

VOESTALPINE TUBULAR CORPORATION

TERMS AND CONDITIONS OF SALE

1. Scope:

These Terms and Conditions of Sale (these "Terms and Conditions of Sale") control the rights and responsibilities of the parties in connection with products, goods and materials ("Goods") and related services ("Services") sold to Buyer ("Buyer") by voestalpine Tubular Corporation ("Seller").

Seller hereby objects to and rejects any terms and conditions included in Buyer's purchase order or other writing or modification that conflict with these Terms and Conditions of Sale.

Any inconsistent terms and conditions contained in Buyer's purchase order, terms and conditions, or any other writing that represents Buyer's offer are therefore not a part of the agreement between Seller and Buyer and shall have no effect.

No attempted modification by Buyer of these Terms and Conditions of Sale will be effective against Seller unless expressly accepted in a writing signed by Seller's authorized representative with the express authority of Seller to make such agreements.

2. ENTERING INTO THE CONTRACT

All quotations made by Seller are non-binding. All Purchase orders issued by Buyer shall become binding only after written confirmation by Seller. Changes or amendments to the contract are only binding with the written agreement of both parties

3. PRICES, INVOICING AND PAYMENT

All prices and payment terms shall always be specified in the respective purchase order and sales order confirmation. No contract shall be valid without clear defined understanding of price and payment terms.

Unless otherwise agreed, all prices are to be understood net without any deductions.

Seller will invoice Buyer promptly for any Goods or Services provided. Payment terms are Net 60 days from invoice date, or Net 25 days with 2% discount. Buyer shall remit all payments to Seller electronically to the bank account specified in Sellers' invoice or in such other manner as Seller may direct in writing. If Seller desires progress payments or payment in

advance, such specific terms shall be identified by Seller and set forth in the purchase order, which terms shall be agreed to in a signed writing by the parties. If Buyer fails to pay any invoice when due, interest shall accrue on all past due amounts from the date payment was due until payment is made at the rate of one and one-half percent (1½%) per month or the highest rate allowable by law, whichever is less. Further, Buyer will reimburse Seller for costs, including reasonable legal fees, incurred by Seller in connection with the collection of any past-due amounts from Buyer with respect to Goods or Services provided hereunder.

4. WARRANTY; REMEDIES.

Seller Goods. For all Goods provided by Seller hereunder Seller warrants that any Seller Goods supplied hereunder shall meet the specifications therefor as set forth in the applicable purchase order and that the Goods will be free from material defects and workmanship.

The Warranty period for the goods shall be 18 (eighteen) months after delivery of the goods.

All visible damages as well as any deviations of the agreed contractual quantities of the specified item shall be claimed by Buyer or its representatives, with full particulars in writing immediately upon arrival of the Goods.

All other defects, which could not have been detected within a reasonable period after arrival of the goods, shall be reported immediately upon their discovery, but within the above stipulated warranty period.

The notice must clearly specify the kind of the alleged defect. On request, Buyer shall make available the material rejected or adequate samples thereof and give Seller the opportunity to inspect the defective goods.

(a) In the event the Buyer's claims are justified and thus the Goods are found not to be in conformity with the terms of the applicable purchase order Seller shall at its option and at its own cost repair or replace the Goods within a reasonable time period. REPAIR OR REPLACEMENT, AT SELLER'S OPTION, SHALL BE BUYER'S SOLE AND EXCLUSIVE REMEDY. IN NO EVENT SHALL SELLER'S WARRANTY OBLIGATIONS WITH RESPECT TO ANY SELLER GOODS SUPPLIED HEREUNDER

EXCEED 100% OF THE TOTAL COST OF SUCH SELLER GOODS.

- (b) *Seller Services.* Seller warrants that Services performed by Seller (“*Seller Services*”) shall meet the specifications therefor as set forth in the applicable purchase order. Seller Services are warranted for a period of thirty (90) days from the date the Seller Services are completed. If Buyer discovers any warranty defects and notifies Seller thereof in writing within thirty (14) days after discovery of the defect within the applicable warranty period, Seller shall, at its sole discretion, promptly correct any errors that are found by the Seller in the Seller Services or refund the purchase price of the defective Seller Services. CORRECTION OR REFUND, AT SELLER’S OPTION, SHALL BE BUYER’S SOLE AND EXCLUSIVE REMEDY. IN NO EVENT SHALL SELLER’S WARRANTY OBLIGATIONS WITH RESPECT TO ANY SELLER SERVICES PERFORMED HEREUNDER EXCEED 100% OF THE TOTAL PURCHASE PRICE OF THE SELLER SERVICES THAT ARE DEFECTIVE.
- (c) *Title.* Seller warrants that it will deliver good title to Goods, except for liens or encumbrances placed thereon by or on behalf of Buyer, upon receipt of payment from Buyer of the full amount of the purchase price therefor. Seller shall retain a purchase money security interest in all Seller Goods until payment is received in full.
- (d) *Exceptions to Warranties.* All replacements or repairs necessitated by inadequate maintenance, normal wear and usage, unsuitable environmental conditions, accident, misuse, or by improper installation, modification, repair, storage, or handling, or any other cause not the fault of Seller, are not covered by the limited warranties provided herein, and shall be at Buyer’s expense. Seller shall not be obligated to pay any costs or charges incurred by Buyer or any other person except as may be agreed upon in writing and in advance by an authorized representative of Seller. All costs of transportation and time and expenses of Seller’s personnel for site travel and diagnosis under this warranty clause will be borne by Seller. Warranty services rendered during the warranty period shall be warranted for the remainder of the original warranty period.
- (e) *No Other Warranties.* OTHER THAN AS EXPRESSLY SET FORTH HEREIN, THERE ARE NO REPRESENTATIONS OR WARRANTIES OF ANY KIND,

EXPRESS OR IMPLIED, AT LAW, BY CONTRACT, OR OTHERWISE, INCLUDING AS TO THE MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE, OR ANY OTHER MATTER WITH RESPECT TO ANY OF THE GOODS OR SERVICES.

5. LIMITATION OF LIABILITY. IN NO EVENT, REGARDLESS OF THE FORM OF THE CLAIM OR CAUSE OF ACTION (INCLUDING BUT NOT LIMITED TO CLAIMS BASED IN CONTRACT, PATENT OR TRADEMARK INFRINGEMENT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT, OR OTHERWISE), SHALL SELLER’S LIABILITY TO BUYER EXCEED THE PURCHASE PRICE OF THE GOODS OR SERVICES TO WHICH A CLAIM OR CAUSE OF ACTION RELATES. THE PARTIES AGREE THAT IN NO EVENT SHALL EITHER PARTY’S LIABILITY TO THE OTHER EXTEND TO OR INCLUDE INCIDENTAL, CONSEQUENTIAL, PUNITIVE, OR EXEMPLARY DAMAGES. THE TERM “*CONSEQUENTIAL DAMAGES*” SHALL INCLUDE, BUT NOT BE LIMITED TO, LOST OR DEFERRED PRODUCTION, LOSS OF ANTICIPATED PROFITS, LOSS OF USE, LOSS OF REVENUE, AND COST OF CAPITAL.

6. DELIVERY AND INSTALLATION OF GOODS.

Delivery of Goods. Delivery of goods is subject to Incoterms 2010 of the International Chamber of Commerce. The relevant Incoterm clause shall always be specified in the purchase order and sales order confirmation.

Risk of transfer shall be in accordance with the relevant Incoterm clause.

Unless otherwise specified, partial deliveries shall be permitted.

Seller shall do its best effort that delivery will be made within the agreed delivery time.

If the Seller foresees that the goods cannot be supplied within the agreed delivery schedule, the Seller shall inform Buyer without delay in writing of the reasons for the delay as well as state the foreseeable delivery time as far as possible.

The Buyer shall only be entitled to withdraw from the contract after granting Seller a reasonable mutually agreed period of grace.

Unless otherwise agreed, Buyer shall not be entitled to any other claims attributable to delays of dates in deliveries.

7. CANCELLATION AND SUSPENSION BY BUYER.

Any cancellations and suspensions of effective orders requested by Buyer, shall not be accepted without the prior written consent of Seller. Buyer shall be obliged to reimburse the Seller for all reasonable direct costs and expenses including material and labor costs, arising out of the cancellation and suspension.

8. PATENTS; INTELLECTUAL PROPERTY RIGHTS

- (a) *Patents.* Seller warrants that Goods manufactured by Seller and sold pursuant to these Terms and Conditions of Sale, or their use as provided below, do not infringe any valid U.S. Patent in existence as of the date of Delivery. This warranty is given upon condition that Buyer promptly notify Seller of any claim or suit involving Buyer in which such infringement is alleged, and if Seller is affected, that Buyer permit Seller to control completely the defense or compromise of any such allegation of infringement. Seller's warranty as to use only applies to infringements arising solely out of the inherent operation (a) of such Seller Goods or (b) of any combination of Seller Goods sold hereunder in a manner designed by Seller. This warranty shall **not** apply, however, and Seller shall have no obligation or liability with respect to any claim based upon (i) Goods that have been modified, altered or revised by Buyer, (ii) the combination by Buyer of any Goods with other materials when such combination is a basis of the alleged infringement, (iii) unauthorized use of Goods by Buyer, or (iv) Goods made or performed to Buyer's specifications. With respect to Goods sold hereunder but not manufactured by Seller, Seller has no knowledge (and has made no independent inquiry) concerning whether such Goods infringe any valid U.S. Patent or other intellectual property right of any third party.
- (b) *Intellectual Property rights:* Seller shall own and retain ownership of all intellectual property rights in and related to the performance of any Order, which is developed by SELLER or otherwise arising out of the performance of the Purchase Order. SELLER shall provide and may grant to BUYER a nonexclusive, nontransferable, royalty free license to all INTELLECTUAL PROPERTY owned by SELLER hereunder

to the extent necessary for BUYER, to utilize the Goods and /or services furnished under any Order.

9. CONFIDENTIALITY. Buyer acknowledges that the information and processes utilized by Seller in the manufacture, supply and service of its products and systems, including the provision of Goods and Services, are confidential and proprietary to Seller. Buyer agrees to treat as confidential and proprietary any such information or processes, including, but not limited to, design information or data, proposals, software, schematics, drawings, operational and maintenance manuals, testing procedures or other similar technical information ("**Confidential Information**") provided by Seller in connection with the provision of Goods or Services, and will, at a minimum, use such Confidential Information in connection with its performance under the Agreement and protect any such Confidential Information in a manner commensurate with the measures taken to protect Buyer's own confidential or proprietary information. Without limiting the foregoing, the terms and provisions of the Agreement, including all information concerning prices, are and shall be included as Confidential Information. Seller retains all right, title and interest in all such Confidential Information, and Buyer shall not use or otherwise disclose to any third party any such Confidential Information except to the extent authorized by Seller in accordance with the Agreement. Buyer may disclose Confidential Information (a) to its officers, employees, consultants and agents who have a need to know the same in the performance of their duties and who agree to maintain the same as confidential as required herein or (b) if and as required by law. Confidential Information shall not include any information that is (x) generally available to the public (other than as a result of a breach of this Section), (y) disclosed to or in the possession of Buyer without any requirement of confidentiality, or (z) independently developed by Buyer.

10. DATA PROTECTION LAW

a) Information relevant in connection with the applicable data protection regulations, particularly information pertaining to personal data, collected by Seller or an affiliated company in the course of regular business is electronically stored and processed within the voestalpine Group in strict compliance with applicable data-protection regulations and is used for the sole purpose of fulfilling the contractual and legal obligations of Seller in connection with concrete business relationships maintained with customers. Disclosure to third parties outside the voestalpine Group is excluded to the effect that this is not required in the course of fulfillment of the respective contractual or legal obligations of Seller. In accordance with applicable data-protection

regulations, it is possible to assert claims arising from rights to information, appeal, deletion and correction.

b) Buyer commits himself to comply with all applicable data protection regulations..

11. TAXES. Buyer is responsible for, and shall DEFEND, INDEMNIFY AND HOLD HARMLESS SELLER FROM AND AGAINST, any and all taxes, charges or other fees presently or subsequently imposed by any law, order, regulation or ordinance of the Federal, State or Municipal governments for production, sale, use, transportation, delivery or servicing of the Goods and Services sold or provided hereunder. The foregoing shall not apply to taxes based upon Seller's net income or gross receipts.

12. FORCE MAJEURE

In case of force majeure or other unforeseen incidents, which are beyond the control of a party, (such as e.g. but without limitation to strike, lockout, acts of god fire, flood, earthquake, windstorm or other natural disaster; war, imposition of sanctions, tariffs, embargo, or any other acts of public authorities,) the affected Party shall promptly notify the other Party and give full details of cause and estimated duration of the force majeure event. However, the affected party shall have the right to suspend, postpone, or cease fulfilment of its contractual duties accordingly, as long as the force majeure event lasts. Neither party shall be liable for non-performance or undue performance of its obligations arising out from force majeure'.

If the force majeure exposure stands for a period more than 2 (two) months the parties shall coordinate further conditions for actions and/or each party shall have the right to terminate this Agreement.

13. SECURITY INTEREST AND FINANCIAL ASURANCES.

- (a) *Security Interest.* Seller shall have, and Buyer hereby grants to Seller, a lien on and security interest in Goods provided and sold hereunder to secure Buyer's performance hereunder and payment of the purchase price for such Goods and Services, interest on any past-due amounts and the costs of collection, including reasonable attorneys' fees.
- (b) *Financial Assurance.* Seller reserves the right, among other remedies under the Agreement (as defined below) to suspend further deliveries in the event Buyer fails to

pay for any one payment when that payment becomes due if Buyer has been given written notice of such late payment from Seller and fails to make payment in full within five (5) days of such written notice. In exchange for extension of credit by Seller, Buyer agrees to furnish Seller with sufficient financial information to allow Seller to perform adequate due diligence necessary to support credit needs. Should Buyer's payment performance or financial condition become unsatisfactory to Seller, Seller's may (i) reduce available monthly credit extended to Buyer, (ii) rescind or reduce payment terms, or (iii) require that Buyer provide adequate assurance of performance under the Agreement, which may include (at Seller's option) providing (x) cash payments in advance, (y) an irrevocable stand-by letter of credit in an amount, from an institution and on a form acceptable to Seller, or (z) other security satisfactory to Seller for providing Goods or Services hereunder.

14. DEFAULT OF BUYER

- (a) *Default.* Buyer will be in default under the Agreement if Buyer (i) fails to pay any amount when due and such failure is not cured within two weeks after written demand for payment, (ii) breaches any material term or condition of the Agreement and such breach is not cured to the reasonable satisfaction of Seller within fifteen (15) days of receipt of written notice from Seller specifying the breach, (iii) admits in writing its inability to pay its debts as they become due, becomes insolvent, commences a bankruptcy, insolvency, receivership, or similar proceeding, makes a general assignment for the benefit of creditors, or becomes a debtor in a bankruptcy, insolvency, receivership, or similar proceeding commenced by a third party, or (iv) fails to provide adequate assurance of performance under the Agreement as required by Section 13(b) above within three business days after demand by Seller to Buyer.
- (b) *Remedies.* Upon a default and while that default is continuing, Seller may (i) withhold or suspend its performance under the Agreement without prior notice to Buyer, (ii) proceed against Buyer for damages occasioned by its failure to perform or breach, and/or (iii) terminate all or any part of the Agreement or any purchase order thereunder, as applicable, by not less than two (2) days' notice to Buyer,

except that no notice shall be required in the event of a default described in Section 14(a)(i) or (iii).

- (c) *Cumulative Remedies.* The rights and remedies reserved to Seller in this Section 14 and elsewhere in the Agreement are cumulative with, and additional to, all other available legal and equitable rights and remedies available under applicable law.

15. GOVERNING LAW; JURISDICTION; WAIVER OF JURY.

- (a) *Governing Law.* The Agreement (as defined below), including these Terms and Conditions of Sale, shall be governed by and construed for all purposes under and according to the laws of the State of Texas, without giving effect to its conflicts of laws principles.
- (b) *Jurisdiction.* The parties hereby submit to the exclusive jurisdiction of, and all disputes arising out of or in connection with the Agreement, including these Terms and Conditions of Sale, shall be decided in, the state and federal courts having jurisdiction and located in Harris County, Texas.
- (c) *Waiver of Jury.* THE PARTIES HEREBY IRREVOCABLY WAIVE THE RIGHT TO A JURY TRIAL IN ANY LITIGATION OR OTHER PROCEEDINGS ARISING OUT OF OR RELATED TO THE AGREEMENT, INCLUDING THESE TERMS AND CONDITIONS OF SALE.

16. ASSIGNMENT. Buyer shall not (by operation of law or otherwise) assign its rights or delegate its performance hereunder without the prior written consent of Seller, and any attempted assignment or delegation without such consent shall be void.

17. EXPORT CONTROLS STATEMENT.

The Goods that are sold and shipped to Buyer pursuant to any order/invoice are subject to the export laws of the United States and possibly of other countries as well. Seller is committed to compliance with all relevant export control laws.

Thus, Seller's goods and services are supplied with the provision that their delivery is not impeded by national or international regulations, especially export control regulations such as embargos or other sanctions.

Buyer shall cooperate with any U.S. and foreign regulatory requirement or any government inquiry, audit, investigation or other inquiry, upon notice to Buyer by Seller or any relevant government or government agency, department, or division. If Buyer intends to resell or re-export these Goods to another

country, Buyer is hereby notified and aware that these Goods are sold or, if applicable, exported by Seller in accordance with U.S. export control laws. Upon request, Buyer must provide Seller without delay, all required information especially as regards the final recipient, final destination and end-user of the goods and services. In the case of reselling/transfer of the supplied goods Buyer commits to making his customer aware of all export-related regulations and to passing on all obligations resulting therefrom. On request, the Buyer commits to issuing an end-user certificate and to sending the Original to Seller, in order to enable Seller to prove the end-use and intended purpose. Buyer is hereby notified and aware that compliance with these laws is mandatory on all parties anywhere in the world under U.S. law and diversion of Goods or acts contrary to relevant U.S. foreign export laws is prohibited and may subject Buyer to significant penalties and other sanctions. Moreover, Buyer shall RELEASE, DEFEND, INDEMNIFY AND HOLD SELLER HARMLESS from and against any liability or obligation (including, but not limited to, penalties, other sanctions, and defense costs) arising from or in any way connected to Buyer's failure to comply with such laws or to cooperate with such government entities.

18.COMPLIANCE

The principles and guidelines for a sustainable ethically, morally and legally impeccable business behavior as defined in the latest version of the "Code of Conduct of voestalpine AG and the related "Code of Conduct for voestalpine Business Partner, are available under <http://www.voestalpine.com/group/en/group/compliance/> and are explicitly deemed accepted by Buyer, who supports their underlying principles and regulations. In individual cases, when patently clear and severe breaches of the underlying principles and regulations by the Buyer become evident and which make a continuation of the business relationship untenable, Seller shall have the right to terminate the contractual relationship for good reason and therefore with immediate effect. Buyer commits to holding Seller harmless of any damages and disadvantages resulting therefrom.

19. GENERAL PROVISIONS.

- (a) *Entire Agreement.* These Terms and Conditions of Sale and any purchase orders issued hereunder constitute a complete and exclusive statement of the agreement between Seller and Buyer regarding the subject matter of the Agreement. Except as expressly set forth in the Agreement, there are no other promises, conditions, understandings, representations or warranties.

- (b) *Waiver.* Failure by Seller to demand strict performance or exercise any of its rights or remedies under the Agreement shall not constitute a waiver of such rights or remedies. Seller shall not be deemed to have waived or forborne any right or remedy resulting from such failure to perform unless it has made such waiver specifically in writing.
- (c) *Modification.* The Agreement (including these Terms and Conditions of Sale) may not be amended, waived, changed, modified or altered except by an instrument in writing signed by any authorized agent of both Parties.
- (d) *Relationship of the Parties.* The relationship between the Parties is that of independent contractors. Nothing contained in the Agreement shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the Parties and neither Party shall have authority to contract for or bind the other Party in any manner whatsoever.
- (e) *Compliance with Law.* In addition to any other requirements hereunder, Buyer agrees to comply with all applicable federal, state, and local laws and all rules and regulations issued thereunder in connection with its performance under the Agreement. Any provisions required to be included by any such law, rule or regulation shall be deemed to be included by reference herein. Buyer shall maintain in effect all the licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations under the Agreement.
- (f) *Period to Bring Actions.* No action, regardless of form, arising out of transactions under the Agreement, may be brought by either Party more than one [year after the cause of action has accrued.
- (g) *Severability.* If any provision of the Agreement, including any provision of these Terms and Conditions of Sale, is found by a court of competent jurisdiction to be unenforceable, then such provision shall be deemed null and void to the extent that it is unenforceable, but without invalidating the remaining provisions of the Agreement, including these Terms and Conditions of Sale.
- (h) *No Third Party Beneficiary.* Nothing expressed or implied in the Agreement is intended to create any rights, obligations or benefits under the Agreement in, or otherwise extend to, any person or entity other than the Parties and their successors and permitted assigns.
- (i) *Construction.* The headings of the Articles and Sections herein are for convenience only and shall not be considered in interpreting the Agreement. The word “including” (and its derivatives) means “including without limitation” and is a term of illustration and not of limitation. Unless the context requires otherwise, the words “and” and “or” shall be construed to mean “and/or
- (j) *Notices.* Any notice required or permitted to be given under the Agreement shall be in writing (i) delivered in person; (ii) transmitted by facsimile or Email with a copy delivered on the next business day by a nationally recognized overnight courier service; (iii) deposited in the United States postal service mail (or, if outside the United States, such other country's postal service mail) postage fee prepaid, for mailing by first-class, registered or certified mail, or (iv) sent by a nationally recognized overnight courier service, addressed to such other addresses as the parties may specify by written notice.
- (k) *Counterparts.* The Agreement may be signed in one or more counterparts, each of which shall be deemed an original and all such counterparts together shall constitute one and the same instrument. An executed facsimile or electronic copy (PDF) of the Agreement shall be effective and enforceable to the same extent as an originally executed instrument.