



Terms and Conditions of Sale

1. Definitions

Accessories: Turn-key finished products provided by Stewart Tubular Products (the "Seller"), including but not limited to, pup joints, connectors, blast joints, flow couplings, couplings, handling plugs, test fixtures, landing nipples, turbo-pups, stabbing guides.

Agreement: The contract for the sale of Goods or performance of services that binds the parties upon acceptance of the seller's commercial offer by the Buyer. Seller's offer includes these terms and conditions of sale.

Buyer: The person or entity to whom goods or services are provided under the agreement, including successors and assignees.

Confidential Information: any business and technical documentation, information and materials belonging to Seller, regardless of whether it is marked as confidential or not, whether in written or digital format.

Goods: The products to be provided in accordance with the agreement.

Intellectual Property: All rights over inventions, patents, copyright and related rights, trademarks, trade names, domain names, industrial designs, confidential information, know-how, trade and industrial secrets, and any other intellectual property rights, whether registered or unregistered.

Order: The document issued by the buyer requesting the supply of goods or performance of services.

Order Acknowledgement: Seller's response to the buyer's order; may be in the form of a written document, electronic transmission, or verbal acceptance by the seller.

Parties: Collectively, Buyer and Seller.

Services: The services to be provided as specified in the Agreement, including but not limited to, threading of Accessories, OCTG, and other products supplied by the Buyer. Seller may provide other services, including but not limited to, machining, inspection, testing, and NDE.

Seller: Stewart Tubular Products, Inc., (STP), including successors and assigns.

Terms: These terms and conditions of sale for the supply of goods or performance of services.

2. Entire Agreement

2.1. The Agreement represents the entire agreement of the Parties relative to the sale of Goods or the performance of Services, and supersedes any prior agreements with respect to the subject matter of the agreement. Buyer's acceptance of Seller's offer or quotation including these Terms, or receipt of an Order Acknowledgement without objection in writing within five (5) business days from receipt shall constitute acceptance of the Agreement by Buyer.

2.2. No representations other than the terms set forth in the agreement and these terms and conditions shall be considered to be in effect. Any conflicting terms contained in any document (including correspondence or electronic communication between Buyer and Seller) shall have no force or effect unless incorporated in the agreement by the addition of a typed or hand written addition expressly accepted and signed by the Seller.

3. Applicability

These terms shall apply to all sales of goods or performance of services provided by Seller unless otherwise mutually agreed upon in writing.

4. Delivery

Each delivery term used in the Agreement by the Parties shall have the respective meaning specified for each of those terms by "Incoterms 2010", the International Chamber of Commerce official rules for the interpretation of trade terms published in 2010. Unless otherwise mutually agreed in writing by the Parties, delivery of Goods (including third-party products on which Services were performed under the Agreement) shall occur **EXW (Seller's named facility)**, whereby Seller shall place the Goods (including third-party products, as applicable) at the disposal of Buyer. In the event that it becomes impossible to

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deliver Goods within the agreed terms due to material problems affecting production or delivery, the Parties shall make their best efforts to agree on new delivery terms. If Goods are stored at the request of Buyer, they shall be deemed delivered upon arrival at the storage site (which may be Seller's facility) and full payment shall be made in accordance with Article 6. In addition, Buyer shall pay Seller reasonable storage charges calculated at the market rate. Buyer shall be responsible and pay any taxes assessed on the Goods after delivery to the storage site, in accordance with Article 7. Any accumulated and unpaid storage charges are payable before Goods are removed from storage.

5. Title and Risk

Title, risk of loss, destruction, or damage to Goods will pass from Seller to Buyer upon delivery of Goods to Buyer in accordance with Article 4.

6. Payment

6.1. Unless otherwise provided in the Agreement, Seller shall invoice Buyer upon delivery of Goods or performance of Services, and Buyer will pay Seller within thirty (30) days of receipt of Seller's invoice. Amounts owed by Buyer shall be paid by check or wire transfer, in immediately available funds, to the bank account designated in the invoice.

6.2. All Orders and deliveries are subject to credit approval of the Buyer by the Seller. In addition, Seller shall be entitled to require payment guarantees it may deem necessary from the buyer.

6.3. Interest shall accrue on the unpaid portion of the invoice at a rate of one and one-half percent (1.5%) per month (18% per annum), or, if lower, the highest rate permitted by law on past due accounts. Interest shall be compounded on a monthly basis.

6.4. In the event of non-payment, in addition to the remedies set forth in Article 6.3, Buyer agrees to pay to Seller: (i) all costs of collection and incidental damages incurred by Seller, including, but not limited to, reasonable attorneys' fees and expenses; (ii) any commercially reasonable charges, expenses or commissions incurred in stopping delivery; (iii) additional transportation charges; and, (iv) Seller's net additional expense incurred for the care and custody of Goods in connection with their return or resale. In the event of any claim or legal action brought by Buyer for any cause whatsoever, Buyer shall have no rights of retention or set-off.

7. Taxes

Any taxes that Seller is required to collect or pay with respect to the sale, shipment or delivery of Goods, or the provision of Services, pursuant to the Agreement are the responsibility of the Buyer, and Buyer agrees to either provide Seller with written proof of exemption from such taxes, pay such taxes directly or reimburse Seller should Seller be required by law to collect and remit such charges.

8. Inspection, Claims and Returned Goods

8.1. Undamaged and conforming goods are not returnable without express permission from the Seller. If Buyer wrongfully rejects, or revokes its acceptance of undamaged or conforming goods or services, or does not provide evidence of the alleged damage or non-conformance within the claim period defined herein, Seller shall have the right to recover all costs and expenses incurred as a consequence of or in connection with such claim.

8.2. Buyer shall: (i) inspect Goods for transportation-related damage or shortage immediately upon delivery; (ii) describe any such damage or shortage on the bill of lading; and (iii) immediately report the damage or shortage to Seller and transporter's local representative (if any). Buyer may not reject or revoke the acceptance of Goods or fail to make payment for Goods without filing a claim with proof of such damage or non-conformance. The claim must include photographs and a copy of the original bill of lading signed by Buyer noting in detail the claimed damage or non-conformance.

8.3. Buyer shall provide written notice of **non-transportation-related** claims within five (5) days from the date of discovery of any hidden damage or non-conformance or from the date on

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which a diligent purchaser should have discovered the hidden damage or non-conformance; and within fifteen (15) days from the date of delivery of Goods in case of patent damage or non-conformance. Failure to give written notice within this period shall release Seller from any liability.

8.4. Buyer agrees to protect and hold such damaged or non-conforming Goods, at Buyer's sole cost, until Seller can make arrangements for the return of Goods to Seller's facilities. Damaged or non-conforming Goods shall not be returned, reworked or scrapped by Buyer without Seller's prior written authorization.

8.5. When Buyer wishes to make a return of damaged or non-conforming Goods, Buyer shall submit proofs of claim and any additional information that Seller may reasonably require to establish the validity of the claim. Seller reserves the right to require the submission of a sample of the damaged or non-conforming Goods.

9. Warranty

9.1. Stewart Tubular will warrant our product that it will be fit for its intended use at the time of delivery from our facility. All parts have a limited lifespan that is affected by storage conditions, handling, and usage which are out of our control once the product leaves our facility

9.2. If Buyer requests Seller to provide Services on products manufactured by any party other than Seller, Buyer agrees that Seller (or any of its subcontractors) is not aware of the quality or specifications of such products and, therefore, Seller's limited warranty shall not apply in connection with such products, and Seller shall only warrant that Services shall be performed in accordance with Article 9.1.2. Buyer shall enforce the warranty of the manufacturer of products on which Services are performed by Seller. Buyer shall save, defend, indemnify and hold Seller and its subcontractors harmless, for any and all demands, claims, suits, damages, losses, judgments and liabilities of whatever kind or nature, including, without limitation, reasonable attorneys' fees, expenses and other costs of litigation, fines, penalties or assessments asserted against or suffered by Seller or its subcontractors as a consequence of, or in connection with, the products provided by Buyer for the performance of Services by Seller.

9.3. Except for the warranties contained herein, neither Seller nor its subcontractors make any other warranties express or implied, including, but not limited to, the warranty of fitness for a particular purpose, merchantability, result, non-infringement of intellectual property rights, or any implied warranties arising from course of performance, course of dealing or usage of trade. The warranties contained in this article 9 are in lieu of all other warranties, terms, representations, guarantees or liabilities, whether oral, written, express, implied or statutory, and such other warranties, terms, representations, guarantees or liabilities, based in law, statute, common law, contract, tort, equity or otherwise (including, without limitation, strict product liability and negligence) are disclaimed. Seller's (including its subcontractor's) warranty obligations hereunder, and Buyer's remedies (except as to title) are solely and exclusively as stated in this article 9.

9.4. Liability of Seller (including its subcontractors) under this warranty shall be limited to repair or replacement of the non-conforming Goods or re-performance of non-conforming Services; provided that Seller's obligation to re-perform Services shall be subject to Buyer's provision of the necessary products, at no cost to Seller. Neither Seller nor its subcontractors shall be under any obligation to replace, or reimburse the price of, any products on which Services are performed. Seller's (and its subcontractor's) liability for damage to or loss of property of Buyer during the performance of Services, or while in Seller's (or its subcontractor's) possession, shall not exceed the price received by Seller for Services performed on the product lost or damaged.

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9.5. Products not manufactured, or services not performed by Seller, are guaranteed in the manner and to the extent guaranteed by the actual manufacturer or service provider, and then only to the extent that Seller is reasonably able to enforce it.

9.6. Neither Seller nor its subcontractors shall have any warranty obligations with respect to any Good, or part thereof, which: (i) is normally consumed in operation, (ii) has a normal life inherently shorter than the warranty period specified herein, (iii) is not properly stored, installed, maintained or repaired, or is modified other than pursuant to Seller's instructions or approval, or (iv) has been subjected to any other kind of detrimental exposure, or has been involved in an accident for which Seller could not be responsible.

9.7. If Buyer resells Goods (including third-party products upon which Services have been performed under the Agreement), Buyer shall include the same Seller's warranty, liability limitations and exclusions of liability, dispute resolution and governing law terms (in the form attached to these Terms as Exhibit "A") in the agreed terms of such resale. Buyer shall save, defend, indemnify and hold Seller harmless for any and all demands, claims, suits, damages, losses, judgments and liabilities, including reasonable attorneys' fees, expenses and other costs of litigation, fines, penalties or assessments asserted against Seller, in excess of the limitations and exclusions of liability and warranties set forth in these terms and the agreement. Buyer undertakes not to grant in the name or on behalf of Seller any warranty or undertaking whatsoever, including any warranty for defect or faulty design, materials, etc., other than those expressly granted by Seller and given in this Agreement.

10. Termination for Default

10.1. If Seller fails to commence actions to remedy any default of its obligations under the Agreement within thirty (30) days from written notice given by Buyer, then Buyer may terminate the Agreement without penalty or liability except for amounts payable in respect of Goods or Services previously supplied to Buyer.

10.2. In the event that Buyer voluntarily or involuntarily becomes the subject of proceedings under any bankruptcy or insolvency law, or other legal procedure for the relief of financially distressed debtors, or is unable, or admits in writing its inability to pay its debts as they mature, or takes or suffers any action for its liquidation or dissolution, or has a receiver or liquidator appointed for all or any part of its assets and, in the event any act of the aforesaid character is involuntary, the consequences thereof are not cured within thirty (30) days from written notice by Seller, then Seller will be entitled to immediately terminate all Agreements with Buyer by giving it written notice of termination.

10.3. If Buyer defaults in any of its obligations under the Agreement, Seller shall be entitled to (i) terminate totally or partially its obligations under the Agreement and any other agreements with Buyer or (ii) suspend totally or partially deliveries of Goods or performance of Services under the Agreement and any other agreements with Buyer. For such purposes, Seller will give Buyer written notice of termination or suspension, which shall become effective if Buyer does not remedy its default within thirty (30) working days from receipt of Seller's notice.

10.4. Any legal action arising from the Agreement, based on any grounds whatsoever, must be brought by Buyer within twelve (12) months from the date of delivery of the Goods or performance of the Services.

11. Liabilities and Indemnities

11.1. Buyer acknowledges that it has superior knowledge of the ultimate use of Seller's Goods or Services and Buyer acts as a "learned intermediary" in regards to such ultimate use. Buyer

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shall save, defend, indemnify, and hold Seller (and its successors and assigns) harmless, and their respective directors, officers, employees and agents from and against all demands, claims, suits, damages, losses, judgments and liabilities of whatever kind or nature, including, without limitation, reasonable attorneys' fees, expenses and other costs of litigation, fines, penalties or assessments asserted against or suffered by the indemnitees by reason of, arising out of, or in any way related to, Buyer's use (or any subsequent end- user's use) of Seller's Goods or Services, or Buyer's negligence or willful misconduct. Without limitation, Buyer's obligation to save, defend, indemnify and hold indemnitees harmless shall exist with respect to accidents, occurrences, disease, injuries to persons (including death), environmental or other property damage, property or economic losses, and violation of applicable law or regulation.

11.2. Seller's liability, in excess of the cost to replace or repair non-conforming goods and services (if any), for damages, costs, expenses and losses however arising from or related to the fulfillment or the non-fulfillment of the agreement, whether based in law, statute, common law, contract, tort, equity or otherwise, shall be limited to the value of the relevant order.

11.3. Neither party shall be liable for damages for loss of profits, income, revenue or production, nor any other indirect, special, punitive, exemplary or consequential damages, whether any such liability would be based in law, statute, common law, contract, tort, equity or otherwise.

11.4. In no event shall Seller be liable for (i) pollution, contamination or radiation damage (including the cost of containment, cleanup and disposal), and (ii) subsurface loss or damage, including loss of or damage to any reservoir, formation, strata, well, or borehole or in-hole equipment, or impairment of any property right to water, oil, gas or other mineral substances, and (iii) damage, loss or destruction, or 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 (iv) killing or regaining control of a wild well, or re-drilling, reworking or fishing (including the cost thereof).

11.5. In no event shall Seller be responsible for retrieving damaged or non-conforming Goods, delay or curtailment of operations, pollution or cost of dismantling and removal of Goods to be repaired or replaced, resulting from non-conforming material, faulty workmanship or otherwise.

11.6. Should Goods (including third-party products on which Services are performed under the Agreement) be subjected to transformation including mechanical and technical procedures other than by Seller, Buyer shall save, defend, indemnify and hold Seller harmless from, against, for and in respect of any loss, liability, claim, damage asserted or incurred by Buyer or a third-party by reason of any defects in Goods (or third-party products, as applies) attributable to such transformation.

11.7. Buyer shall save, defend, indemnify and hold Seller harmless from, against, for and in respect of any claim, loss, liability or damage (including consequential or incidental) asserted against Seller by any third-party: (i) in excess of the limitations of liability set forth under these terms; or, (ii) due in whole or in part to the negligence or willful misconduct of any other Seller of products upon which services are performed.

11.8. If Seller receives a claim for which Buyer is obligated to provide indemnification under this Article 11, Seller shall notify Buyer of such claim and Buyer shall provide Seller with the sums necessary to discharge the amounts payable by Seller (including reasonable attorneys' fees and all related expenses and costs.)

11.9. Buyer acknowledges that these Terms include provisions for the indemnification or exoneration of Seller against the consequences of its own negligence or fault, and agrees that these Terms comply with the express negligence rule, are conspicuous and afford fair notice.

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11.10. The limitations and exclusions of liability hereunder shall extend to Seller's subcontractors.

12. Intellectual Property Indemnity

12.1. In case Goods and Services are alleged to infringe or misappropriate third-party's Intellectual Property, Seller shall at its own expense and option: (i) procure for Buyer the right to continue using Goods and receiving Services; (ii) replace or modify Goods and Services so that they do not infringe or misappropriate third-party's Intellectual Property; (iii) await a final decision by a court of competent jurisdiction so as to take one or more of the actions under (i) and (ii) at Seller's sole option.

12.2. Buyer warrants that it shall save, defend, indemnify and hold Seller (and its successors and assigns) harmless, and their respective directors, officers, employees and agents, from and against all demands, claims, suits, damages, losses, judgments and liabilities of whatever kind or nature, including, without limitation, reasonable attorneys' fees, expenses and other costs of litigation, fines, penalties or assessments asserted against or suffered by Seller by reason of, arising out of, or in any way related to, any actual or alleged infringement of Intellectual Property which might arise out of information, instructions, designs or specifications provided by Buyer, regardless of the form in which such information, instructions, designs or specifications are communicated, and even if the demands, claims, suits, damages, losses, judgments, liabilities, expenses and costs result from the sole or concurrent negligence of Seller (including its subcontractors).

12.3. In no event shall Seller be responsible for any actual or alleged Intellectual Property infringement directly or indirectly based on or arising from products manufactured by third-parties, or Seller's non-proprietary products, or services not performed by Seller.

13. Mill Test Certificates

Buyer agrees that it will not alter, remove, tamper or otherwise improperly deal, nor will it allow any third-party to alter, remove, tamper or otherwise improperly deal, the trade-marks, mill certification numbers, mill test certificates or any other stencil information coming into the possession of Buyer in connection with the Agreement. Should Buyer breach in any way the provisions under this Article 13, Seller shall be entitled, in addition to any other remedy it may be entitled at law or equity, to immediately terminate the Agreement without any liability whatsoever towards Buyer. Buyer agrees that it will maintain a complete, clear and accurate record of its activities in relation to Goods purchased under the Agreement. Seller shall have the right to inspect and audit all such books and records and make copies thereof, provided, however that the information obtained will only be used to enforce Seller's rights and determine whether Buyer is in compliance with the terms and conditions of this Agreement. Any such audit shall be conducted upon not less than seven (7) days' notice at Buyer's offices during regular business hours and in such a manner as not to unreasonably interfere with Buyer's normal business activities.

14. Force Majeure

Seller is not liable for a failure to perform any of its obligations if Seller proves (i) that the failure was due to an impediment beyond its control; (ii) that it could not reasonably be expected to have taken the impediment and its effects upon its ability to perform into account at the time of the execution of the Agreement, and (iii) that it could not reasonably have avoided or overcome it or at least its effects; including, but not limited to, war, whether declared or not, civil war, riots and revolutions, acts of piracy, acts of sabotage, natural disasters such as violent storms, cyclones, earthquakes, tidal waves, floods, destruction by lightning, explosions, fires, breakdown or destruction of machines, of factories, and of any kind of installations boycotts, strikes and lock-outs of all kinds, work slowdowns, occupation of factories and premises, and work stoppages which occur in

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Seller's enterprise, lack of or inability to obtain raw materials, fuels or supplies, acts of Buyer or civil or military authority, whether lawful or unlawful, apart from acts for which Seller has assumed the risk by virtue of other provisions of the Agreement. A ground of relief under this clause relieves Seller from damages, penalties and other contractual sanctions to the extent that the ground persists. Further it postpones the time for performance, for such period as may be reasonable, thereby excluding Buyer's right, if any, to terminate or rescind the Agreement. If the grounds of relief persist for more than sixty (60) days, either Party shall be entitled to terminate the Agreement with prior written notice. Each Party may retain what it has received from the performance of the Agreement carried out prior to the termination. Each Party must account to the other for any unjust enrichment resulting from such performance. The payment of the final balance shall be made without delay.

15. Assignment and Subcontracting

Seller may assign, license or subcontract to any of its Affiliates or subcontractors all or any part of its rights and obligations under the Agreement without Buyer's consent, provided Seller remains liable as primary obligor under the Agreement. Buyer may not assign or in any way dispose of its rights or obligations under the Agreement without the prior written consent of Seller.

16. Export Control

Any sale hereunder shall be in strict conformity with all relevant export control laws and regulations. Buyer shall not make any disposition by way of trans-shipment, re-export, diversion or otherwise, of Goods, except as said laws and regulations may expressly permit, and no such disposition or transfer will be made other than to the ultimate country of destination specified in the Order or as declared as the country of ultimate destination on Seller's invoice.

17. Confidentiality

17.1. Buyer acknowledges that in connection with the sale of Goods or the performance of Services, Buyer has received or will receive from Seller certain proprietary and Confidential Information, which is of substantial proprietary value to Seller.

17.2. Buyer agrees to hold any Confidential Information in strict confidence, and not to disclose to third- parties or use for any purpose other than the purpose of this Agreement.

17.3. Buyer shall be liable for any loss or damage to any Confidential Information, and shall not be released from its obligations of confidentiality, non-use and non-disclosure until and unless: (i) Confidential Information becomes non-confidential information without any breach of this Agreement or (ii) Seller releases Buyer from its confidentiality obligations hereunder by written notice.

17.4. All technical documents developed by Seller and provided to Buyer as part of the obligations of the agreement, including any copyright, shall be the sole property of Seller and shall always be treated as confidential.

17.5. Except as otherwise agreed by Seller in writing, no information or knowledge disclosed by Buyer shall be deemed confidential.

18. Severability

If any term or other provision of the Agreement is invalid, illegal or incapable of being enforced by rule of law or public policy, all other conditions and provisions of the Agreement shall nevertheless remain in full force so long as the economic or legal substance of the transactions contemplated is not affected in any adverse manner to either Party. Upon determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify the Agreement so as to achieve the original intent of the Parties as closely as possible, to the end that the transactions contained in the Agreement may be fulfilled to the extent possible.

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19. Dispute Resolution / Governing Law

The Parties agree that in the event of a dispute or any allegation of breach concerning the Parties' performance under the terms of the Agreement, that 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. If the Parties fail to resolve their dispute in this manner, the alleged breach or dispute shall be submitted to binding arbitration before an arbitral tribunal consisting of three (3) arbitrators, under the commercial arbitration rules of the American Arbitration Association. The arbitration shall be conducted in the English language. Arbitration shall be the sole and exclusive remedy with respect to any such dispute or alleged breach. These proceedings shall be private and confidential. The arbitral tribunal shall have no power to add to, detract from, or alter the Agreement in any way. Pending final decision by the arbitral tribunal, there shall be no 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 court having competent jurisdiction thereof. The place of arbitration shall be Houston, Texas, U.S.A. The Agreement shall be governed and interpreted in accordance with the laws of the State of Texas, U.S.A, without regard for its conflicts of laws provisions, and, the arbitral tribunal shall not be authorized to decide any dispute, controversy or claim *ex aequo et bono*, but shall strictly apply such laws.