

Source 1 Distribution General Terms & Conditions of Sale

Definitions

- "Buyer" means Buyer as represented on the Sales Order.
- "Force Majeure" means any event or circumstance (excluding the inability to pay compensation due under this Order) beyond the reasonable control of a party which prevents or impedes the due performance of this Order, and which by the exercise of reasonable diligence, such party is unable to prevent, including, without limitation, act of war, act of terrorism, riot, rebellion or civil unrest, act of God, flood, earthquake, lightning or other natural physical disaster, explosion, fire, or expropriation or nationalization, requisition or other interference by any government authority, the enactment or amendment after the effective date of any statute, order, by-law or other rule or regulation having the force of law in the Buyer's country of operations hereunder or promulgated by a government body claiming to have jurisdiction over a party, and national or regional strikes or similar labor disputes (official or not). The mere shortage of labor or equipment shall not constitute Force Majeure unless caused by events or circumstances that are themselves Force Majeure.
- "Goods" means the materials, equipment and supplies that are detailed on the Sales Order.
- "Seller" means the Seller represented on the Sales Order.
- "Order" means; (i) these terms and conditions (see below) (as may be amended from time to time); (ii) the Sales Order; and (iii) other exhibits, appendices, indices and attachments hereto.
- "Sales Order" shall be the form issued by Seller containing the description and quantities of Goods to be provided by Seller.

1. General

1.1 In the event of a conflict between the components of the Order, the terms and conditions noted here shall prevail over the Purchase Order and the Sales Order shall prevail over any exhibits, appendices, indices and attachments thereto.

1.2 Seller hereby gives notice of objection to any additional or different terms proposed by Buyer in any quotation, acknowledgement or other documents deemed to be an alteration or conflict with the terms of the Order, and Buyer hereby acknowledges and agrees that such proposed terms are not binding upon Seller and shall be considered null and void.

1.3 This Order constitutes the sole and complete agreement of the parties and supersedes all other agreements or representations of any kind, oral or otherwise, not included herein.

2 - Quantity and Price

2.1 Quantities and price(s) shown on the Sales Order cannot be changed except by Salesperson by issuing a Change Order.

2.2 Any Change Order must be in writing and executed by Buyer and accepted by Seller

3 - Warranties

Seller warrants that all Goods supplied pursuant to this Order shall conform to any specifications, drawings, samples and other descriptions furnished or adopted by Buyer and shall be new; be free from defect in workmanship and material; and fit and sufficient for the

purpose for which the Goods are sold to Buyer. Seller warrants that it has merchantable title to the Goods. Seller further warrants the satisfactory operation of the Goods including, but not limited to, the way the Goods are to function in conjunction with other equipment, when the relevant requirements have been made known to the Seller.

4 - Inspection

Buyer reserves the right to have the Goods related to this Order inspected by its designated representative or contracted inspection personnel at Seller's or its subcontractor's place of manufacture or assembly at all reasonable times. Seller also agrees to reserve this right for Buyer with its suppliers and subcontractors. Buyer's inspection or failure to inspect shall not constitute an acceptance or relieve the Seller of its duty to comply with all conditions and warranties under this Order.

5 - Payment

8.1 Payment terms shall be as shown on the Sales Order.

8.2 Payment of any disputed or undisputed amounts shall not act as a waiver of any rights of Seller.

6 - Choice of Law

This Order shall be construed in accordance with and governed by the laws of the State of Texas, U.S.A. exclusive of its choice of law rules that would result in application of another jurisdiction's laws. Buyer and Seller agree that in the event litigation arises in connection with this Order or the Goods the subject hereof, any action must be brought in the applicable state or federal court of the State of Texas and the parties agree to the exclusive jurisdiction thereof. The parties further agree that the exclusive venue for any such action shall be Harris County, Texas.

7 - Indemnity

16.1 BUYER SHALL PROTECT, DEFEND, RELEASE, INDEMNIFY, AND HOLD HARMLESS THE SELLER FROM ANY AND ALL COSTS, ACTIONS, CAUSES OF ACTION, CLAIMS AND DEMANDS FOR, UPON, OR BY REASON OF ANY DAMAGE, LOSS, INJURY OR SUFFERING THAT MAY BE INCURRED OR ALLEGED TO HAVE RESULTED FROM THE PERFORMANCE OF THE SELLER'S OBLIGATIONS UNDER THIS ORDER (INCLUDING, BUT NOT LIMITED TO, THE DESIGN, MANUFACTURE, MARKETING, SALE, SHIPMENT, USE, CONSUMPTION, DESTRUCTION, REPAIR, MAINTENANCE OR RETURN OF THE GOODS COVERED BY THIS ORDER), WHETHER BY CONTRACT, TORT, OR OTHERWISE WHEN/TO THE EXTENT SUCH ACTIONS, CAUSES OF ACTION, CLAIMS AND DEMANDS ARE CAUSED OR CONTRIBUTED TO BY THE SOLE, JOINT, CONTRIBUTORY OR CONCURRENT NEGLIGENCE, OMISSION, STRICT LIABILITY OR FAULT OF SELLER. FURTHER, SELLER WILL DEFEND, RELEASE, PROTECT, INDEMNIFY, AND HOLD HARMLESS BUYER FOR ALL COSTS, EXPENSES, LIABILITIES, OR DAMAGES ARISING FROM THE INFRINGEMENT OR ALLEGED INFRINGEMENT OF LETTERS, PATENT, REGISTERED DESIGN, TRADE MARK, COPYRIGHT OR OTHER PROTECTED RIGHTS IN RESPECT TO THE GOODS FURNISHED PURSUANT TO THIS ORDER, OR BY THE MODE OF OPERATION OF THE EQUIPMENT SO FURNISHED.

8 - Cancellation

21.1 This order is Non-Cancelable/Non-Returnable unless specified in writing by the Seller. If the Manufacturer agrees to take returned goods/cancel the order; the Seller should be paid all Restocking and any other costs including but not limited to inbound

and outbound freight. Restocking costs will be calculated at a percentage of the Sales price along with all administrative/handling charges that the Seller may deem fit.

9 - Compliance with Laws, Policies and Rules

22.1 Buyer shall comply with all applicable laws and regulations related to the provision of the Goods under the Order including but not limited to, safety and environmental regulations and technical standards. The goods shall not be exported, re-exported or shipped contrary to United States law. Seller represents that it has obtained all licenses from the U.S. government (or other countries, as applicable) necessary to export or re-export Goods, technology or services under the Purchase Order.

10 - U.S. EXPORT CONTROL LAWS:

This Order is subject to the export control laws of the United States. Seller must identify any item(s) subject to the International Traffic in Arms Regulations, Seller must so indicate on all shipping documents and identify the appropriate category of the US Munitions List. For items subject to the Export Administration Regulations (EAR), Seller MUST provide the appropriate ECCN (Export Control Classification Number) for each item and include on all shipping documents. If there is no ECCN, seller MUST show "EAR99" on all shipping documents, in accordance with the EAR. Seller must also provide the Schedule B classification and Country of Origin information for all items.

In the event seller is not familiar with these laws and regulations, you should

1. Contact the manufacturer for this information,
2. Review the US Department of State Directorate of Defense Trade Controls website for information on the control of defense articles, or
3. Review the Bureau of Industry and Security (BIS) website for information needed to determine the correct ECCN.

11 - Binding Authority

Each of the persons executing this Order represents and warrants that he or she has full right and authority to execute this instrument on behalf of Buyer and to bind Buyer to the fulfillment of all of the provisions hereof.