



**STALLION - STANDARD TERMS FOR PURCHASE OR RENTAL OF EQUIPMENT OR SERVICES**

These terms and conditions constitute the entire agreement (the "Agreement") between the STALLION entity ("Stallion") identified in the proposal, work order, purchase order, service agreement, contract, invoice or other document referencing this Agreement or to which this Agreement is attached and issued by or accepted by Stallion ("Purchase Order"), and the vendor identified in such proposal, work order, purchase order, contract or invoice (the "Seller"), relating to Seller providing to Stallion (i) materials, supplies, machinery, parts, tools or equipment (the "Equipment"), (ii) services ("Services"), or (iii) rental of Equipment ("Rental"), sets forth the agreement between the parties with respect to the matters herein. Seller's acceptance of Stallion order is expressly conditioned upon Seller's assent to, and all Equipment, Services or Rental will be only in accordance with, this Agreement, notwithstanding different or additional terms and conditions contained on any of Seller's proposal, work order, field ticket, delivery ticket, notes to pricing, service agreement, rental agreement, contract, invoice or other document referencing the Equipment, Services or Rental ("Seller Document"), which are hereby objected to and which will not be binding on Stallion. Further, in the event that Stallion signs and returns an acknowledgement copy of a Seller Document, the Seller agrees that Stallion signature thereon is provided solely as an accommodation to Seller for Seller's internal purposes, and does not signify Stallion agreement to any terms or conditions contained therein which vary, conflict with, or impose additional obligations to the provisions set forth in this Agreement. The failure of either party to enforce any provision hereof will not constitute a waiver or preclude subsequent enforcement thereof. No partial invalidity of this Agreement will affect the remainder.

**1. Pricing and Payment.**

A. Stallion agrees to pay Seller for the Equipment, Services or Rental ordered within fifty-five (55) days of Stallion acceptance of a true and correct invoice, and in accordance with the prices set forth in the Purchase Order. Unless otherwise specified in the Purchase Order, all prices, fees, expenses and rates quoted are inclusive of all shipping charges, customs expenses, import and export expenses, duties, federal, state, local and foreign sales, use, excise and withholding taxes, value added taxes and other taxes that Seller may be required by law to collect or that Stallion may incur in connection with the use of, or in connection with the payment for, the Equipment, Services or Rental. If Stallion is to pay any such expenses, or other ancillary expenses, such expenses shall be separately stated in the Purchase Order. All documentation, legalization and related items will be Seller's responsibility and account unless separately stated in the Purchase Order and accepted by Stallion.

B. Prices are quoted to the facility where the Equipment, Services or Rental are to be made available or performed, as applicable (the "Delivery Point").

C. Orders accepted by Seller may be cancelled or modified by Stallion upon written notice: (i) if the Equipment or the machines or equipment constituting a Rental or the Service is not specialized then without any consequence; (ii) if the Equipment or machines or equipment constituting a Rental or the Service is specialized but Stallion's notification of cancellation is before Seller has substantially performed then without any consequence, or (iii) if the Equipment or machines or equipment constituting a Rental or the Service is specialized and Seller has substantially performed then Stallion will pay Seller for reasonable, documented, direct costs incurred by Seller as a result of such modification or termination.

D. If Stallion, in good faith, disputes the amount of any invoice ("Good Faith Dispute"), Stallion shall notify Seller in writing of such Good Faith Dispute within fifty-five (55) days of Stallion's receipt of such invoice. Subject to the foregoing, Stallion shall pay to Seller any amounts not subject to a Good Faith Dispute within fifty-five (55) days of Stallion's receipt of Seller's true and correct invoice.

E. Within fifteen (15) days after the end of each calendar month, Seller shall submit to Stallion Seller's invoices covering charges for the previous calendar month. Notwithstanding the foregoing sentence, Seller must submit all invoices to Stallion within sixty (60) days after the end of each calendar month during which the charges were incurred (the "Invoice Deadline") or the charges in such invoice will be time-barred and void. Stallion shall have no obligation to pay, and Seller hereby waives, releases, and disclaims any right to claim or receive (under any legal or equitable theory, including, without limitation, unjust enrichment or quantum meruit), any payment for charges set forth in an invoice which is submitted after the Invoice Deadline.

F. For a period of two (2) years after the end of the year of the agreed date for the delivery of the Equipment or the machines or equipment constituting a Rental or the performance of the Services (the "Delivery Date"), Stallion will be entitled to audit at Seller's or Seller's subcontractor's, facility(ies), and all payments to Seller or Seller's subcontractors.

**2. Delivery.** Time is of the essence with respect to the Delivery Date. A delay is deemed to exist when the Equipment, Service or Rental is not available at the Delivery Point by the Delivery Date, and in that situation Stallion at its sole option may immediately terminate the Purchase Order or charge Seller liquidated damages at the rate of 0.2% of the price set forth in the Purchase Order for each day of delay until the Equipment, Service or Rental is provided in accordance with the Purchase Order. Seller's cumulative liability for liquidated damages under this Section is limited to fifteen percent (15%) of the price set forth in the Purchase Order.

**3. Title and Risk of Loss.** Title to, and risk of loss of, Equipment sold will pass to Stallion upon Stallion's acceptance of the Equipment at the Delivery Point.

**4. Quality Systems.** Unless specifically indicated on the Purchase Order, Seller is required to have or shall establish a health, safety and environment system and a quality assurance system with respect to the production of Equipment or machinery or equipment constituting a Rental and the performance of Services, and provide reasonable information on such systems to Stallion upon Stallion's request. Seller will supervise the production of Equipment and machinery or equipment constituting a Rental and the performance of Services, and will notify Stallion in writing if either are not in accordance with such systems or the specifications set forth in the Purchase Order or Seller's published materials.

**5. Confidentiality.** The parties acknowledge and agree that Stallion documents, equipment and information provided by Stallion to Seller, and all information produced or created for Stallion by Seller and relating to the Equipment, Services or Rental provided by Seller to Stallion (the "Confidential Information") are considered Stallion TRADE SECRET, PROPRIETARY, and CONFIDENTIAL INFORMATION. Seller, therefore, agrees that Seller shall exercise due care to prevent disclosure of the Confidential Information to any unauthorized persons or

entities. Seller further agrees not to reverse engineer, copy, modify, manufacture or practice any of the Confidential Information. Notwithstanding any other provision of this Agreement, all Confidential Information is and shall remain Stallion sole and exclusive property and proprietary information, and is disclosed in confidence by Stallion in reliance on Seller's agreement to maintain such Confidential Information in confidence and not to use or disclose such Confidential Information to any other person.

**6. Warranty.**

A. Notwithstanding any other provision of this Agreement to the contrary, Seller, represents, warrants and agrees that (i) Seller has full right, capacity, power and authority to sell the Equipment or provide the Services or Rental, as applicable, (ii) Seller has good and marketable title, free and clear of all liens, indebtedness, claims, encumbrances and demands to all of the Equipment, (iii) that there are no unexercised options, rights of first offer or rights of first refusal to purchase any of the Equipment, (iv) Seller will freely and fully warrant and defend the title to the Equipment to Stallion and Stallion's successors and assigns against all claims of any person, (v) the consummation of the transactions contemplated hereby will not violate or conflict in any way with any applicable law to which Seller is subject, or result in the creation of any lien upon the Equipment pursuant to the terms thereof, (vi) Seller is not required to give notice to, make any filing with, or obtain any authorization, consent or approval of any governmental authority or any person or entity in order for the Seller and Stallion to consummate the transactions contemplated hereby, and (vii) for the earlier of (A) twelve (12) months after being placed in service by Stallion, or (B) twenty-four (24) months after the date of acceptance by Stallion, all Equipment, Services and Rental provided by Seller to Stallion shall (1) be free of defects in material and workmanship, (2) strictly conform to the specifications set forth in the Purchase Order or Seller's published materials, (3) be of merchantable quality and fit for the purpose(s) intended, and (4) conform to applicable laws and regulations.

B. If within the warranty period Stallion or Stallion's customer discovers any defect, error, nonconformity, omission, deficiency, or breach of any warranty as to the Equipment, Services or Rental, then Seller, at Seller's sole cost, shall promptly (i) repair or replace the Equipment, or machinery or equipment constituting the Rental in question, or (ii) re-perform the Service in question. Any repaired, re-performed or replaced Equipment, Service or Rental shall be warranted for an additional period of twelve (12) months from the date of Seller's completion of such re-performed Service or Stallion's acceptance of the repaired or replaced Equipment, or machinery or equipment constituting a Rental. If Seller is unable for any reason to repair or replace the Equipment or Rental or re-perform the Service in question within a reasonable time after being notified of the warranty issue, then Stallion shall be entitled to repair or replace the Equipment or Rental or re-perform the Service in question itself or engage a third party to do so, and in such case Seller will promptly upon Stallion's request reimburse Stallion for it's or the third party's actual costs to do so. Additionally, Seller shall be responsible to pay Stallion for all damages Stallion incurs with respect to the warranty issue.

**7. Indemnities.**

A. Stallion agrees to protect, defend, indemnify and hold harmless Seller, its officers, directors, employees and representatives, from and against all claims, demands, causes of action, and proceedings of every kind and character without limit and without regard to the cause thereof or the negligence or fault (active or passive) of any party or parties including the joint or concurrent negligence of any member of Seller Group, any theory of strict liability and defect of premises, arising in connection herewith in favor of any member of Stallion Group on account of bodily injury, death or damage to property. The foregoing indemnity shall not limit or affect Seller's obligations with respect to the warranties set forth in Section 6.

B. Seller agrees to protect, defend, indemnify and hold harmless Stallion, its affiliates and subsidiaries, partners, owners, its other contractors, suppliers and customers, and its and their officers, directors, employees and representatives (the "Stallion Group"), from and against all claims, demands, causes of action, and proceedings of every kind and character without limit and without regard to the cause thereof or the negligence or fault (active or passive) of any party or parties including the joint or concurrent negligence of any member of Stallion Group, any theory of strict liability and defect of premises, arising in connection herewith in favor of Seller, its affiliates and subsidiaries, partners, owners, its other contractors, suppliers and customers, and its and their officers, directors, employees and representatives ("Seller Group"), on account of (i) bodily injury, death or damage to property caused or alleged to have been caused by Seller Group or the Equipment, Services or Rental, (ii) bodily injury, death or damage to property of Seller Group, (iii) any infringement or alleged infringement of any intellectual property relating to the Equipment, Services or Rental, (iv) a breach of any express or implied representation or warranty of Seller herein, (v) Seller Group's failure to comply with applicable laws and regulations, and (vi) liens attached to or asserted against the property or equipment of any member of the Stallion Group.

C. Subject to the indemnity obligations contained in Sections 7.A. and 7.B., and notwithstanding anything to the contrary in the other provisions of this Agreement, Seller agrees to protect, defend, indemnify and hold harmless Stallion Group from and against all claims, demands and causes of action of every kind without limit or without regard to the cause or causes thereof of the negligence or fault of (active or passive) of any party or parties including the sole, joint or concurrent negligence of Stallion Group, any theory of strict liability and effect of premises or the unseaworthiness of any vessel (whether or not preexisting the date of this Agreement), arising in connection with, arising out of, or resulting from pollution or contamination (including, but not limited to, property damage, control, removal, restoration and cleanup of all pollution or contamination) which originates (i) from the property of any member of Seller Group, or (ii) results from the installation or use of the Equipment or Rental, or the performance of the Service.

D. Subject to the indemnity obligations contained in Sections 7.A and 7.B, and notwithstanding anything to the contrary in the other provisions of this Agreement, Stallion agrees to protect, defend and hold harmless Seller Group from and against all claims, demands and causes of action of every kind and character without limit and without regard to the cause or causes thereof or the negligence of fault (active or passive) of any party or parties including the sole, joint or concurrent negligence of Seller Group, any theory of strict liability and defect of premises, or the unseaworthiness of any vessel (whether or not preexisting the date of this contract), arising out of, or resulting from pollution or

contamination (including, but not limited to, property damage, control, removal, restoration and cleanup of all pollution or contamination) which originates from the property of Stallion.

E. Neither Seller nor Seller Group shall pass through, nor does Stallion accept, any obligation (indemnity, insurance or otherwise) from any contract to which Stallion is not a signatory.

F. Stallion shall not be responsible for, defend, indemnify nor hold harmless any member of Seller Group for any claims, demands, suits, causes of action, losses, liabilities, damages, judgments, awards, or other costs when such arises out of or results from (1) willful misconduct of Seller Group; (2) for exemplary or punitive damages, and/or (3) criminal charges.

G. Stallion shall have no obligation, indemnity, insurance or otherwise, to any invitee of Seller or Seller Group; said indemnity obligations being limited to those enumerated parties herein.

**8. Insurance.**

A. Seller shall carry insurance in the minimum amounts set forth below, such insurance to be effective prior to the delivery of any Equipment or machines or equipment constituting a Rental, and commencement of any Services under this Agreement.

(i) General Liability - Including contractual liability with limits of not less than:

- \$1,000,000 Per Occurrence
- \$2,000,000 General Aggregate
- \$2,000,000 Products/Completed Operations Aggregate

(ii) Professional Liability with limits of not less than US\$2,000,000 Per Occurrence, if applicable

(iii) Automobile Liability- With limits of not less than: \$1,000,000 Combined Single Limit

(iv) Excess Liability - With limits of \$2,000,000 Aggregate

(v) Workers Compensation and Employer's Liability in compliance with local statutory requirements.

(vi) Any other insurance reasonably required by applicable law with respect to the Equipment or Services being provided.

B. Such policies shall be issued by reputable insurance companies, and shall be evidenced by certificates of insurance to be provided upon Stallion's reasonable request, and shall name Stallion as an additional insured, to the extent of liabilities assumed by Seller under this Agreement (except for Worker's Compensation and Professional Liability), and shall be endorsed to provide that:

(i) The policies shall not be canceled or materially changed without 30 days' advance notice to Stallion, and

(ii) The insurers waive rights of subrogation against Stallion to the extent of liabilities assumed by Stallion under this Agreement.

**9. Compliance with Laws.** Each party shall comply with all applicable laws in connection with the performance of this Agreement. Seller warrants, represents and agrees that in securing this Agreement it has complied, and in performing this Agreement it shall comply, with all applicable laws, statutes, regulations and orders relating to anti-bribery, anti-corruption, anti-money laundering, competition and trade control. Seller agrees to indemnify, defend and hold harmless Stallion Group from and against all claims, demands, causes of action, and proceedings of every kinds and character without limit with respect to the failure of any member of the Seller Group to comply with this provision. This section shall survive termination or cancellation of this Agreement.

**10. Force Majeure.** Neither party shall be liable for delays in performance or for non-performance, occasioned or caused by Force Majeure. "Force Majeure" means any event beyond the reasonable control of the party claiming to be affected thereby, including, without limitation, acts of God, storms (except as may other be expressly provided in the Contract), floods, war, terrorism, fire, labor disputes, acts of the public enemy, public disorder, insurrections, riots or rules or regulations of any governmental authority asserting jurisdiction or control, compliance with which makes continuance of operations impossible. Upon the occurrence of Force Majeure, the party affected shall give prompt notice thereof to the other party. If a Force Majeure event lasts for thirty (30) or more days, Stallion shall be entitled to cancel the Purchase Order by written notice to Seller.

**11. Consequential Damages.** Notwithstanding any provision in this Agreement, neither party will be liable to the other for any lost profit, lost revenue, lost business opportunity, or any indirect, incidental or consequential damages.

**12. Governing Law.** Unless otherwise specified in the Purchase Order, this Agreement shall be governed by and construed in accordance with the laws of the State of Texas, excluding conflicts of law and choice of law principles, and venue for any disputes shall lie in Houston, Harris County, Texas.

**13. Entire Agreement.** This Agreement, Purchase Order and any attachments hereto constitutes the entire agreement of the parties with respect to the subject matter of this Agreement, supersedes all prior agreements between them, whether oral or written, of any nature whatsoever with respect to the subject matter hereof, and may not be amended except in writing by an authorized representative of Stallion and Seller. This Agreement is binding upon the parties hereto and their respective successors and permitted assigns.