



Terms & Conditions

General Notes:

- Please reference all quotes and quote correspondence with PetroSmith RFQ number.
- Please verify receipt of PO via email.
- Please verify pricing and confirm delivery dates and line-item notes.
- Flanges, Fittings, Steel Plate etc. Requires MTR's/Certifications prior to or at the time of delivery.
- MTR's/Certifications are required to be signed and dated with the applicable Purchase Order Number.
- Purchase Order numbers and heat numbers are to be stenciled/written on each piece of material.
- Please number invoices so that they match the Purchase Order number to avoid invoicing delays.
- Pressure Vessel Heads shall comply with the appropriate sections of ASME Section VIII, Div. 1 UG-79 UCS-79, UG-81 and provide min wall thickness.
- Unless stated otherwise, all heads shall have a 30-degree OS bevel and no center hole.
- All meter runs must conform to AGA-3 requirements.
- All manufactured pipe assemblies and or meter runs must maintain + or - 1/8" OAL dimensional tolerance.
- The buyer must be notified of any delays in material delivery as soon as possible.

All purchase orders (PO Agreement) issued by PetroSmith (Buyer) are made expressly subject to these additional terms and conditions. No revisions to the PO Agreement shall be valid unless in writing (email) by an authorized Buyer.

1) Acceptance

- a. By shipping the purchased goods or material specified in the PO Agreement, the seller accepts the PO Agreement and agrees to be bound by the terms and conditions provided herein. The seller will confirm pricing on each line item and confirm delivery dates.

2) Performance (on-time delivery, packing slips, MTR's material specific requirements, COO, C-1, C-2...)

- a. Seller acknowledges and agrees that time is of the essence in the delivery of the goods or completion of the services within the time frame mutually agreed upon by Buyer and Seller, is vital to the interest of Buyer, and that failure to complete the services within such timeframe constitutes a breach of this PO Agreement. The seller will notify the buyer as soon as a delay in shipment or delivery is identified.
- b. Flanges, Fittings, Steel Plate etc. Requires MTR's/Certifications prior to or at the time of delivery. MTRs/Certifications must be signed and dated with the applicable Purchase Order Number. Purchase Order numbers and heat numbers are to be stenciled/written on each piece of material.

3) Cancellations

- a. Buyer reserves the right to cancel this PO Agreement, or any portion of thereof, without liability, if; (a) as time is of the essence in this PO agreement, delivery is not made when and as specified; (b) Seller fails to meet contract commitments as to exact time, price, quality or quantity; (c) Seller ceases to conduct its operation in the normal course of business; (d) Seller is unable to meet its obligations as they mature; (e) proceedings are instituted against Seller under the bankruptcy laws or any other laws relating to the relief of creditors; (f) a receiver is appointed or applied for by Seller; or (g) any assignment is made by Seller for the benefit of creditors. The buyer also



reserves the right to cancel for any other reason permitted by the Uniform Commercial Code then in effect in the State of Texas. In the event of a cancellation, Buyer shall have no further obligations to Seller except to pay for deliverables that were provided to Buyer prior to such termination and were accepted by Buyer. Upon termination, Seller shall provide any transition assistance that may be requested by Buyer.

4) Inspection & Rejection

- a. The buyer shall inspect all Products and Services within a reasonable time after receipt and shall be deemed to accept such Products or Services unless it gives Seller written notice of any defect or non-conformity within a reasonable time after inspection. Failure to give notice of any defect or non-conformity shall not affect any warranty or operate as acceptance of any Product or Service with a latent defect. No replacement or correction of nonconforming goods shall be made by Seller unless agreed to in writing by Buyer.

5) Returns

- a. All products or material purchased by buyer can be returned to seller within 45 days of product receipt or other agreed upon time period, given that product is saleable, and in its original condition.
- b. Freight for returns at the request of the buyer shall be the responsibility of the buyer. Freight returned to defect, incorrect quantity, incorrect product, shall be the responsibility of the seller.

6) Invoicing & Payment

- a. In consideration of the performance of the completion of the obligations by Seller and acceptance by Buyer under the PO Agreement, Buyer will pay the applicable invoice amount. Payment terms are net 30 days from receipt of invoice unless indicated otherwise in a written agreement between Buyer and Seller. Invoices and payment inquiries shall be submitted electronically to ap@petrosmith.com or mailed to P.O. BOX 6291, Abilene, TX 79608. Delays in receiving invoices, errors, or omissions on invoices or lack of supporting documentation required by the terms of this PO Agreement will be cause for postponing the start of the payment terms until the correct information is received. Buyer will not be responsible for charges on invoices received more than 120 days after the rendering of service is complete or shipment of the goods unless indicated otherwise in a written agreement between Buyer and Seller.
- b. Prices. All pricing on purchase orders is final. Buyer does not acknowledge any written confirmation with pricing changes until a purchase order revision is completed and provided to Seller. Buyer will not be obligated to pay and will not process payment for any invoice that does not match the price set forth on the corresponding purchase order.

7) Confidentiality

- a. Seller acknowledges that it is, may be or will be privy to Confidential Information. Seller agrees it will use the Confidential Information only in the furtherance of its work under the PO Agreement and shall not transfer or otherwise disclose the Confidential Information to any third party except with written authorization from an officer of Buyer.