

Terms and Conditions

Master Flo Valve Co. (UK) Ltd. ("**Master Flo**") and the Buyer agree that these Terms and Conditions together with the applicable purchase order (collectively referred to as the "Contract") govern the purchase of Master Flo products ("Goods") or services ("Services") by the Buyer. The parties agree that any alternative terms or conditions proposed or provided by the Buyer are void and unenforceable.

Price: Quotations and prices are subject to change without notice and all shipments will be billed at Master Flo's prices in effect at time of shipment, unless otherwise agreed in writing by an authorized representative of Master Flo. Prices quoted are based on quantities quoted. Master Flo reserves the right to re-quote if quantities or delivery differ at the time the order is placed.

Schedule and Delivery: Quotations and sales, including transfer of risk to Goods sold, are on an Ex Works-basis (per current Incoterms) at Master Flo's facility, unless otherwise expressly stipulated, and all transportation, insurance, customs duties, and related charges are for the account of the Buyer or as otherwise agreed in writing. If published transportation rates are increased or decreased prior to shipment, prices of unshipped materials or Goods which may have been ordered on a "delivered price" basis, will be increased or decreased accordingly. Master Flo reserves the right to notify the Buyer and then charge for storage and administration costs incurred against Goods held for more than a reasonable period while awaiting delivery or other instructions, which the Buyer agrees to pay on demand.

Shipping: Master Flo will prepare shipments according to Master Flo's procedure and other applicable standards to minimize the possibility of rust, breakage, or other deterioration in transit; however, Master Flo accepts no responsibility for such damage. In the event of damage or loss in transit, the Buyer must give immediate notice to the carrier's agent at destination and to Master Flo. No claims for shortage or errors in charges or shipment shall be valid if not received in writing within thirty (30) days after receipt of Goods.

Force Majeure: Master Flo will endeavor to complete the Contract or deliver the Goods or Services within the time agreed but will not be liable for any loss or damage caused directly or indirectly by any delay. Master Flo is not responsible for any loss, damage or delay caused by changes to laws or regulations, or by fires, strikes, disputes with workers, extreme weather, accidents, embargos, transportation delays, shortage of railcars, fuel or other materials, shortage of labor, acts of God, or any other causes beyond the reasonable control of Master Flo ("Force Majeure"). Should such a Force Majeure event occur, Master Flo will have additional time to perform as reasonable; or may apportion its production among its customers in an equitable manner; or has the option of terminating the Contract by providing written notice to the Buyer.

Acceptance: Should the Buyer require inspection by its own representative, the request must be made when the purchase order is placed to allow for price and schedule adjustments. It is the Buyer's responsibility to request inspection by its own representative, at its own cost. Otherwise, Goods are deemed to be inspected and accepted before shipment is made. If a scheduled inspection is delayed by the Buyer, the delivery schedule will be extended accordingly. Buyer's representative(s) may be required to sign a Non-Disclosure Agreement before entering any of Master Flo's facilities or vendor's facilities. In the event Buyer desires physical access to any of Master Flo's facilities, Buyer agrees to release, indemnify, defend and hold harmless Master Flo, its affiliates and subsidiaries from and against any and all demands, liabilities, claims, causes of action, judgments, fines, suits, penalties, damages and expenses, including attorneys' fees and costs (collectively referred to as "Claims") for personal injury, death or property damage occurring on or to such property as a result of Buyer's entry onto the premises. In addition, Buyer shall comply fully with all rules, regulations and instructions issued by Master Flo regarding Buyer's actions while upon, entering or leaving any of Master Flo's facilities.

Payment: Buyer shall pay Master Flo invoices within twenty-eight (28) days of the date of receipt of invoice. If payment of an invoice is not received by Master Flo within twenty-eight (28) days of the date of receipt of invoice, Master Flo reserves the right to recover interest for late payment at a rate of 24% per annum.

IP Rights: "Intellectual Property" shall mean inventions and discoveries, patentable or not, trade secrets, trademarks, service marks, patent applications, patents, trademark applications, trademark registrations, copyrightable materials, copyright applications and copyright registrations, foreign or domestic. All Intellectual Property of Master Flo, or its affiliates, existing prior to the date of this Agreement remains the sole property of Master Flo, or its affiliates, and the Buyer acquires no rights of any kind in such Intellectual Property. Additionally, all developments, improvements, or enhancements to (i) Master Flo, or its affiliates, prior Intellectual Property, or (ii) Intellectual Property developed, created, or conceived during the performance of this Contract, shall be the sole property of Master Flo, or its affiliates, regardless of which party developed, created, or conceived the development, improvement, or enhancement. Master Flo shall grant Buyer a worldwide, royalty-free, non-exclusive, non-transferable, paid-up license to Master Flo, or its affiliates, Intellectual Property for the purpose of installation, operation, maintenance, and use of the Goods sold hereunder. Buyer hereby grants to Master Flo an irrevocable, worldwide, non-exclusive, paid-up license to use Buyer's Intellectual Property for the purpose of the manufacture of Goods for, or provision of, Services to Buyer under this Contract.

Taxes: All taxes, duties, or fees that are payable or may become payable under any laws or regulation with respect to the sale, purchase, shipment, delivery, storage, use, consumption, or transportation of the Goods may be added to the invoice and in any event will be paid by the Buyer.

Export Requirements: If requested by Master Flo, the Buyer will provide Master Flo with the identity of the end-user and country of end-use information with respect to the Goods or Services provided by Master Flo. The Buyer will comply with Canadian, U.S. or other applicable import/export control regulations and expressly assumes responsibility for determining any applicable export or re-export licensing requirements, obtaining any required export or re-export license authority, and complying with all applicable export clearance requirements associated with any export or re-export of the Goods or Services received from Master Flo. Buyer shall not export, re-export, sell, lease, transfer, transship or otherwise assign the rights to the Goods or Services provided by Master Flo to any person who is prohibited from receiving the Goods or Services under applicable law, including without limitation any individual or entity that is (i) blocked or otherwise the subject of sanctions under applicable law; or (ii) engaged in or likely to use the Goods or Services provided by Master Flo in the production of biological, nuclear or chemical weapons of any kind. **Buyer shall not otherwise take any action that will cause Master Flo to violate Canadian, U.S. or other applicable import or export control laws and regulations.**

Order Approval: All orders, shipments, and settlements are subject to approval by the Treasurer of Master Flo. Should the Buyer fail to fulfill the terms of payment for any order, Master Flo may defer further shipment until such payments are made or may cancel any or all orders shipped. Master Flo reserves the right to require from the Buyer satisfactory security for performance of the Buyer's obligations under any order placed with Master Flo, and refusal or failure to furnish such security will entitle Master Flo to suspend shipment until such security is furnished or to cancel the order, or orders, or the unshipped portions thereof.

Cancellation and Returns: Buyer may not return or cancel any product order. Notwithstanding the foregoing, Master Flo may authorize the return or cancellation of product orders on a case-by-case basis with the prior written consent of a Master Flo Manager for the applicable product group. Products returned or cancelled without such prior written consent will not be accepted. Master Flo reserves the right, in its sole discretion, to refuse the return or cancellation of any product order. Product orders that are returned or cancelled with the consent of Master Flo will be subject to a restocking fee or cancellation charge in an amount to be determined by Master Flo in its sole discretion.

Quality and Testing: Goods will be subject to Master Flo's standard manufacturing practices and classifications. Master Flo reserves the right to change specifications at any time without incurring obligation for Goods previously or subsequently sold.

Warranty: Master Flo warrants Goods of its own manufacture against defects in material and workmanship when Goods are used, operated, stored, and serviced in accordance with prudent oilfield practices and Master Flo's written instructions, for a period of 12 months from the date the Goods are installed or 18 months from the date of shipment, whichever comes first ("Goods Warranty Period"). Master Flo warrants all Services performed hereunder for a period of 12 months from the date of completion ("Services Warranty Period"). The Buyer will promptly notify Master Flo of any defect relating to the Goods or Services and Master Flo will promptly investigate the issue and direct the Buyer on how to proceed. If Buyer notifies Master Flo of any defects in the Goods during the Goods Warranty Period, Master Flo shall, at Master Flo's option, either carry out the work necessary to repair such defects or replace the defective Goods. If Buyer notifies Master Flo of any defects in the Services during the Services Warranty Period, Master Flo shall re-perform the defective Services at no additional cost to Buyer. Master Flo shall warrant any re-work or replacement parts for a further period of twelve (12) months from the date of re-work or replacement. Due to the unique nature of Master Flo's Goods, repair of defective Goods may only be done by Master Flo or by a Master Flo approved service representative. Goods which Master Flo determines have been subjected to abuse, improper installation, use, repair, modification, maintenance, or unsuitable environmental conditions will not be entitled to the benefits of any warranty by Master Flo. Under no circumstance shall Master Flo be responsible for costs to remove, retrieve or reinstall any defective Goods or any repaired or replacement Goods. **MASTER FLO'S LIABILITY IS LIMITED AS ABOVE SET FORTH AND THE REMEDY PROVIDED HEREIN FOR THE BUYER IS THE SOLE REMEDY AND RECOURSE AVAILABLE TO THE BUYER AS AGAINST MASTER FLO FOR DEFECTIVE GOODS OR SERVICES. THERE ARE NO OTHER WARRANTIES, STATUTORILY, AT LAW, EXPRESS OR IMPLIED IN RESPECT OF THE GOODS OR SERVICES, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**

If a Master Flo service technician is dispatched to the Buyer's site to make warranty repairs, Master Flo will pay the costs of that service call unless Master Flo determines, in its sole discretion, that the service call was unnecessary or the services are not covered under warranty, in which case the entire cost of the service call will be paid by the Buyer. If Master Flo instructs the Buyer to return the Goods to Master Flo's facility for inspection or repair, the Buyer will send such Goods on a freight pre-paid and duty-paid basis and indemnify Master Flo for all costs in connection therewith. If Master Flo determines, in its sole discretion, that the repair is covered under warranty, Master Flo will reimburse the Buyer for the reasonable costs of returning the Goods to Master Flo's facility for repair. Master Flo will not be responsible for costs related to rig stand-by time, lifting, re-installation, or transportation of Goods requiring repair. Costs for providing any temporary equipment to replace defective Goods for testing, commissioning, or operating will be borne by the Buyer. If it is determined that Goods returned for warranty work are not eligible for coverage under warranty, the Buyer will be responsible for all costs of completed repairs. No Goods may be returned for repair or replacement pursuant to this warranty except by special arrangement, confirmed in writing by Master Flo. Goods returned for repair or replacement without permission will be placed into Master Flo's "Customer Property" division at Buyer's sole cost and risk.

Liability: The Buyer will release, hold harmless, defend, and indemnify Master Flo Group from, for and against any and all Claims, of any kind or character, including those brought by third parties, arising out of or relating to Goods or Services provided by Master Flo unless caused by the gross negligence or intentional misconduct of Master Flo Group. In no event shall any member of the Master Flo Group be liable to the Buyer in contract, tort, strict liability, equity, any other legal theory, or otherwise, either directly or under any indemnity, for any lost profits, punitive damages, economic damages, or for any indirect, special, incidental, or consequential loss or damage arising out of or related to this Contract. Notwithstanding any other provisions in this Contract, the Buyer agrees that the liability of the Master Flo Group, whether in contract, tort or any other legal theory, will be limited to a maximum of 100% of the value of the Goods or Services supplied by Master Flo and paid for under the applicable Contract and Buyer shall release and indemnify Master Flo Group from all amounts and liability in excess of the stated limitation. "Master Flo Group" is defined as Master Flo, its subsidiary and affiliated companies and insurers and its/their respective officers, directors, employees, and agents. Master Flo acts as agent of each other member of the Master Flo Group to extend to each the benefit of this paragraph.

General: Failure of Master Flo to enforce any of these Terms and Conditions or to exercise any right occurring through the default of the Buyer will not constitute a waiver or acceptance of other or future defaults of the Buyer. These Terms and Conditions are subject to change from time to time by Master Flo. All statements or recommendations made by Master Flo to the Buyer in relation to the purchase or use of Master Flo's Goods and Services are made based on information provided by the Buyer, and should such information be incorrect, incomplete, or otherwise deficient, Master Flo will not be liable for any claims of any kind by the Buyer.

The United Nations Convention on Contracts for the International Sale of Goods shall not apply to the Contract.

Arbitration: In the event of any dispute, or difference arising out of, or relating to this Contract, or the breach thereof, the Parties shall use reasonable endeavors to settle such dispute. In the event the parties cannot resolve such dispute, either Party may refer the dispute to binding arbitration. The arbitral tribunal shall consist of one (1) arbitrator who shall be mutually agreed to by the parties. If the parties cannot agree on an arbitrator within a reasonable amount of time, either may apply to the Scottish Courts to appoint an arbitrator. The arbitrator shall be independent and qualified by experience or training to decide the issues in dispute. All arbitral proceedings will be conducted in the English language and the seat of the arbitration shall be Edinburgh, Scotland. An arbitral award shall be binding on the parties and enforceable before any Court of competent jurisdiction. Each party shall bear its own costs and expenses (including legal representation) in respect of the arbitration. Administrative fees and expenses shall be shared equally by the parties. All reasonable costs and reasonable legal fees associated with the arbitration shall be paid by the Party against whom the award is rendered. Except as otherwise provided in this clause, the *Arbitration (Scotland) Act 2010* shall apply to the arbitration. Notwithstanding the above, any (a) request by a party for interim or injunctive relief, (b) legal actions commenced by Master Flo as debt recovery for unpaid invoices, or (c) legal actions commenced by Master Flo related to a breach of IP Rights hereunder, may be brought before and decided by a Court of competent jurisdiction.

Conflict: In case of conflict or inconsistency between a Purchase Order and these Terms and Conditions, these Terms and Conditions shall prevail. In case of conflict or inconsistency between the provisions hereof and any applicable laws or regulations, the provisions hereof shall prevail, to the extent legally possible (and to the extent legally impossible, be amended accordingly), notwithstanding anything herein to the contrary.

Entire Agreement: This is the entire agreement between Master Flo and the Buyer and supersedes all prior negotiations, statements, proposals, inquiries, commitments, and agreements, whether written or oral, pertaining to this Contract or its subject matter. There are no understandings or agreements between Master Flo and the Buyer relative hereto which are not fully expressed herein, and no change made herein shall be valid unless it is made in writing and signed by both parties.

18 Governing Law: The contract will be governed by and enforced in accordance with the law of Scotland and the parties agree to submit to the exclusive jurisdiction of the Scottish Courts.