

FIBER GLASS SYSTEMS, L.P., FIPERSPAR CORPORATION AND THEIR AFFILIATES
TERMS AND CONDITIONS FOR THE PROVISION OF GOODS AND/OR SERVICES

1. **ACCEPTANCE:** Orders or other requests, whether oral or written, for the supply of goods (the "Goods") and/or for the provision of services (the "Services") to be provided by Fiber Glass Systems, L.P., Fiberspar Corporation and/or their affiliates (each a "Seller") to its customers (each a "Buyer") (the "Order(s)") are subject to Seller's written acceptance by an authorized representative of Seller and any Orders so accepted will be governed by (a) the terms and conditions stated in these Terms and Conditions for the Provision of Goods and/or Services (the "Terms and Conditions"); (b) the written proposal submitted by Seller to Buyer (the "Proposal", if any; (c) the written order acknowledgment issued by Seller to Buyer (the "Acknowledgment"), if any; and, (d) any change orders identified as such and agreed to in writing by Seller (the "Change Order(s)") (the Order, Terms and Conditions, Proposal, Acknowledgement, Change Orders, and any such additional terms as agreed to in writing by an authorized representative of Seller collectively referred to herein as the "Agreement"). Buyer's submission of a purchase order (or other similar document) shall be deemed to be an express acceptance of these Terms and Conditions notwithstanding language in Buyer's purchase order (or other similar document) inconsistent herewith, and any inconsistent language in Buyer's purchase order (or other similar document) is hereby rejected. Buyer's purchase order (or other similar document) is incorporated in this Agreement, only to the extent of specifying the nature and description of the Goods and/or Services and then only to the extent consistent with the Proposal or Acknowledgment. In the event of any conflict between a Proposal and an Acknowledgement, the Acknowledgment shall prevail.

2. **PRICES:** Unless Seller has issued to the Buyer or Buyer's customer a limited period of price protection, prices are subject to change without notice. Goods will be invoiced at the price in effect on the date the Goods are made ready for delivery at Seller's plant.

3. **TAXES:**

- (a) All prices are exclusive of any applicable federal, state or local sales, use, excise or other similar taxes. All such taxes shall be for Buyer's account and paid by Buyer.
- (b) Any taxes (including income, stamp and turnover taxes), duties, fees, charges, or assessments of any nature levied by any governmental authority in conjunction with this transaction, other than those of the U.S.A., whether levied against Buyer, against Seller or its employees, or otherwise, shall be for the Buyer's account and concern. If Seller is required by law or otherwise to pay any such taxes, duties, fees, charges or assessments, or any fines or penalties that may be assessed on account of Buyer's failure to make such payments, the amount of any payments so made by Seller shall be reimbursed by Buyer to Seller upon submission of Seller invoices.

4. **SHIPMENT:** Unless otherwise agreed to by Seller in writing, the Goods sold hereunder shall be delivered to Buyer EXW Seller's plant (as defined in Incoterms 2010 ed). In the event Seller agrees in writing to provide shipping services for Buyer, the following additional conditions shall apply:

- (a) *Domestic:* In the event Seller has agreed in writing to ship the Goods domestically, if specific instructions are not provided by Buyer (which instructions for the purposes of this paragraph shall include the name and address of Buyer's customer where Seller has agreed to ship directly thereto) on date the Goods are ready for shipment, Seller may select any reasonable method of shipment without liability by reason of such selection. Parcel post shipments may be insured at Buyer's expense. Seller will not provide a

valuation on any shipment unless requested by Buyer in writing directed to Seller.

- (b) *Export:* In the event Seller has agreed in writing to ship the Goods internationally, Seller shall arrange for export shipment on behalf of Buyer. Buyer shall pay Seller for all fees and expenses incurred by Seller including, but not limited to, those covering preparation of consular documents, freight, storage and warehouse-to-warehouse (including war risk) insurance, upon submission of Seller's invoices. Seller will comply with any reasonable instruction of Buyer. Notwithstanding the foregoing, Seller shall have no liability with respect to any such export shipment or the performance of Seller related thereto.

Seller will make reasonable efforts to comply with requested delivery and/or shipment dates but it cannot guarantee compliance therewith. Buyer must provide Seller all information necessary to permit Seller to proceed with work immediately and without interruption, including all information necessary to arrange for shipment of the Goods, if applicable. Seller shall not be held liable for any delay in delivery and/or shipment of the Goods.

In the event Buyer requests delay of the delivery and/or shipment of the Goods beyond fifteen (15) days from the date specified in the Agreement, Seller, at its sole discretion, shall invoice Buyer for the Goods and maintain the Goods for Buyer at Seller's plant until such time that Buyer is ready for delivery and/or shipment. In the case of jointed pipe, Seller retains the right to charge Buyer reasonable storage fees for such period during which the Goods are stored by Seller for Buyer and in the case of spoolable pipe, (i) if the Goods are stored by Seller for more than three (3) months, Buyer will be charged \$750 per month for reel rental, and/or (ii) Buyer may choose to store reels at their property, at which point Buyer will be required to purchase each reel at an amount to be determined at time of purchase. Notwithstanding any delivery term agreed to by the parties to the contrary, the Goods shall be deemed delivered by Seller at such time as Seller places the Goods in storage. Buyer accepts and shall bear all risk of loss of, or damage to, the Goods while they are stored by Seller.

5. **PAYMENT:** All Orders are subject to final approval by Seller, which may require full or partial prepayment before any Order is accepted. Full payment for the Goods delivered and/or shipped is due within thirty (30) days after delivery and/or shipment date and will be paid in U.S. Dollars. Payment for goods destined to foreign countries shall be made through an irrevocable letter of credit to be established by the Buyer at Buyer's expense including any bank confirmation charges. All letters of credit shall be in favor of, and in a form acceptable to, Seller. All letters of credit shall be maintained in sufficient amounts for the period necessary to meet all payment obligations and shall be drawn upon a bank in the United States satisfactory to Seller. All letters of credit shall be established within thirty (30) days after acceptance of any Order and shall permit partial deliveries, acceptance of stale documents, contain the term "documents to be accepted as presented," and shall provide for pro-rata payments upon presentation of Seller's invoices and Seller's certificate of delivery of Goods to Buyer, or of delivery into storage with certification of cause therefore, and for the payment of any termination charges.

In the event Buyer Goods are placed into storage by Seller as provided for in Paragraph 4, Buyer shall make full payment within thirty (30) days of such date.

6. **DELAYS:** The date on which Seller's obligations are to be fulfilled shall be extended for a period equal to the time lost by reason of any delay arising directly or indirectly from (1) acts of God, unforeseeable circumstances, acts (including delay or failure to act) of any governmental

authority (de jure or de facto), war (declared or undeclared), riot, revolution, priorities, fires, strikes, labor disputes, sabotage or epidemics; (2) inability due to causes beyond Seller's reasonable control to promptly obtain instructions or information from Buyer, necessary and proper labor, materials, components, facilities, and transportation; or, (3) any other cause beyond Seller's reasonable control. The foregoing extension shall apply even though such cause may occur after Seller's performance of its obligations has been delayed for other causes. If delay resulting from any of the foregoing causes extends for more than ninety (90) days, and the parties have not agreed upon a revised basis for continuing the work at the end of the delay (including price adjustment), then either party, upon thirty (30) days written notice, may terminate the Order in respect to the unexecuted portion of the work, whereupon Buyer shall pay to Seller the applicable termination charges.

7. SHORT OR DAMAGED GOODS: Claims for Goods delivered short or damaged (which Seller has determined are not due to the fault of the carrier) shall be filed in writing with Seller within thirty days (30) after the date of delivery and/or shipment. All claims for shortages shall detail delivery and/or shipment weights and the Buyer's method of counting the Goods received. In the event Buyer does not submit the written claim for short or damaged Goods to Seller within said thirty (30) day period, such Goods shall be deemed accepted by Buyer.

8. CANCELLATION OR CHANGE ORDER CHARGES: Neither Buyer nor Buyer's customer shall cancel or change any Order except upon written notice and payment to Seller of all reasonable costs arising therefrom, determined on the basis consistently observed by Seller and in accordance with sound accounting principles.

9. RETURNABLE GOODS: The Buyer may return Goods to Seller's original EXW delivery point for credit. Credit will be issued, less any required inspection and repair charges, in accordance with the provisions of Seller's return policy as published from time to time in Seller's catalog and the following provisions:

- (a) Buyer must receive written approval from Seller for authorization to return Goods. Buyer must prepay freight on all goods returned to Seller's designated EXW delivery point.
- (b) Seller has the right to inspect and reject any Goods returned that are not in salable condition or cannot be reconditioned to a salable condition.
- (c) Goods must be returned within twelve (12) months of the invoiced date.
- (d) All Goods designed and manufactured to Buyer's or Buyer's customer's specifications and/or all specialty fabrication Goods are not subject to return.

Seller's return policy may specifically limit the percentage of the Order that may be returned by Buyer for credit, and may reflect restocking charges applicable to items eligible for return credit.

10. GAUGES AND TOLERANCES: Unless otherwise specifically agreed to by Seller in writing, all Goods will be manufactured to standard commercial tolerances in effect at date of manufacture. Orders for special gauges, tolerances, or nonstandard fixtures are subject to additional charges, and Seller reserves the right to request payment from Buyer in advance of Seller's commencement of manufacture.

11. SAMPLES: Upon Buyer's request, Seller may submit samples of nonstandard Goods being manufactured for a specific purchase order. However, Seller reserves the right to make changes in any Goods for which samples have been submitted without notice at any time and without any requirement that the changed Goods conform to any samples provided.

12. TRADEMARKS: Nothing herein, nor implied by the sale of the Goods to Buyer or Buyer's customers, shall be interpreted as granting

Buyer or Buyer's customers a license to utilize any trademark, service mark, or other proprietary mark of Seller.

13. RESTRICTION ON ASSIGNMENT: Neither Buyer nor Buyer's customer shall assign any right or delegate any duty hereunder without the prior written consent of Seller. Any assignment or delegation effected in contravention of the provisions of this paragraph shall be null and void.

14. FAIR LABOR STANDARDS ACT: Seller represents that all goods supplied by Seller hereunder were, or will be, supplied in compliance with the applicable requirements of the Fair Labor Standards Act of 1938 as amended.

15. RISK OF LOSS AND TITLE: Title and risk of loss to the Goods shall pass to Buyer upon the earlier of (a) Seller's delivery of the Goods, or (b) invoicing by Seller for the Goods where Buyer is unable to accept delivery and/or shipment on the scheduled date. Seller retains a security interest in the Goods until the purchase price has been paid, and Buyer agrees to perform upon request all acts required to secure Seller's interest. Seller accepts no responsibility for any damage, shortage or loss in transit. Seller will attempt to pack or prepare all shipments so that they will not break, rust or deteriorate in shipment, but Seller does not guarantee against such damage. Claims for any damage, shortage or loss in transit must be made by Buyer on the carrier.

16. REGULATORY COMPLIANCE: By acceptance of delivery and/or shipment under these Terms and Conditions, Buyer warrants it has complied with all applicable governmental, statutory and regulatory requirements and will furnish Seller with such documents as may be required. Seller warrants and certifies that in the performance under these Terms and Conditions, it will comply with all applicable statutes, rules, regulations and orders, including laws and regulations pertaining to labor, wages, hours and other conditions of employment, and applicable price ceilings if any. Seller will not provide any certification or other documentation nor agree to any contract provision or otherwise act in any manner which may cause Seller to be in violation of applicable United States law, including but not limited to the Export Administration Act of 1979 and regulations issued pursuant thereto. All orders hereunder shall be conditional upon granting of export licenses or import permits which may be required. Buyer shall obtain, at its own risk, any required export license and import permits and Buyer shall remain liable to accept and pay for the Goods if licenses are not granted or are revoked.

17. WARRANTY: THIS SECTION 17 SETS FORTH BUYER'S SOLE REMEDY AND SELLER'S EXCLUSIVE OBLIGATION WITH REGARD TO NON-CONFORMING GOODS AND/OR SERVICES PERFORMED BY SELLER. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED PURSUANT TO THE PROVISIONS OF THIS SECTION, SELLER MAKES NO OTHER WARRANTIES OR REPRESENTATIONS OF ANY KIND, EXPRESS OR IMPLIED, AND SELLER DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Limited Goods Warranty: Seller warrants that Goods manufactured by Seller and supplied hereunder when properly installed, used, and maintained shall be free from defects in material and workmanship. As used herein, proper installation shall mean installation of the Goods by Seller or by a Seller certified pipe joiner in accordance with applicable installation and bonding instructions specified by Seller. Seller's responsibility under this warranty should the Goods of its own manufacture be found to be defective shall be limited to the repair or replacement of the Goods, at Seller's option, that prove defective in material or workmanship within one (1) year from the date of delivery by Seller, provided that Buyer and/or Buyer's customer gives Seller prompt notice of any such defect and satisfactory proof thereof. All defective Goods must be returned to Seller's factory or other repair facility as designated by Seller. Seller will provide repaired Goods or replacement

Goods to Buyer and/or Buyer's customer freight prepaid to the delivery point provided for in the original Order. Goods returned to Seller for which Seller provides replacement under this warranty shall become the property of the Seller. No costs will be reimbursed to Buyer and/or Buyer's customer for any repairs not authorized in writing or carried out by Seller. Defective Goods repaired or replaced by Seller hereunder shall be warranted only for the remaining period of the original warranty. Goods manufactured by others are sold "as is" except to the extent the manufacturer honors any applicable warranty made by the manufacturer. Any such third party warranties provided on Goods not manufactured by Seller are assigned to Buyer, without recourse, at the time of delivery, provided such warranties are assignable.

Sole Goods Remedy: Buyer and/or Buyer's customer's sole remedy under the warranty provided above for Goods manufactured and supplied by Seller hereunder shall be the replacement or repair, at Seller's sole option, of any Goods that Seller shall determine to be defective. Buyer's and/or Buyer's customer's sole remedy under the warranty provided above for Goods manufactured by others which are found to be defective shall be limited to the applicable warranty made and honored by the manufacturer.

Limited Services Warranty: Seller warrants that Services performed by Seller shall be performed in a good and workmanlike manner, in accordance with Seller's applicable installation and bonding procedures and in accordance with generally accepted industry practice. In the event the Services performed by Seller fail to conform with such warranty and Buyer notifies Seller of such non-conformance prior to Seller's departure from the worksite, Seller shall re-perform that part of the non-conforming Services. SELLER DOES NOT WARRANT THE INSTALLATION OF THE GOODS BY THIRD PARTIES NOR SHALL SELLER BE RESPONSIBLE FOR THE PERFORMANCE OR WORKMANSHIP OF ANY PERSON OR ENTITY OTHER THAN SELLER (INCLUDING BUYER OR BUYER'S CUSTOMER) ENGAGED IN INSTALLATION OF THE GOODS OR INSTALLATION SUPERVISION.

Misuse or Improper Testing – Warranty Void: THE EXPRESS WARRANTY PROVIDED ABOVE SHALL BE VOID AND OF NO FURTHER EFFECT IF: (1) THE GOODS ARE ALTERED OR REPAIRED BY BUYER AND/OR BUYER'S CUSTOMER WITHOUT THE PRIOR WRITTEN APPROVAL OF SELLER; (2) THE GOODS HAVE BEEN SUBJECTED TO ANY ACCIDENT, FAULTY INSTALLATION, MISAPPLICATION, ABUSE OR MISUSE; (3) BUYER AND/OR BUYER'S CUSTOMER HAVE USED THE GOODS WITHOUT SELLER'S PRIOR WRITTEN CONSENT AFTER DISCOVERY OF A DEFECT; (4) BUYER AND/OR BUYER'S CUSTOMER REFUSE TO PERMIT SELLER TO EXAMINE THE GOODS TO ASCERTAIN THE NATURE OF THE DEFECT; OR, (5) BUYER AND/OR BUYER'S CUSTOMER OR THEIR AGENTS, REPRESENTATIVES, CONTRACTORS, OR EMPLOYEES EFFECT ANY TEST OF THE GOODS USING COMPRESSED AIR OR GAS WITHOUT FOLLOWING SELLER'S REQUIRED TESTING PROCEDURES FOR THE GOODS.

18. **TESTING – CAUTION:** BUYER AND/OR BUYER'S CUSTOMER ACKNOWLEDGE AND RECOGNIZE THE POTENTIAL HAZARDS INHERENT IN TESTING THE INSTALLATION OF THE GOODS WITH COMPRESSED AIR OR GAS. BUYER AND/OR BUYER'S CUSTOMER AND THEIR INSTALLATION PERSONNEL ASSUME ALL RISK OF DAMAGE AND INJURY IF SELLER'S INSTALLATION PROCEDURES ARE NOT FOLLOWED. BUYER AND/OR BUYER'S CUSTOMER SHALL INDEMNIFY SELLER FROM AND SELLER SHALL NOT BE LIABLE IN TORT OR IN CONTRACT FOR ANY LOSS OR INJURY SUSTAINED BY BUYER AND/OR BUYER'S CUSTOMER, THEIR EMPLOYEES, AGENTS, REPRESENTATIVES OR CONTRACTORS, OR ANY INSTALLATION PERSONNEL ON ACCOUNT OF TESTING THE GOODS AND/OR INSTALLATION OF THE GOODS.

19. **LIABILITIES, RELEASES AND INDEMNIFICATION:** For purpose of this Article 19, the following definitions shall apply:

"Seller Group" shall mean (i) Seller, its parent, subsidiary or related companies, (ii) its and their working interest owners, co-lessees, co-owners, partners, joint venturers, if any, and their respective parents, subsidiary or related companies and (iii) the officers, directors, employees, consultants, agents and invitees of all of the foregoing.

"Buyer Group" shall mean (i) Buyer, its parent, subsidiary or related companies, (ii) its and their working interest owners, co-lessees, co-owners, partners, joint venturers, if any, and their respective parents, subsidiary or related companies and (iii) the officers, directors, employees, consultants, agents and invitees of all of the foregoing.

"Claims" shall mean all claims, demands, causes of action, liabilities, damages, judgments, fines, penalties, awards, losses, costs, expenses (including, without limitation, attorneys' fees and costs of litigation) of any kind or character arising out of, or related to, the performance of or subject matter of this Agreement (including, without limitation, property loss or damage, personal or bodily injury, sickness, disease or death, loss of services and/or wages, or loss of consortium or society).

- (a) Seller shall release, indemnify, defend and hold Buyer Group harmless from and against any and all Claims in respect of personal or bodily injury to, sickness, disease or death of any member of Seller Group or Seller Group's subcontractors or their employees, agents or invitees, and all Claims in respect of damage to or loss or destruction of property owned, leased, rented or hired by any member of Seller Group or Seller Group's subcontractors or their employees, agents or invitees.
- (b) Buyer shall release, indemnify, defend and hold Seller Group harmless from and against any and all Claims in respect of personal or bodily injury to, sickness, disease or death of any member of Buyer Group or Buyer Group's other contractors or their employees, agents or invitees, and all Claims in respect of damage to or loss or destruction of property owned, leased, rented or hired by any member of Buyer Group or Buyer Group's other contractors or their employees, agents or invitees.
- (c) Each party covenants and agrees to support the mutual indemnity obligations contained in Paragraphs (a) and (b) above, by carrying equal amounts of insurance (or qualified self insurance) in an amount not less than U.S. \$5,000,000.00. Upon written request, each party shall furnish to the other party certificates of insurance evidencing the fact that the adequate insurance to support each party's obligations hereunder has been secured. To the extent of each party's release and indemnity obligations expressly assumed by each party hereunder, each party agrees that all such insurance policies shall, (a) be primary to the other party's insurance; (b) include the other party, its parent, subsidiary and affiliated or related companies, and its and their respective officers, directors, employees, consultants and agents as additional insured; and, (c) be endorsed to waive subrogation against the other party, its parent, subsidiary and affiliated or related companies, and its and their respective officers, directors, employees, consultants and agents.
- (d) NOTWITHSTANDING ANYTHING CONTAINED IN THIS AGREEMENT TO THE CONTRARY, NEITHER PARTY SHALL BE LIABLE TO THE OTHER AND EACH PARTY RELEASES THE OTHER FOR ANY INDIRECT, SPECIAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES OR LOSSES (WHETHER FORESEEABLE AT THE DATE OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, DAMAGES FOR LOST PRODUCTION, LOST REVENUE, LOST PRODUCT, LOST PROFIT, LOST BUSINESS OR BUSINESS OPPORTUNITIES.
- (e) Seller's total liability for all claims, damages, causes of action, demands, judgments, fines, penalties, awards, losses, costs and expenses (including attorney's fees and cost of litigation) shall be

limited to and shall not exceed the value of the Goods and/or Services purchased under the Agreement.

- (f) THE EXCLUSIONS OF LIABILITY, RELEASES AND INDEMNITIES SET FORTH IN PARAGRAPHS A. THROUGH E. OF THIS SECTION 19 SHALL APPLY TO ANY CLAIM(S), LOSSES OR DAMAGES WITHOUT REGARD TO THE CAUSE(S) THEREOF, INCLUDING BUT NOT LIMITED TO PRE-EXISTING CONDITIONS, WHETHER SUCH CONDITIONS BE PATENT OR LATENT, THE UNSEAWORTHINESS OF ANY VESSEL OR VESSELS, IMPERFECTION OF MATERIAL, DEFECT OR FAILURE OF PRODUCTS OR EQUIPMENT, BREACH OF REPRESENTATION OR WARRANTY (EXPRESS OR IMPLIED), ULTRAHAZARDOUS ACTIVITY, STRICT LIABILITY, TORT, BREACH OF CONTRACT, BREACH OF DUTY (STATUTORY OR OTHERWISE), BREACH OF ANY SAFETY REQUIREMENT OR REGULATION, OR THE NEGLIGENCE OR OTHER LEGAL FAULT OR RESPONSIBILITY OF ANY PERSON (INCLUDING THE INDEMNIFIED OR RELEASED PARTY), WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, ACTIVE OR PASSIVE.
- (g) Redress under the indemnity provisions set forth in this Section 19 shall be the exclusive remedy(ies) available to the parties hereto for the matters, claims, damages and losses covered by such provisions.

20. **GENERAL:** It is expressly understood that Seller is an independent contractor, and that neither Seller nor its principle, partners, employees or subcontractors are servants, agents or employees of

Buyer. In all cases where Seller's employees (defined to include Seller's and its subcontractors, direct, borrowed, special, or statutory employees) are covered by the Louisiana Worker's Compensation Act. La. R.S. 23:102 et seq., Seller and Buyer agree that all Goods and/or Services provided by Seller and Seller's employees pursuant to this Agreement are an integral part of and are essential to the ability of Buyer to generate Buyer's goods, products, and services for the purpose of La. R.S. 23:106(A) (1). Furthermore, Seller and Buyer agree that Buyer is the statutory employer of all of Seller's employees for the purpose of La. R.S. 23:1061(A) (3). These terms and conditions of sale, including all orders and transactions hereunder shall in all respects be construed under, enforced by and be given legal effect in conformity with the laws of the State of Texas, without regard to its conflict of laws provisions. Failure of Buyer or Seller to enforce any of these terms and conditions shall not prevent a subsequent enforcement of such terms and conditions or be deemed a waiver of any subsequent breach. Should any provisions of these terms and conditions, or portion thereof, be unenforceable or in conflict with applicable governing country, state, province, or local laws, then the validity of the remaining provisions, and portions thereof, shall not be affected by such unenforceability or conflict, and these terms and conditions shall be construed as if such provision supersedes all prior oral or written agreements or representations. Buyer acknowledges that it has not relied on any representations other than those contained in these terms and conditions. These terms and conditions shall not be varied, supplemented, qualified, or interpreted by any prior course of dealing between the parties or by any usage of trade and may only be amended by an agreement executed by an authorized representative of each party.