.

(b) Buyer hereby represents and warrants that it has not given and will not give, offer, or promise, directly or indirectly, money or any other thing of value to a Government Official, or to any other individual or entity under circumstances that would cause Buyer to know or have reason to know that all or any portion of such money or thing of value has been or will be offered to any Government Official, for the purpose of inducing the Government Official to do any act or make any decision in his official capacity or use his influence with a government or instrumentality thereof in order to affect any act or decision of such government or instrumentality or to assist Buyer or Seller in improperly obtaining or retaining any business or securing any other improper advantage.

(c) For purposes of the Contract, a "Government Official" is (i) an officer, employee, or any person acting in an official capacity for or on behalf of a government, including its departments, agencies, and instrumentalities, wholly or partially government-owned or government-controlled entities, and recently privatized government entities, (ii) an officer or employee of an international organization (e.g., World Bank, United Nations), (iii) an officer or employee of a political party or any party official, or a candidate for political office, (iv) a member of the royal or ruling family of a country, or (v) any individual who is a principal or senior manager of, or who has an immediate family or close personal relationship or business ties with, any of the foregoing individuals or entities.

(d) Buyer hereby represents and warrants to Seller that Buyer has not given, offered, or promised, and will not give, offer, or promise, directly or indirectly, money or any other thing of value to any commercial individual or entity intended to cause the recipient to do something improper favoring Buyer or Seller or to refrain from doing something disadvantaging Buyer or Seller, or otherwise intended to gain Buyer or Seller an illicit

advantage in a commercial transaction.

(e) Buyer and its directors, officers, employees, subcontractors, agents, representatives, vendors, and any other third parties that it engages in connection with the Contract will not provide to Government Officials, in connection with or on behalf of Seller, (i) any facilitation payments or (ii) charitable and/or political contributions. Buyer will obtain advance written permission from Seller before providing or paying for any gifts, entertainment, or travel for Government Officials in connection with the goods that are the subject of the Contract, other than nominal and customary items that are permissible under local law (i.e., a Seller-logo coffee mug).

(f) At Seller's discretion, Seller may provide anti-corruption training to Buyer, which will be completed within a reasonable period of time and, in any event, generally prior to beginning performance.

(g) Neither Buyer nor any of its directors, officers, employees, subcontractors, agents, representatives, vendors, or any other third parties that it may engage in connection with the Contract is a Government Official or has a family relationship with any Government Official in the jurisdictions in which it or they will conduct business relating to the goods that are the subject of the Contract, except as disclosed to, and agreed to in writing by, Seller.

(h) If, during the course of the Contract, Buyer learns that it or any of its directors, officers, employees, subcontractors, agents, representatives, vendors, or any other third parties that it engages in connection with the Contract will become a Government Official or an agent, representative, or consultant to a Government Official, Buyer will promptly disclose this to Seller in writing and will ensure that the Contract and continued performance thereunder remains in compliance with all applicable U.S. and local laws and regulations.

(i) Without Seller's prior written approval, neither Buyer nor any of its directors, officers, employees, subcontractors, agents, representatives, vendors, nor any other third parties that it engages will engage any other person in connection with the goods that are the subject of the Contract or make any commitments on behalf of Seller to a government, Government Official, or any wholly or partially government-owned or government-controlled entity. Buyer shall keep Seller closely advised of all communications and contacts with Government Officials made on behalf of Seller in connection with the goods that are the subject of the Contract.

(j) Buyer agrees that it will, at the request of Seller and at least annually, certify the continuing accuracy of the anti-corruption representations and warranties set forth in the Contract. Buyer further agrees that, should it learn of information regarding any possible violation of laws and regulations in connection with the transactions that are the subject of the Contract, Buyer will immediately advise Seller of such knowledge or suspicion. Buyer further agrees that it will cooperate in any resulting investigation by Seller or its agents.

(k) Buyer agrees that it shall maintain, in accurate and complete order, all books and records (whether in printed, electronic, or other format) associated with the transactions contemplated by the Contract. Such books and records shall include, without limitation, records relating to any (i) gifts, entertainment, or travel for Government Officials and potential customers and (ii) business, financial, or other transactions between Buyer and Government Officials and potential customers. Such books and records, and all other books and records of Buyer relating to the Contract, shall be open to inspection and audit by Seller or its representatives during reasonable business hours during the life of the Contract and for a period of seven (7) years thereafter. Any failure by Buyer to cooperate fully in making available all books and records covered by an audit request pursuant to the Contract, so as to permit a timely and complete inspection and audit thereof, shall constitute a material breach of the Contract.

(l) Termination: Seller may terminate the Contract immediately by written notice for cause in the event that (i) Seller forms a reasonable, good faith belief that Buyer or one of its directors, officers, employees, subcontractors, agents, representatives, vendors, or any other third parties that it engages in connection with the goods that are the subject of the Contract has engaged in conduct in violation of the Contract or applicable anti-corruption laws in connection with the Contract or (ii) the continuation of the Contract would violate any applicable anti-corruption laws. In the event of such termination, all existing contractual obligations (including further compensation) may be declared null and void by Seller, and all offers outstanding at the time of termination shall be deemed rescinded.

## 15. Confidentiality.

(a) In connection with the Contract, Seller and Buyer (as to information disclosed, the "Disclosing Party") may each provide the other party (as to information received, the "Receiving Party") with Confidential Information. "Confidential Information" means: (i) all pricing for goods provided hereunder; (ii) all terms of the Contract; (iii) all information that is designated in writing as "confidential" or "proprietary" by the Disclosing Party at the time of written disclosure; and (iv) all information that is orally designated as "confidential" or "proprietary" by the Disclosing Party at the time of oral disclosure and is confirmed to be "confidential" or "proprietary" in writing within 10 days after oral disclosure. The obligations of this Section shall not apply as to any portion of the Confidential Information that: (A) is or becomes generally available to the public other than from disclosure by the Receiving Party, its representatives or its affiliates; (B) is or becomes available to the Receiving Party or its representatives or affiliates on a non-confidential basis from a source other than the Disclosing Party when the source is not, to the best of the Receiving Party's knowledge, subject to a confidentiality obligation to the Disclosing Party; (C) is independently developed by the Receiving Party, its representatives or affiliates, without reference to the Confidential Information; (D) is required to be disclosed by law, a valid legal process or a government agency; or (E) is approved for disclosure in writing by an authorized representative of the Disclosing Party.

(b) The Receiving Party agrees: (i) to use the Confidential Information only in connection with the Contract and permitted use(s); (ii) to

take reasonable measures to prevent disclosure of the Confidential Information, except to its employees, agents, or financing parties who have a need to know for the Receiving Party to perform its obligations under the Contract or to use the goods; and (iii) not to disclose the Confidential Information to a competitor of the Disclosing Party. Confidential Information shall not be reproduced without the Disclosing Party's written consent, and the Receiving Party shall return all copies of Confidential Information to the Disclosing Party upon request, except to the extent that the Contract entitles the Receiving Party to retain the Confidential Information. Seller may also retain one copy of Buyer's Confidential Information until all its potential liability under the Contract terminates.

(c) If the Receiving Party or any of its affiliates or representatives is required by law, legal process, or a government agency to disclose any Confidential Information, the Receiving Party agrees to provide the Disclosing Party with prompt written notice to permit the Disclosing Party to seek an appropriate protective order or agency decision or to waive compliance by the Receiving Party with the provisions of this Section. In the event that efforts to secure confidential treatment are unsuccessful, the Disclosing Party may lawfully revise the Confidential Information to make it nonproprietary or to minimize the loss of its proprietary value.

(d) Nothing in this Section grants the Receiving Party any license under any invention, patent, trademark, or copyright now or later owned or controlled by the Disclosing Party.

(e) Buyer shall not disclose Confidential Information to Seller unless it is required to do so to enable Seller to perform the Contract. If Buyer does disclose Confidential Information, Buyer warrants that it has the right to disclose such Confidential Information, and Buyer shall indemnify and hold Seller harmless against any claims or damages resulting from improper disclosure by Buyer.

(f) As to any individual item of Confidential Information, the restrictions of this Section shall expire the earlier of five years after the date of disclosure or three years after termination or expiration of the Contract.

(g) This Section does not supersede any separate confidentiality or nondisclosure agreement signed by the parties.

16. **Waiver.** No waiver by Seller of any of the provisions of the Contract is effective unless explicitly set forth in writing and signed by Seller. Waiver by Seller of any breach of these provisions shall not be construed as a waiver of any other breach.

17. **Assignment; Source of Production.**

(a) Buyer shall not assign its rights or obligations under the Contract without the prior written consent of Seller, which consent shall not be unreasonably withheld or delayed. Any attempted assignment in contravention of the foregoing shall be void.

(b) Subject to compliance with Buyer's applicable product quality, specifications, and delivery requirements hereunder, Seller reserves the right to source production of the goods supplied hereunder from any facilities located in North America, South America, or elsewhere which are owned directly by any entity controlling, controlled by, or under common control with Seller. Seller shall have no responsibility for meeting Buyer's country-of-origin product content requirements (if any) unless Seller is apprised in writing of such requirements at the time Buyer places its order with Seller, or in the case of standing orders, at or before the latest time Buyer may issue a release in accordance with Seller's production scheduling requirements.

18. **Construction.** No provision of the Contract may be construed against Seller as the drafting party. The term "including" means "including without limitation." The term "days" means calendar days unless otherwise expressly stated.

19. **Termination and Suspension.**

(a) In addition to any other remedies available to Seller at law or under the Contract, Seller may terminate all or any portion of any contract with the Buyer in the event that:

(i) Buyer fails to perform its obligations under or otherwise breaches any provisions of the Contract or any other contract between the Buyer and Seller or any of Seller's affiliates or subsidiaries;

(ii) Buyer ceases to carry on its business substantially as such business is conducted on the date of the Contract between the Buyer and Seller and such change in circumstances modifies Seller's obligations or impairs either party's ability to discharge its obligations under the Contract;

(iii) Buyer institutes or suffers the institution against it of bankruptcy, reorganization, liquidation receivership, or similar proceedings;

(iv) Buyer generally becomes unable to pay its debts as they become due;

(v) any term, condition, or provision of the Contract or any other contract between the Buyer and Seller becomes invalid or illegal under any applicable law, rule or regulation; or

(vi) a force majeure event continues for a period of more than 30 days.

(b) If the Contract (or any portion thereof) is terminated for any reason other than those set forth above, Buyer shall pay Seller all portions of the contract price allocated to goods completed or partially completed before the effective date of termination, plus a cancellation charge equal to 20% of the contract price allocable to uncompleted goods.

(c) Buyer shall pay any reasonable expenses incurred by Seller in connection with suspension or termination, including those for repossession, fee collection, demobilization/remobilization, and storage costs during suspension. Performance of Seller's obligations shall be extended for a period of time reasonably necessary to overcome the effects of any suspension.

20. **Changes.** Each party may at any time propose changes in the schedule or scope of goods in the form of a draft change order. Some changes requested by Buyer may require analytical or investigative work to evaluate the change, and this evaluation work may be charged to Buyer at prevailing rates. The parties may mutually agree on the length of time within which a decision shall be made regarding the change. If mutually agreed, the changes will be documented in a written document signed by authorized representatives of each party, along with any equitable adjustments in the contract price or schedule. Seller is not obligated to proceed with the changed schedule or scope until both parties agree in writing. Changes in applicable laws, rules, and regulations shall be treated as a change within the meaning, and subject to the requirements, of this Section. Unless otherwise agreed by the parties, pricing for additional work arising from changes in laws, rules, and regulations shall be at time and material rates.
21. **Exclusive Terms and Conditions; Acceptance; Modification.** These Terms and Conditions constitute the complete, exclusive, and fully integrated statement of terms and conditions between Buyer and Seller with regard to the matters contained herein. No terms or conditions (whether consistent or inconsistent) other than those stated herein and no agreement or understanding, oral or written, in any way purporting to modify these Terms and Conditions shall be binding on Seller unless expressly agreed upon in writing by authorized representatives of both Seller and Buyer. In the event of a conflict between these Terms and Conditions and any purchase order (or other document expressly made a part of the Contract) signed by both parties, the terms of the signed document shall prevail. Buyer's placement of an order or release for, or taking delivery of, any goods that are the subject of the Contract shall constitute acceptance of the Seller's offer under these Terms and Conditions. Unless otherwise specified in the Contract, any quotation by Seller shall expire 30 days from its date and may be modified or withdrawn by Seller before receipt of Buyer's acceptance. All proposals, quotes, request for quotes, purchase orders, negotiations, representations, and other communications, if any, made prior and with reference hereto are merged herein.
22. **Change in Control.** Buyer shall notify Seller immediately upon any change in the ownership of more than 50% of Buyer's voting rights or in Buyer's controlling interest. If Buyer fails to do so or Seller objects to the change, Seller may (a) terminate the Contract, (b) require Buyer to provide adequate assurance of performance (including but not limited to payment), or (c) put in place special controls regarding Seller's Confidential Information.
23. **Cancellation by Buyer.** Buyer may not cancel an order once placed with Seller.
24. **Severability.** If any provision of the Contract is found to be void or unenforceable, the remainder of the Contract shall not be affected. The parties will replace any such void or unenforceable provision with a new provision that achieves substantially the same practical or economic effect and is valid and enforceable.
25. **Third Party Rights.** Other than rights of Seller's affiliates under the Contract, no third parties will have any rights under the Contract.
26. **Survival.** Sections 13, 14, 15, 20, and 25 shall survive the termination or cancellation of the Contract.
27. **Relationship of the Parties.** The relationship between the parties is that of independent contractors. Nothing contained in the Contract shall be construed as creating any agency, partnership, joint venture, or other form of joint enterprise or employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.
28. **Seller's Best Interests.** In the event Buyer is a reseller of Seller's products, Buyer shall at all times: (a) represent Seller and its products in good faith and in a professional manner; and (b) not engage in any deceptive, misleading, illegal, or unethical practices that may be detrimental to Seller or Seller's products. In addition to any of its remedies under the Contract, at law and in equity, Seller reserves the right to terminate the Contract and any other contract between Buyer and Seller or any of Seller's affiliates in the event of any material breach by Buyer of its duties under this paragraph.