

TERMS AND CONDITIONS OF SALE (effective Jan 1, 2018)

1. CONTRACT ACCEPTANCE:

Any written or oral purchase order received from Buyer by Seller shall be construed as a written acceptance of Seller's offer to sell and shall be filled in accordance with the terms and conditions of sale set forth herein. SELLER'S ACCEPTANCE OF THIS ORDER IS EXPRESSLY CONDITIONED ON BUYER'S ASSENT TO THE TERMS CONTAINED HEREIN. The terms and conditions of Seller's proposal (if any) and acknowledgement shall prevail over any conflicting or different terms in Buyer's order unless Buyer notifies Seller in writing of its objections thereto within fifteen (15) days from receipt of Seller's acknowledgement. Buyer's standard terms of purchase will not be considered a counteroffer to Seller's terms and conditions of sale. The failure of Seller to object to any provision in conflict herewith whether contained on Buyer's purchase order or otherwise shall not be construed as a waiver of the provisions hereof nor as an acceptance thereof.

2. QUOTATIONS AND PRICES:

Any product, service capability or manufacturing capability which may be available at the time a quotation is made is subject to prior sale. Prices quoted are subject to change without notice. The price in effect at the time of shipment including any escalation formula will apply, unless a valid quotation or written agreement to the contrary exists between Buyer and Seller. All prices shown are in U.S. dollars and are F.O.B. Seller's shipping point. Seller reserves the right to place a service charge on past due accounts at the highest rate permitted by law. Any documentation pertaining to traceability requirements for raw materials or products or documentation required for any routine or special processes must be identified by the Buyer at the time of quotation (if any) or at the time of order placement.

3. TAXES:

Any tax or other charge imposed by law on the sale or production of goods or the performance of services shall be paid by the Buyer, unless the law specifically provides that such payment must be made by Seller, in which case Buyer shall reimburse Seller for such payment as part of the purchase price. Custom duties, consular fees, insurance charges and other comparable charges will be borne by Buyer.

4. SHIPPING SCHEDULE AND DELIVERY:

Shipment schedules are given as accurately as conditions permit and every effort will be made to make shipments as scheduled. Seller will not be responsible for deviations in meeting shipping schedules nor for any losses or damages to Buyer (or any third party) occasioned by deviations in the shipping schedule, whether due to Acts of God, orders bearing priority ratings established pursuant to law, differences with workmen, local labor shortages, fire, flood, shortages or failure of raw materials, supplies, fuel, power or transportation, breakdown of equipment or any other causes beyond Seller's reasonable control, whether of similar or dissimilar nature than those enumerated. Seller shall have additional time within which to perform as may be reasonably necessary under the circumstances and shall have the right to apportion its production among its customers in such a manner as it may consider to be equitable. Seller reserves the right to furnish commercially equivalent or better substitutes for materials or to subcontract the Buyer's order or portions thereof as Seller deems necessary. In no event shall Seller be liable for any consequential damages resulting from failure or delay in shipment. If Buyer requires drawings, procedures, standards or similar material for approval, shipping schedules will be calculated from the time such approvals are received by Seller, since shipping schedules are based on Seller having all required information and a firm order from Buyer which is enterable into production. Any hold points, witness points or the need for inspection by Buyer's representatives must be identified by Buyer at the time of quotation (if any) and/or order placement in order that the effect on the prices or shipping schedules (if any) can be taken into account. Additional inspection or testing required by Buyer which affects normal production sequence will be considered as extending the shipping dates accordingly.

5. TERMS OF PAYMENT:

Terms of payment are 30 days from date of invoice unless otherwise stated in the quotation or Seller's order acknowledgment. Progress payments are required for orders valued greater than \$50,000. Credit terms may be changed or withdrawn at any time at the sole discretion of Seller.

6. CANCELLATIONS AND RETURNS:

Purchase orders once placed by Buyer and accepted by Seller can be canceled only with Seller's written consent and upon terms which will save Seller from loss. No products may be returned for credit or adjustment without written permission from Seller's office authorized to issue such permission.

7. WARRANTIES:

A. Vendor warrants to the Buyer that goods of its manufacture will be free from defects in material or workmanship caused by Vendor for eighteen (18) months from date of delivery or one (1) year from date of commissioning whichever shall occur first, or except that equipment, parts, or materials furnished on a repair and return, overhaul, or unity exchange transaction shall carry such warranty for six months from date of delivery and services performed by Vendor shall carry the warranty specified in Section B Below. The obligation of Vendor and Buyer's sole and exclusive remedy hereunder shall be limited at Vendor's option, to replacement or repair of any equipment, parts, or materials which are returned to Vendor's facility within the warranty period, transportation charges repaid, and there determined by Vendor not to be as warranted; provided however, should they be determined by the Vendor to be so defective as to preclude the remedying of warranted defects by replacement or repair, Buyer's sole and exclusive remedy shall be a refund of the purchase price less a reasonable charge for any utilization by Buyer.

Notwithstanding the foregoing, Vendor shall have no obligation hereunder if the equipment, parts, or materials become defective in whole or in part as a result of removal, improper use, operation above capacities specified or misapplication thereof after delivery to Buyer.

Buyer shall pay freight charges in connection with the return or replacement of the defective equipment, parts, or materials.

B. All services provided by Vendor hereunder shall be promptly inspected and accepted upon completion thereof and prior to Vendor's leaving Buyer's premises. At such time, Buyer must assert in writing any claims whatsoever in connection with the services performed by Vendor, other than those provided for under this Section B or such claims shall be waived. Vendor warrants to Buyer that the services supplied hereunder will be performed in a competent, diligent manner and in accordance with generally accepted standards for such services. This warranty does not extend or modify Vendor's separate warranty on goods specified in Section A. All claims for defective services hereunder must be made in writing immediately upon discovery and in any event, within ninety (90) days from the date of completion of said services. Defective work must be held for Vendor's inspection. Upon submission of a claim and substantiation thereof, Vendor shall at its option either (a) repair or replace the defective work, or (b) refund an equitable portion of the contract price.

EXCEPT AS SET FORTH HEREIN AND EXCEPT FOR THE TITLE, IT IS EXPRESSLY AGREED THAT (A) THERE IS NO IMPLIED WARRANTY OF MERCHANTABILITY OR OTHER WARRANTY, EXPRESS, IMPLIED, OR STATUTORY, OR ANY AFFIRMATION OF FACT OR PROMISE BY THE VENDOR WITH REFERENCE TO THE GOODS, PARTS, SERVICES, OR OTHERWISE WHICH EXTENDS BEYOND THE DESCRIPTION OF THE GOODS, PARTS, OR SERVICES AS SET FORTH HEREIN, AND (B) BUYER ACKNOWLEDGES THAT IT IS PURCHASING THE GOODS SOLELY ON THE BASIS OF THE COMMITMENTS OF VENDOR EXPRESSLY SET FORTH HEREIN.

8. ENGINEERING AND SERVICE:

Upon request, Seller will provide engineering and/or technical information regarding its products and their uses and, if feasible, will provide personnel to assist Buyer in effecting field installations and/or field service. Any such information, service or assistance so provided, whether with or without charge, shall be advisory only.

9. LABOR STANDARDS:

Seller hereby certifies that these products were produced in accordance with all applicable requirements of Section 6, 7 and 12 of the Fair Labor Standards Act as amended and of regulations and orders of the United States Department of Labor issued under Section 14 thereof.

10. INSPECTION:

Unless otherwise agreed in writing, final inspection and acceptance of products must be made at Seller's plant or other shipping or receiving point designated by Seller and shall be conclusive except as regards latent defects. Buyer's representatives may inspect at the Seller's plant or shipping point during working hours prior to shipment in such manner as will not interfere with operations.

11. DELIVERY AND ACCEPTANCE:

Delivery shall be in accordance with the requirements in the Purchase Contract, provided, in the event Buyer is unable to accept delivery upon completion of the manufacture of the Goods in accordance with such requirements, Buyer agrees that (i) title and risk of ownership shall pass to Buyer on date of Seller's invoice, and (ii) Buyer will make payments within thirty days after date of such invoice. Seller shall retain custodial risk of loss until delivery is made in accordance with such requirements.

12. EXPORT COMPLIANCE:

The Buyer shall provide the Seller with relevant end-use, end-user and country of end-use information with respect to the goods, services, software or technology to be supplied hereunder (collectively, "Items"). Based on and in reliance on such information, the Seller will supply such Items in compliance with applicable trade and customs laws including that of the United States of America. The Seller cautions and the Buyer acknowledges that any change in end-use, end-user or country of end-use (including a shipment between countries other than the U.S.) may be restricted or prohibited by applicable trade and customs law, whether it be of the U.S. or other country. The Parties shall comply with all trade and customs laws (including U.S. Export Controls) except for any such laws which conflict with or are otherwise penalized under the laws of the U.S., which in the event of such conflict, Seller shall notify Buyer. The Buyer agrees in particular that it shall not use and shall not permit any third party to use such items in connection with the design, production, use, or storage of chemical, biological or nuclear weapons or missiles of any kind.

13. TRANSPORTATION CHARGES, ALLOWANCES, CLAIMS:

All prices are F.O.B. Seller's plant or other designated shipping point. No freight is allowed unless stated in Seller's quotation (if any) or in a written contract which may exist between Seller and Buyer at the time of shipment. If Seller's quotation or a written contract states that all or a portion of freight is allowed, all prices are F.O.B. Seller's plant or other designated shipping point, with most economical surface transportation allowed. If the quoted or contractual price includes transportation, Seller reserves the right to designate the common carrier and to ship in the manner it deems most economical. Added costs due to special routing requested by the Buyer are chargeable to the Buyer. Under no circumstances is any freight allowance which is absorbed by Seller to be deducted from the selling price. If the quoted price or contract includes transportation, no deduction will be made in lieu thereof whether Buyer accepts shipment at plant, warehouse, freight station, or otherwise supplies its own transportation. When sales are made from the Seller's warehouse, Seller reserves the right to charge either actual or pro-rated freight from Seller's principle point of manufacture to Seller's warehouse. Buyer assumes risk of loss upon delivery to the carrier, regardless of who pays shipping costs. Seller endeavors to pack or prepare all shipments so that they will not break, rust or deteriorate in transit, but does not guarantee against such damage. Unless requested in writing by the Buyer, no shipments are insured by Seller against damage or loss in transit. Seller will place insurance as nearly as possible in accordance with Buyer's written instructions but in such case Seller acts only as agent between the insurance company and the Buyer and assumes no liability whatsoever. Any claims for shipping loss, breakage or damage (obvious or concealed) are Buyer's responsibility and should be made to the carrier. All claims regarding shortages must be made within thirty (30) days from receipt of shipment and must be accompanied by the packing list(s) covering the shipment.

14. INDEMNIFICATION AND LIMITATION OF LIABILITY:

• INDEMNIFICATION:

Seller agrees to indemnify Buyer and hold Buyer, its affiliated companies and their officers, directors, agents and employees, from any claims, demands or causes of action for property damage or personal injury (including death) caused by the negligent act or omission of any employees, agent or subcontractor of Seller. In the event any property damage or personal injury (including death) is caused by the concurrent negligence of Seller and Buyer or a third party, Seller shall indemnify Buyer to the extent its negligence contributed to such damage or injury. Seller shall have no liability for any claim, demand, or cause of action resulting from the sole negligent acts or omissions of Buyer's employees, agents, or subcontractors.

• INDEMNITY FOR CONSEQUENTIAL DAMAGES:

UNDER NO CIRCUMSTANCES SHALL SELLER BE LIABLE FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, EXEMPLARY OR PUNITIVE DAMAGES (collectively "CONSEQUENTIAL"), AS DEFINED BY THE LAWS GOVERNING THIS PURCHASE ORDER, NOR FOR ANY LOSS OF ANTICIPATED PROFITS, LOSS OF BUSINESS OPPORTUNITY, LOSS OF USE OF EQUIPMENT OR OF ANY INSTALLATION, SYSTEM OR FACILITY INTO WHICH SELLER'S EQUIPMENT MAY BE LOCATED OR AT WHICH MEMBERS OF THE SELLER GROUP MAY BE PERFORMING WORK AND BUYER AGREES TO "INDEMNIFY" AND HOLD SELLER GROUP HARMLESS FROM AND AGAINST ANY "CLAIMS" FOR SUCH "CONSEQUENTIAL" DAMAGES EVEN IF ARISING OUT OF OR ATTRIBUTABLE TO THE "NEGLIGENCE" OF THE MEMBERS OF THE SELLER GROUP.

• LIMITATION OF LIABILITY:

EXCEPT AS OTHERWISE EXPRESSLY LIMITED IN THIS AGREEMENT IT IS THE EXPRESS INTENTION OF THE PARTIES HERETO THAT ALL INDEMNITY OBLIGATIONS AND/OR LIABILITIES HEREBY ASSUMED BY THE PARTIES SHALL BE: (i) SUPPORTED BY INSURANCE; (ii) WITHOUT LIMIT; (iii) AND WITHOUT REGARD TO THE CAUSE OR CAUSES THEREOF, INCLUDING, BUT NOT LIMITED TO, PREEXISTING CONDITIONS (WHETHER SUCH CONDITIONS BE PATENT OR LATENT); THE UNSEAWORTHINESS OF ANY VESSEL OR VESSELS (WHETHER OR NOT PREEXISTING); THE UNAIRWORTHINESS OF ANY AIRCRAFT; BREACH OF REPRESENTATION OR WARRANTY (EXPRESS OR IMPLIED); BREACH OF CONTRACT; BREACH OF DUTY (STATUTORY, CONTRACTUAL, COMMON LAW OR OTHERWISE); STRICT LIABILITY; CONDITION OF RUIN OR DEFECTIVE PREMISES, EQUIPMENT, FACILITIES, OR APPURTENANCES OF ANY PARTY UNDER ANY CODE, LAW OR (WHETHER OR NOT SAID CONDITION IS PREEXISTING AND/OR LATENT, PATENT OR OTHERWISE); THE LOADING OR UNLOADING OF PERSONS OR CARGO; TORT; OR THE NEGLIGENCE OR FAULT OF ANY PARTY (AS DEFINED AT THE BEGINNING OF THIS ARTICLE 14; OR ANY OTHER THEORY OF LEGAL LIABILITY).

Seller's total responsibility for any claims, damages, losses or liability arising out of or related to its performance of this contract or the products or services covered hereunder shall not exceed the purchase price.

15. MODIFICATION, RESCISSION & WAIVER:

The terms herein may not be modified or rescinded nor any of its provisions waived unless such modification, rescission or waiver is in writing and signed by an authorized employee of Seller at its office in Tomball, Texas. Failure of Seller to insist in any one or more instances upon the performance of any of the terms and conditions of the contract or the failure of Seller to exercise any of its rights hereunder shall not be construed as a waiver or relinquishment of any such term, condition, or right hereunder and shall not affect Seller's right to insist upon strict performance and compliance with regard to any unexecuted portions of this contract or future performance of these terms and conditions. All orders must be accepted by an authorized employee of Seller. The rights and duties of the parties and construction and effect of all provisions hereof shall be governed by and construed according to the internal laws of the State of Texas. Any disputes which arise under this agreement shall be venued in the District Court of Harris County, Texas or in the Southern District of Texas.