

**GB CONNECTIONS LLC
TERMS AND CONDITIONS OF SALE**

THESE TERMS AND CONDITIONS OF SALE ("TERMS" OR "AGREEMENT") ARE INCORPORATED INTO EACH PURCHASE ORDER ENTERED WITH GB CONNECTIONS LLC ("SELLER"), A TEXAS LIMITED LIABILITY COMPANY, AND APPLY TO ALL SALES OF GOODS OR PRODUCTS AND/OR SERVICES (COLLECTIVELY "GOODS") AND CONSTITUTE A LEGALLY BINDING AGREEMENT BETWEEN SELLER AND EACH BUYER (DEFINED BELOW). ANY ATTEMPT BY ANY BUYER (DEFINED BELOW) TO MODIFY, AMEND OR VARY, IN ANY DEGREE, ANY OF THESE TERMS IS HEREBY OBJECTED TO AND REJECTED BY SELLER. ANY COMMUNICATION OR DOCUMENT FROM BUYER (DEFINED BELOW) PURPORTING TO APPLY ANY OTHER TERMS TO ANY PURCHASE ORDER FOR THE PURCHASE OF GOODS ARE VOID. SELLER ONLY SELLS GOODS SUBJECT TO THIS AGREEMENT UNLESS A SEPARATE DOCUMENT ACCEPTING MODIFICATIONS TO THIS AGREEMENT IS EXPRESSLY SIGNED BY AN AUTHORIZED AGENT OF SELLER. ALL REFERENCES HEREIN TO "BUYER" REFER COLLECTIVELY TO THE PURCHASER OF GOODS FROM SELLER AND ANY AND ALL SUBSEQUENT PURCHASERS, POSSESSORS, AND USERS OF SUCH GOODS IN THE STREAM OF COMMERCE, INCLUDING BUT NOT LIMITED TO, THE ULTIMATE END-USER.

1. Applicability:

- (a) These are the only Terms applicable to the sale of Goods and, to the extent there is any inconsistency or conflict with any prior quotations, correspondence, oral communications, e-mail notices, purchase orders, Seller's website, Seller's marketing materials, or other information provided to Buyer relative to Goods, these Terms shall control.
- (b) Unless otherwise specified herein, these Terms are deemed incorporated by reference in any documents relating to the sale of Goods, including but not limited to, any offer, acceptance, order acknowledgment, or purchase order, as the case may be, issued by Seller and the Buyer represents and warrants to Seller that the Buyer has read and understands these Terms and agrees to be bound thereby.
- (c) These Terms are available on the Seller's website and accessible for review and/or downloading at www.gbconnections.com/pdf/Terms-and-Conditions.pdf.

2. Payments: In the event that Buyer fails to make payment in full within the applicable time period set forth in Exhibit A - Payment Terms, or as expressly agreed upon in writing by the parties, such failure will constitute a material breach of this Agreement by Buyer permitting Seller to suspend shipment or delivery of goods under this contract or any other contract between Buyer and Seller. Buyer shall pay to Seller interest on any unpaid amount at a rate of 2% per month. In addition to any other rights or remedies available to Seller under this Agreement or at law, whether by statute, common law, or in equity, upon Buyer's failure to make timely payment of any amounts due and owing to Seller, Seller shall be authorized, without prejudice, to: (a) set-off and apply any and all existing or future amounts owed by Seller to Buyer against any such amounts owed by Buyer without demand or notice to Buyer, (b) terminate the Agreement at issue between the parties, or any part thereof, (c) declare all obligations of Buyer immediately due and payable, (d) hold any goods of Buyer in Seller's possession as collateral for payment and apply the value of such goods against amounts owed by Buyer, (e) resell the goods, (f) postpone the delivery of goods or performance of services and/or (g) stop the delivery of any goods in transit. Seller reserves the right to require from the Buyer, at any time, satisfactory security for performance of Buyer's obligations under any order placed with the Seller. Seller retains a purchase money security interest in the Goods for any portion of the purchase price not paid on a timely basis. Seller shall have, in addition, all other remedies permitted to Seller under this Agreement or at law, whether by statute, common law, or in equity. If Seller takes legal action to collect any amount due from Buyer, Buyer shall reimburse Seller for all costs and reasonable expenses, including attorneys' fees, incurred by Seller associated with such legal action.

3. 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 Goods, including taxes upon or measured by the receipts therefrom (except net income and equity franchise taxes) shall be for the account of Buyer.



4. **Risk of Loss; Incidental Transportation and Storage Charges; Title:** Risk of loss shall pass to Buyer upon tender of delivery at the delivery point (which may be at load out) specified by Buyer or Seller. Any charges at the delivery point for spotting, switching, handling, storage yard imposed load charges, weekend and overtime call out charges, and all other accessorial services, and demurrage, shall be for Buyer's account. Seller shall have the right to assess storage and handling charges for Goods left in Seller's possession after notification to Buyer that Goods are available to ship. Title to Goods shall pass to Buyer when risk of loss passes to Buyer; provided however, Seller retains a contractual lien on the Goods and a purchase money security interest in the upon the Goods until Seller's receipt of full payment for the Goods.

5. **Time of Shipment and Shipping:** Except with respect to payment of amounts due from Buyer to Seller, time is not of the essence hereunder. Each invoice constitutes a separate sale. When Seller agrees to handle shipping, Seller reserves the right to ship all or any part of Goods from any shipping point. Shipment in installments is permitted. Buyer shall furnish shipping instructions to enable Seller to perform this Agreement 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 this Agreement 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 after shipping.

6. **Specification Variations:** All Goods, including those produced to meet an exact specification as requested by Buyer, shall be subject to 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 allowed by specifications as verified by practical inspection and gauging methods; and (d) regular mill practice on over and under shipment quantity.

7. **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 this Agreement with respect to all characteristics of such Goods for which such inspection is made. Unless otherwise agreed to in writing by the parties, all Goods delivered to Buyer must be inspected and accepted or rejected in accordance with this Paragraph 7, upon delivery of such Goods by Seller. Buyer shall have thirty (30) calendar days after the date Goods are delivered pursuant to the shipping terms set forth in Paragraph 5, or agreed to by the parties in writing (the "Inspection Period"), to, at its sole cost and expense, complete Buyer's inspection of and to accept Goods or to raise objections to Seller that Goods, in whole or in part, do not conform to the purchase order applicable thereto. Buyer and Seller hereby agree that the timeframes set forth in this Paragraph 7 for notice and inspection provide reasonable time and opportunity for inspection and acceptance or rejection by Buyer. If Buyer accepts Goods tendered under these Terms, such acceptance shall be final and irrevocable. Buyer will be deemed to have inspected and accepted Goods if Buyer has not objected to or rejected such Goods prior to the expiration of the Inspection Period. In order to effectively reject any Goods in accordance with this Paragraph 7, Buyer shall, prior to the end of the Inspection Period, supply Seller with reasonably detailed information stating the manner in which Goods are not conforming to the purchase order applicable thereto. The sole remedies of Buyer with respect to rejected Goods are set forth in Paragraph 11.

8. **Force Majeure:** In the event either party's performance hereunder is delayed or made impossible or commercially impracticable due to causes including fire, explosion, war, terrorism, epidemic, pandemic, 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, 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 that party's reasonable control (each, a "force majeure" event), that party shall have such additional time in which to perform this Agreement as may be reasonably necessary under the circumstances. However, the obligation of Buyer to pay for Goods delivered is never suspended or delayed. This Paragraph 8 is to be applied in conjunction with UCC Section 2-615, Excuse by Failure of Presupposed Conditions, in the case of domestic U.S. sales; provided, however, that in the event of a conflict, this Paragraph 8 shall govern.

9. Buyer Acknowledgements, Representations and Warranties: Buyer hereby acknowledges, warrants, represents, and agrees that:

- (a) Buyer has thoroughly reviewed and understands Seller's Notes for Performance Properties relating to Goods, including its purpose and intent and that it is for informational purposes only. Seller's Notes for Performance Properties are available for review and downloading, on a product-by-product basis, at Seller's website: www.gbconnections.com.
- (b) Buyer has thoroughly reviewed and understands Seller's Running Procedures relating to Goods, including its purpose and intent and that it is for informational purposes only. Seller's Running Procedures are available for review and downloading at: www.gbconnections.com/pdf/RP-GB-DWC-Connections.pdf.
- (c) Any information provided by Seller with respect to Goods sold hereunder, or the use thereof, including, but not limited to, information within Seller's Notes for Performance Properties, Seller's Running Procedures, Seller's website, and/or Seller's marketing materials, are for informational purposes only and may not be relied upon by Buyer, and that Seller makes no representations or warranties with respect to such information, and assumes no obligation or liability for any loss, damage, injury, or otherwise, with respect to such information.
- (d) Buyer has exclusive, superior, and proprietary knowledge about the field, local geology, geophysics, geochemistry, formation pressures, water table and quality, wellbore environment, and all materials that will be introduced into tubular products that Buyer installs in the well bore.
- (e) Buyer has the sole responsibility of casing string design, the selection of materials, and connection(s), and that Seller has no responsibility for casing string design, the selection of materials, and/or connection(s).
- (f) Buyer has total control over all design and operational aspects of the well, including, but not limited to (i) drilling, wellbore wall uniformity, and wellbore trajectory, (ii) unloading, storage, maintenance, handling, field assembly, and deployment of casing and connections, (iii) cementing, (iv) pressure testing, (v) stimulation and production, and (vi) enhanced recovery.
- (g) Rotating casing for drilling-with-casing operations or to aid target achievement and aggressive, high-volume, multi-stage, hydraulic fracture stimulation operations are *NON-STANDARD* uses for oilfield casing, line pipe, tubing and corresponding GB Connections.
- (h) Buyer has a superior knowledge of the ultimate use of Goods and that Buyer acts as a "Learned Intermediary" in regard to such ultimate use. With respect to Goods purchased from Seller, Buyer assumes complete responsibility and risk with respect to well conditions, on-site handling and storage, field assembly, installation, planned and anticipated operations including, but not limited to, all load combinations and exposure to geologic formation and groundwater, temperature conditions, drilling fluids, chemicals, freshwater, and all other compounds and/or fluids introduced into tubular products that Buyer installs in the wellbore.
- (i) Buyer assumes all risks and liability for material compatibility with all aspects of the well environment.
- (j) Buyer further must determine whether the Goods purchased from Seller are fit for their intended service, purpose, and use.

Warranty; Disclaimers: Seller warrants that goods furnished hereunder will be

IT IS UNDERSTOOD AND AGREED THAT THE EXPRESS WARRANTY SET FORTH IN THIS PARAGRAPH 10, IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING BUT NOT LIMITED TO, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE. FURTHER, EXCEPT FOR THE EXPRESS WARRANTY SET FORTH IN THIS PARAGRAPH 10, GOODS ARE BEING SOLD TO BUYER AND BUYER ACCEPTS GOODS "AS IS", "WHERE IS" AND "WITH ALL FAULTS" AND SUBJECT TO ANY CONDITION WHICH MAY EXIST. BUYER HEREBY EXPRESSLY ACKNOWLEDGES AND AGREES THAT (i) BUYER HAS OR WILL THOROUGHLY EVALUATE THE PURCHASE OF GOODS; (ii) BUYER IS RELYING SOLELY UPON SUCH EVALUATION OF GOODS AND BUYER'S SUPERIOR KNOWLEDGE AND SOPHISTICATION REGARDING GOODS AND THE USE BUYER INTENDS FOR GOODS IN PURCHASING GOODS ON AN "AS IS", "WHERE IS" AND "WITH ALL FAULTS" BASIS, WITHOUT ANY REPRESENTATION OR WARRANTY; AND (iii) THAT BUYER IS PURCHASING GOODS WITHOUT RELYING UPON ANY STATEMENT, REPRESENTATION OR WARRANTY MADE BY SELLER, ITS OFFICERS, ATTORNEYS, AGENTS OR CONTRACTORS, OR BY ANY OTHER PERSON OR ENTITY. EXCEPT FOR THE EXPRESS WARRANTY SET FORTH IN THIS PARAGRAPH 10, BUYER HEREBY ASSUMES THE RISK THAT ADVERSE CONDITIONS MAY EXIST ON OR WITH RESPECT TO GOODS AND/OR THE WELLSITE AND DOWNHOLE ENVIRONMENT WHERE GOODS ARE USED OR DEPLOYED, AND IN NO EVENT WILL SELLER BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, OR INDIRECT DAMAGES, EVEN IF INFORMED OF THE POSSIBILITY OF SUCH DAMAGES AND NOTWITHSTANDING THE FAILURE OF THE ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. FURTHER, BUYER ACKNOWLEDGES THAT SELLER IS MAKING NO REPRESENTATIONS OR WARRANTIES REGARDING THE COMPLIANCE OF ANY OF ANY GOODS WITH ANY FEDERAL OR STATE LAWS, REGULATIONS, RULES OR ORDINANCES AFFECTING THE SAME, DESIGN CODES AFFECTING SAME, RESULTS IN APPLICATION, OR USE OF GOODS.

IT IS FURTHER UNDERSTOOD AND AGREED THAT THE WARRANTY SET FORTH IN THIS PARAGRAPH 10 IS VOID AND OF NO EFFECT (i) IF THE GOODS HAVE BEEN ALTERED OR MODIFIED FROM THEIR ORIGINAL CONDITION AT THE TIME OF SALE (OR DELIVERY) TO BUYER, INCLUDING BUT NOT LIMITED TO, ANY HEAT TREATMENT, CUTTING, RETHREADING, OR ANY ALTERATION OF THE PRODUCT DESIGN, OR USE OF THE PRODUCT IN APPLICATIONS OUTSIDE OF API SPECIFICATIONS OR CALCULATIONS FOR INTENDED USE; (ii) BUYER FAILS TO PROVIDE SELLER WITH TIMELY NOTIFICATION OF THE CLAIM; (iii) SELLER IS IN ANY WAY PREVENTED FROM FULL PARTICIPATION IN THE INVESTIGATION OR SHARING OF INFORMATION RELATED TO THE CLAIM; (iv) BUYER DID NOT EXERCISE SOUND ENGINEERING PRACTICES OR FOLLOW RECOMMENDED OPERATING PRACTICES, INCLUDING THOSE SPECIFIED IN APPLICABLE API PUBLICATIONS; OR IN THE EVENT THAT A DOWNHOLE FAILURE OR OTHER ISSUE OCCURS WITH PIPE AND/OR CONNECTIONS SOLD BY SELLER AND IT IS DETERMINED (IN SELLER'S REASONABLE DISCRETION) THAT THE ORIGINATION OF THE FAILURE IS CAUSED BY OPERATIONAL PROCESSES, MECHANICAL DAMAGE (EXAMPLES INCLUDE, BUT ARE NOT LIMITED TO, EXTERNAL HANDLING, TONG MARKS FROM CONNECTION POWER-TIGHT MAKEUP; RIG SLIP MARKS; DRILL STRING INTERACTION; RIG SITE HANDLING DAMAGE INCLUDING DENTS, DINGS, SCRAPES; DISPLACEMENT OF PERFORATION HOLES; PERFORATION GUN MALFUNCTION; EXCESSIVE TORQUING OR ROTATION OF THE CASING STRING TO GET TO TOTAL WELL DEPTH; WIRE-LINE CUTTING/DAMAGE; SUCKER ROD

DAMAGE/INTERACTION, ETC.) OR CORROSION DAMAGE (EXAMPLES INCLUDE ACID DAMAGE; H₂S; CO₂; ABRASIVE FRAC SAND CAUSING EROSION INSIDE OF THE CASING), THEN THE WARRANTY SET FORTH ABOVE WILL BE AUTOMATICALLY VOIDED AND BUYER WILL INDEMNIFY SELLER AGAINST ANY CORRESPONDING LOSS, CLAIM OR DAMAGE.

10. **Limitation of Buyer Remedies:** Seller will replace, at the delivery point specified by Buyer or Seller, any goods furnished hereunder that are confirmed by Seller to be defective or otherwise fail to conform to Seller's Warranty, 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, less any scrap value realized by Buyer for such Goods. Claims for damaged Goods or incorrect size, grade or quantity of Goods must be promptly made in writing, and in no event later than thirty (30) calendar days following the delivery of 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 goods be returned, reworked, or scrapped by Buyer without the express written authorization of Seller. This Paragraph 11 serves as Buyer's exclusive remedies with respect to any Goods furnished by Seller hereunder that are deemed by Seller to be defective or otherwise not in conformity with Seller's Warranty or this Agreement shall be limited exclusively to the right to replacement or, at Seller's option, to repayment of the price for the Goods, as set forth above.

11. **Limitation of Seller Liabilities:** Buyer hereby acknowledges, warrants, represents, and agrees that:

- (a) NOTWITHSTANDING ANYTHING TO THE CONTRARY SET FORTH IN THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN BUYER AND SELLER, OTHER THAN SELLER'S OBLIGATIONS UNDER OF PARAGRAPH 11, SELLER'S MAXIMUM LIABILITY FOR ANY AND ALL ALLEGED BREACHES OF THIS AGREEMENT BY SELLER SHALL BE LIMITED TO THE LESSER OF (i) THE DIFFERENCE BETWEEN THE DELIVERED PRICE OF 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. \$50,000.
- (b) IN NO EVENT SHALL SELLER BE LIABLE FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE, LOSS OF PROFIT, DELAY, OR ANY ACTUAL, SPECIAL, EXEMPLARY, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES WHATSOEVER (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS, LOST PRODUCTION, LOST REVENUE, LOST PRODUCT, LOST BUSINESS OR BUSINESS INTERRUPTIONS), WHETHER OR NOT SUCH DAMAGES ARE FORESEEABLE OR SELLER WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER ARISING FROM CONTRACT, BREACH OF CONTRACT, TORT, SELLER'S NEGLIGENCE, SELLER'S GROSS 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, OR ANY OTHER THEORY OF LAW.
- (c) IN NO EVENT SHALL SELLER BE LIABLE FOR ANY INFORMATION PROVIDED BY SELLER WITH RESPECT TO GOODS SOLD HEREUNDER, OR THE USE THEREOF, INCLUDING, BUT NOT LIMITED TO, INFORMATION WITHIN SELLER'S NOTES FOR PERFORMANCE PROPERTIES, SELLER'S RUNNING PROCEDURES, SELLER'S WEBSITE, AND/OR SELLER'S MARKETING MATERIALS.
- (d) IN NO EVENT SHALL SELLER BE RESPONSIBLE FOR: (i) POLLUTION, CONTAMINATION OR RADIATION DAMAGE (INCLUDING THE COST OF CONTAINMENT, CLEANUP AND DISPOSAL), AND/OR (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, AND/OR (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 RE-DRILLING, REWORKING OR FISHING (INCLUDING THE COST THEREOF), EVEN IF THE DAMAGE, LOSS, COSTS OR EXPENSES RESULT FROM THE SOLE OR CONCURRENT NEGLIGENCE OF SELLER.

- (e) IN NO EVENT SHALL SELLER 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 ON CONTRACT, TORT, OR OTHERWISE, MAY BE BROUGHT AGAINST THE SELLER AFTER TWELVE (12) MONTHS AFTER THE DELIVERY OF GOODS TO BUYER.

12. Indemnification: Buyer hereby acknowledges, warrants, represents, and agrees that:

BUYER HEREBY RELEASES AND AGREES TO INDEMNIFY, DEFEND, AND HOLD HARMLESS SELLER (AND ITS SUCCESSORS AND ASSIGNS), AND SELLER'S OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AND AGENTS FROM AND AGAINST ANY AND ALL CLAIMS, SUITS, ACTIONS, DEMANDS, RIGHTS, DAMAGES, LOSSES, INJURY (INCLUDING DEATH), DAMAGE TO PERSON OR PROPERTY, COSTS OR EXPENSES, JUDGMENTS, AND LIABILITIES OF WHATEVER KIND OR NATURE RELATING THERETO, INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES, EXPENSES AND OTHER COSTS, FINES, PENALTIES OR ASSESSMENTS ASSERTED AGAINST OR SUFFERED BY SELLER WHICH MIGHT ARISE OUT OF, OR IN CONNECTION WITH, THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO: (i) BUYER'S PURCHASE OF GOODS; (ii) BUYER'S USE OF GOODS; (iii) BUYER'S NEGLIGENCE, GROSS NEGLIGENCE, OR WILLFUL MISCONDUCT; OR (iv) INFORMATION PROVIDED IN SELLER'S NOTES FOR PERFORMANCE PROPERTIES, SELLER'S RUNNING PROCEDURES, SELLER'S WEBSITE, AND/OR SELLER'S MARKETING MATERIALS, RELATING TO GOODS.

13. Exclusive Terms and Conditions: Acceptance: Modification: These Terms 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 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 any purchase order (or other document expressly made a part of this Agreement) 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 of Seller shall constitute acceptance of the Seller's offer under these Terms and Seller hereby objects to and rejects any and all additional or different terms proposed by Buyer, whether contained in Buyer's purchase orders, production releases or shipping release forms, or related correspondence or any other documents including emails. All proposals, quotes, request for quotes, purchase orders, negotiations, representations and other communications, if any, made prior and with reference hereto are merged herein.

14. **Prohibition on Disclosure and Use of Seller's Confidential Information and Intellectual Property:**

- (a) Buyer shall not use Seller's Confidential Information (as defined below) to design, market, manufacture, and sell any Goods, including, but not limited to, a product that competes with the Seller's Goods, or disclose Seller's Confidential Information (as defined below) to any third party.
- (b) "Confidential Information" means any nonpublic, confidential, or proprietary information, including business information, disclosed by or at the direction of the Seller to the Buyer, its agents or its representatives, either directly or indirectly, in writing, orally or by inspection of tangible objects (including without limitation documents, physical or electronic demonstrations, prototypes, samples, plans and equipment), and includes, but is not limited to, intellectual property of any nature, inventions, trade secrets, know-how, designs, drawings, specifications, models, documentation, testing data, including finite analysis studies, diagrams, product information, customer information, quality systems, gauging practices, manufacturing specifications, marketing and development plans, business plans, financial information, forecasts, customer lists and data, supplier lists or data, employee information, contracts, terms, conditions, pricing and data, sales practices or strategies, notes, analyses, correspondence, and records containing or otherwise reflecting the foregoing types of information, together with all reports, summaries, notes and analysis prepared by Buyer, its agents or representatives, regarding the Seller or reflecting any Confidential Information, and other similar information that is nonpublic, confidential, or proprietary to the Seller .
- (c) The Goods sold by Seller contain Confidential Information of Seller ("Seller Technology"). Buyer acknowledges and agrees that, as a condition to the sale of the Goods hereunder, Seller Technology is proprietary to, the exclusive intellectual property of, and, licensed or owned by Seller.
- (d) Any change in design or special design requested by the Buyer shall be owned by Seller and shall automatically become part of Seller Technology and subject to the non-exclusive and limited license hereunder.
- (e) Nothing in this Agreement or in in any other agreement between the parties, grants or confers any rights on the part of the Buyer or any party by license or otherwise, express or implied to any Seller Technology, invention, discovery, trade secret, or to any patent covering the invention or discovery.
- (f) Seller hereby grants to Buyer a non-exclusive and limited license to use the Seller Technology solely for the purpose of Buyer's use, in its normal course of business, of the Goods.
- (g) Buyer will promptly notify Seller if faced with a legal action or a request under U.S. or foreign law or regulations to disclose any of Seller Technology. If Seller so requests, the Buyer will cooperate in all reasonable respects to contest the disclosure of Seller Technology, including by obtaining a protective order or other remedy.

15. **Export of Goods Sold:** In the event Goods sold hereunder are exported outside the United States, the following shall apply:

- (a) *Export Control.* Any sale made under this Agreement shall at all times be in strict conformity with all relevant export control laws and regulations. Buyer will not make any disposition by way of trans-shipment, re-export, diversion or otherwise of Goods, except as such laws and regulations may expressly permit (with Buyer bearing full responsibility for obtaining any required export licenses or other permits), and no such disposition or transfer will be made other than to the ultimate country of destination specified in this Agreement. Buyer will furnish, upon request, proof that Goods have been entered, and will remain in, the specified destination country. Buyer hereby agrees to indemnify, defend and hold harmless Seller and its 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 Paragraph 16. Seller reserves the right to suspend or cancel any delivery of Goods to Buyer or cancel this Agreement in its entirety, without liability to Buyer, if Seller has a good faith basis for believing Buyer or its agent has violated or intends to violate this

Paragraph 16.

- (b) *Anti-corruption Laws.* Buyer represents and warrants, in connection with the transactions contemplated by this Agreement, and any other agreement contemplated by or entered into pursuant to this Agreement, that it shall take no action, directly or indirectly, that would constitute a violation of the United States Foreign Corrupt Practices Act, or any other applicable anti-bribery or anti-corruption law, convention or regulation (collectively, "anti-corruption laws"). Buyer acknowledges and confirms that it and its officers, directors, employees, agents, contractors, designees and/or any other party acting on its behalf (collectively, "Related Parties") are familiar with the provisions of the anti-corruption laws. Buyer hereby agrees to indemnify, defend and hold harmless Seller and its employees from and against any and all claims, demands, damages, costs, penalties and fines arising in connection with any alleged breach by Buyer, or any Related Parties, of this Paragraph 16. Seller reserves the right to terminate this Agreement in its entirety, without liability to Buyer, if Seller has a good faith basis for believing Buyer, or any Related Parties, has violated or intends to violate this Paragraph 16.

16. Termination: In addition to any other remedies available to Seller at law or under this Agreement, Seller may terminate this Agreement with Buyer in the event that:

- (a) Buyer fails to perform its obligations under this Agreement, or otherwise breaches any provisions of this Agreement, or fails to perform its obligations, or otherwise breaches, any other agreement between Buyer and Seller;
- (b) Buyer ceases to carry on its business substantially as such business is conducted on the date of this Agreement between Buyer and Seller and such change in circumstances modifies Seller's obligations or impairs either party's ability to discharge its obligations under this Agreement;
- (c) Buyer institutes, or suffers the institution against it of, bankruptcy, reorganization, liquidation receivership, the appointment of a receiver, trustee, or custodian, or similar proceedings;
- (d) Buyer generally becomes unable to pay its debts as they become due;
- (e) Buyer makes any verbal or written statement, or provides an information to Seller that is untrue, inaccurate, or conceals a material fact at the time it is made or provided to Seller; or
- (f) an event of Force Majeure listed in Paragraph 8 of this Agreement continues for a period of more than thirty (30) days.

17. Cancellation by Buyer; No Refunds: Buyer may not cancel an order once placed with Seller, unless otherwise agreed to by the Parties in writing. With the exception of the Buyer's limited remedies set forth in Paragraph 11, deposits or down payments tendered by Buyer to Seller under this Agreement shall not be refunded to Buyer upon the commencement of fabrication of the Goods.

18. No Waiver by Seller: Seller shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Seller. No delay or omission on the part of Seller in exercising any right shall operate as a waiver of such right or any other right, at law or equity, and shall not be construed as a novation of this Agreement. A waiver by Seller of a provision of this Agreement shall not prejudice or constitute a waiver of Seller's rights otherwise. No prior waiver by Seller, nor any course of dealing between Seller and Buyer, shall constitute a waiver of any of Seller's Rights or Buyer's obligations as to any future transactions.

19. Construction: No provision of this Agreement may be construed against the Seller as the drafting party. The headings used throughout this Agreement have been inserted for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement. The term "including" means "including without limitation." The term "days" means calendar days unless otherwise stated. Unless the context otherwise requires, all references herein to "Paragraphs," and other subdivisions shall refer to the corresponding provisions of this Agreement. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder and successor laws, unless the context hereof requires otherwise. References in this Agreement to dollars or "\$" means lawful money of the United States of America.

20. Severability: If any provision of this Agreement is determined to be illegal, invalid, or unenforceable by an arbitrator appointed under these Terms or a court of competent jurisdiction, such provision shall be fully severable and the validity and enforceability of the remaining provisions will not be affected, and the Agreement shall be construed and enforced as if the illegal, invalid, or unenforceable provision had never been included herein.

21. Subsequent Buyers and Users: Buyer hereby represents and warrants to Seller that this Agreement is effective for any and all subsequent purchasers, possessors and users of Goods in the stream of commerce, including but not limited to, the ultimate end-user, and that Buyer shall take all necessary steps to ensure that any subsequent purchasers, possessors and users of Goods, including the ultimate end-user, are legally bound by this Agreement and that all rights and remedies of Seller under this Agreement are enforceable against each such subsequent purchaser, possessor and user of Goods, including the ultimate end-user.

22. Successors: This Agreement shall be binding upon each Buyer and its successors and assigns, and shall inure to the benefit of Seller and its successors and assigns.

23. Conditions Incorporated by Reference: Any clause required to be included in an agreement of this type by any applicable law or regulation shall be deemed to be incorporated herein.



24. **Language:** The English language version of this document will control in the event of any disagreement over any translation.

25. **Governing Law:** This Agreement 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 Agreement or any other agreement between the parties. Seller and Buyer each irrevocably agrees that, subject to the terms and provisions of Paragraph 27, any legal proceeding by Seller seeking the enforcement of this Agreement with respect to the Buyer's non-payment, shall be brought in the state or federal courts located in Houston, Texas, U.S.A. Buyer 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.

26. **Dispute Resolution:** **THIS PARAGRAPH 27 SHALL HAVE NO APPLICATION TO SELLER'S REMEDIES FOR BUYER'S NON-PAYMENT FOR GOODS.** The parties agree that in the event of any controversy or claim arising out of or relating to this Agreement, or the breach thereof, other than for Buyer's non-payment for Goods, the parties shall, for a period not to exceed fifteen (15) calendar days following notice by one party to the other party that a dispute exists, endeavor to resolve such dispute through good faith negotiations. In the event that the parties fail to resolve such dispute in the foregoing manner, the controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by binding arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules and shall be submitted to an arbitral tribunal consisting of three (3) arbitrators. The arbitration shall be conducted in the English language. Arbitration shall be the sole and exclusive remedy with respect to any controversy or claim arising out of or relating to this Agreement, or the breach thereof. The arbitration proceedings shall be private and confidential. The arbitration panel shall have no power to add to, detract from, or alter this Agreement in any way. Pending a final decision and award by the arbitral tribunal, there shall be no legal action taken by either party to the controversy. All costs and expenses incidental to and arising out of the arbitration shall be borne by the losing party, including reasonable attorneys' fees. The award rendered shall be final and conclusive and judgment on the award rendered by the arbitral tribunal may be entered in any Harris County District Court having jurisdiction thereof. The place of arbitration shall be Houston, Texas, U.S.A. The arbitral tribunal shall not be authorized to decide any dispute, controversy or claim *ex aequo et bono*, but shall strictly apply the laws of the State of Texas, U.S.A., without regard to its conflicts of laws provisions.

**EXHIBIT A Summary of
Payment Terms**

Description	Invoice Initiation/Basis	Terms
End finishing of customer supplied casing (full length casing, R ₃), cross-overs, subs, marker joints, float equipment, etc. Also, pass-through 3 rd party charges such as inspections, load out, installation of float equipment, etc.	Facility Work-Order Completion Report/Joint Count	Net 30 days from the date of invoice
Loose Couplings	Load out/Bill of Lading	Net 30 days from the date of invoice
Turn-Key fabrication of Accessories including cross-overs, subs, marker joints, float equipment, etc. (GB Connections supplied materials)	Facility Work-Order Completion Report/Units	Net 30 days from the date of invoice
Materials released for inspection prior to customer acceptance	By Agreement 1. Flat footage with adjusting invoice or credit after shipment 2. Good footage only per inspection tally	Net 30 days from the date of invoice