

Suzhou Huilide Machine CO., LTD. - (Revised – 03/06/2016)

STANDARD PRODUCT AND INCIDENTAL SERVICES

TERMS & CONDITIONS

1. **PRODUCTS:** "Product(s)" mean products of Seller's manufacture, including those products which are made utilizing, in accordance with or embodying HuiLiDe Confidential Information.

2. **SERVICES:** "Service(s)" means service incidental to the installation of products and/or technical assistance related to those products thereafter on an as needed basis. "Service" does not mean service on a routine, scheduled or ongoing basis. Any service arrangement for service on a routine, scheduled or ongoing basis shall be covered by a separate agreement.

3. **PRICES / PAYMENT:** Payment is to be made in USD, per agreed upon terms or NET 30 DAYS if not listed. Prices invoiced will be those in effect at the time of shipment. All prices apply EXW (INCOTERMS 2010) point of manufacture. Seller supplying the Product (defined as the goods or equipment supplied) under this Agreement (defined as all the commercial, legal or technical documents issued by Seller to govern the design, manufacture and/or supply of its Product such as these conditions, together with such documents as are expressly accepted in writing by the Seller), reserves the right to place a service charge on past due accounts at the highest rate permitted by law. Seller shall invoice Buyer the full order price and for any additional expenses incurred by Seller when delivery is suspended pursuant to Buyer's actions, omissions or written instructions. If quoted, inland freight charges from Seller's factory to port of shipment, port handling charges, and ocean freight charges are estimates at quotation time. Actual charges will be invoiced. In the event Buyer fails to pay any of Seller's invoices in accordance with the payment terms hereof and has not disputed same in good faith, Seller reserves the right to suspend the performance of its obligations under the Agreement after fifteen (15) calendar days from the due date of payment. Buyer shall compensate Seller for all its documented expenses incurred in relation to such suspension. Should the invoice continue to remain unpaid, Seller shall be entitled to terminate the Agreement after forty (40) calendar days from the due date of payment. Buyer shall compensate Seller for all its expenses incurred in relation to such termination. Disputed invoices shall be addressed within fifteen (15) days after received invoice. If Buyer is late in making payments in accordance with the payment terms under the Agreement, then Buyer shall pay interest of 1% monthly. Minimum order value is \$50.00

4. **WARRANTY:** A. Seller warrants Products for a period of 18 months from shipment or 1 year from installation, whichever is earlier, and for a period of 1 year to the extent Seller, at its option, repairs or replaces, EXW (INCOTERM 2010) point of manufacture, any such Products if by reason of faulty material or workmanship they prove defective under normal use and service and when properly installed; provided,

however, that Seller does not warrant seals or packing materials in equipment handling, special or corrosive fluids, operating at unusual temperatures or pressures, improper lubrication, misapplication, lighting, or improper voltage supply. Deterioration by chemical action and wear caused by the presence of abrasive materials, do not constitute defects. Seller warrants Services for a period of 12 months from the date performed. The sole remedy for breach of this warranty is the repair or replacement of the Product or re-performance of the Service. Seller will not be liable under this warranty for labour to remove or reinstall any Products or equipment, for transportation or freight if any equipment, for heavy lift operations, for down time or for any other costs.

EXCEPT AS OTHERWISE PROVIDED HEREIN, THE FOREGOING IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THOSE OF MERCHANTABILITY OR FITNESS FOR ANY PURPOSE.

B. This warranty shall not apply to Product subject to misuse, neglect or accident. Seller shall not assume responsibility for rebuilding, repairing special plating, coating, welding, or heat treating performed outside Seller's plant by or at the request of the Buyer. Product not of Seller's manufacture, special plating, coatings, or heat treatment applied to Seller's Product is not warranted in any way by Seller.

5. LIMITATION OF REMEDY: Seller's liability, including that for breach of contract, negligence, strict liability in tort, or otherwise, for its Products and/or Services and Buyer's exclusive remedy shall be limited to (a) the repair or replacement (but not installation) of parts found defective by Seller, EXW (INCOTERMS 2010) Seller's factory if returned to the factory for inspection, transportation charges paid, or (b) if, in Seller's opinion, repair or replacement will not remedy a claimed Products and/or Services deficiency, or if Seller's Products and/or Services do not comply with the description or specification set forth herein, to repayment of any amounts paid on the purchase price, cancellation of the order and acceptance of the Product EXW (INCOTERM 2010) point of manufacture. However, if the Product has been in use for a period of thirty (30) days, Seller reserves the right to make a reasonable depreciation charge. Any Product replaced or repaired by Seller shall be warranted for an additional one (1) year from replacement date or repair completion date. Notwithstanding the above and any other provision herein to the contrary, if Seller fails or refuses to supply goods, perform services, repair defective goods or re-perform defective services and Buyer elects to have a third party supply goods, perform services, repair defective goods or re-perform services, then Seller's liability shall be limited to the difference between the Agreement value and the amount actually incurred by the Buyer for said third party performance, but in no case shall such amount exceed + 10% (ten per cent) of the Agreement value, irrespective of any negligence on the part of Seller.

6. DISCLAIMER / CONSEQUENTIAL DAMAGES: EXCEPT AS SPECIFICALLY PROVIDED HEREIN TO THE CONTRARY, IN NO EVENT SHALL EITHER BUYER OR SELLER BE LIABLE TO THE OTHER IN CONTRACT, TORT, STRICT LIABILITY, EQUITY, OR OTHERWISE, EITHER DIRECTLY OR UNDER AN INDEMNITY, FOR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL LOSS OR DAMAGE ARISING OUT OF OR RELATED TO

THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO LOST PROFITS, LOST REVENUE, LOST PRODUCTION, LOST OPPORTUNITY, LOST USE, DOWN TIME, RESERVOIR LOSS/DAMAGE, DAMAGES RELATED TO LATE DELIVERY OF GOODS, PRODUCTION OR RIG COSTS, ENVIRONMENTAL POLLUTION DAMAGE OR LIKE ITEMS OF LOSS OR DAMAGE REGARDLESS OF THE CAUSE OF ANY LOSS OR DAMAGE.

7. FORCE MAJEURE: Seller shall not be liable to Buyer for any loss or damage suffered by the Buyer, directly or indirectly, as a result of Seller's failure to deliver or delay in delivering Products and/or Services or failure to perform, or delay in performing, any other term or condition hereunder, where such failure or delay is caused by circumstances beyond Seller's control, including but not limited to, fires, computer or telecommunications systems failures, floods, natural disasters, strikes, lockouts, war, riot, civil disturbances, embargo, government regulations or restrictions of any and all kinds, expropriation of plant by federal or state authority, interruptions of or delay in transportation, material shortages, power failures, inability to obtain materials and supplies, accidents, explosions, acts of God, or other causes of like character and the time for delivery shall be extended during the continuance of such conditions and for a reasonable time thereafter.

8. TAXES: Buyer shall pay, reimburse Seller, or provide a Tax Exemption Certificate for, all federal, state, county or municipality, compensating, intangible, sales, use, gross income or like taxes applicable to this Agreement, now or hereafter in effect, except for taxes payable upon Seller's net income.

9. RETURNS: No material will be accepted for credit when returned without Seller's prior written permission. All material accepted for credit is subject to Seller's normal restocking charge.

10. PATENTED PROCESS: Purchase of the Products and/or Services does not entitle Buyer to employ the same with any patented process, owned by Seller or others, except where the Buyer is expressly authorized. Buyer specifically agrees that any discoveries or inventions arising out of or in connection with the performance of this Agreement, including but not limited to, any and all patent rights and other intellectual property rights related thereto, shall be and shall remain the sole property of Seller.

11. PATENT INFRINGEMENT: Except in the case of articles, materials and designs furnished or specified by the Buyer, Seller, at its own expense shall defend any suit brought against the Buyer on the grounds that use of the Products and/or Services for the intended purpose or purposes, as furnished by the Seller, infringes a patent in effect on the purchase date, and shall pay the amount of any judgment that may be awarded against the Buyer in such suit, provided that the Buyer has made all payments due under this Agreement and shall (a) promptly delivered to Seller all infringement notices and other papers received by or served upon Buyer, (b) permit Seller to take charge of defense of such suit and compromise same, if Seller deems advisable, and (c) reasonably assist in the conduct of such defense. Buyer further agrees to defend and indemnify Seller against any claims or liabilities for, or by reason of, any alleged patent infringement arising from or related to (a) the manufacture or sale of all or any part of the Products and/or Services which is

manufactured in accordance with the specifications furnished by Buyer; (b) Buyer's modification of the Products and/or Services; and/or (c) Buyer's use of the Products and/or Services with other software or equipment not supplied by Seller. If Buyer is enjoined by a court of competent jurisdiction, and no appeal can be taken, from selling or using the Products and/or Services for the intended purpose or purposes on the ground that such sale or use of the Products and/or Services infringes a patent or it is established, to Seller's satisfaction after investigation, that sale or use of the Products and/or Services infringes any such patent, Seller, at its option, may either (a) procure a license for Buyer to sell and/or use the Products and/or Services, (b) modify the Products and/or Services to make it non-infringing without seriously impairing its performance, (c) replace the Products and/or Services with Products and/or Services substantially equal but non-infringing, or (d) accept Products and/or Services return with a refund to Buyer of the purchase price less fifteen percent (15%) annual depreciation from shipment date. The foregoing sets forth Seller's entire liability to Buyer for patent infringement based on the possession, use or sale of the Products and/or Services by Buyer. The aforementioned Seller obligations do not extend to and are not applicable in the case of patent infringement claims based on method or a process.

12. RISK OF LOSS AND TITLE: Buyer assumes risk of loss or destruction of, or damages to, the Product and/or Services after delivery to Buyer or carrier, whichever first occurs. Title to the Products and/or Services supplied hereunder, and to any additions, replacements, substitutions and accessories thereto, shall remain in Seller as a purchase money security interest (including the right of repossession) until Buyer pays the full purchase price, plus accrued interest, if any, and fully performs all of the terms and conditions hereof. Buyer agrees to execute all financing statements or other documents and take actions necessary or desirable by Seller to perfect its security interest.

13. DELAY: If Seller is in delay with respect to delivery of the Product(s) or parts thereof in accordance with the delivery schedule and this is due to circumstances for which Seller is responsible, Seller shall pay to Buyer as liquidated damages and not as a penalty, an amount equivalent to 0.05 % of the contractual value of the delayed Product(s) per day of delay, with an individual cap of five percent (5%) of the contractual value of the same delayed Product. Seller's cumulative liability for liquidated damages under the Agreement is further limited to five percent (5%) of the total Agreement price. The obligation of daily payment of liquidated damages is limited to the extent the Buyer is incurring a real delay and actual losses or damages in the overall project execution, and in any case subject to a fifteen (15) days grace period calculated from the agreed delivery date. No liquidated damages for delay shall become due and payable unless Buyer could have completed the plant into which the Product(s) is to be incorporated, and started receiving beneficial use of this plant but for Seller's delay. It is agreed that the payment of such liquidated damages shall be considered by the parties as a genuine pre-estimate of the loss Buyer may incur due to delay. The liability for liquidated damages contemplated in this clause constitutes Buyer's sole financial remedy towards Seller for delay under

the Agreement or at law. The Parties hereby agree that no liquidated damages are applicable for delay in performing Services.

14. INDEMNIFICATION: It is understood that Seller has relied upon data furnished by Buyer with respect to the safety aspects of the Products and/or Services supplied hereunder and/or representations by or on behalf of Buyer that such Products and/or Services will not be applied or used by Buyer or its customers in such a way as to detract materially from their safety in use, including, without limitation, in the manufacture of a product of which Seller's Products and/or Services will be a component and that it is Buyer's responsibility to assure that such Products and/or Services, when installed and put in use, will be in compliance with safety requirements fixed by applicable law and will be otherwise legally adequate to safeguard against injuries to persons or property. Buyer hereby agrees to indemnify, defend and hold harmless Seller, its affiliates and subcontractors of any tier from and against any and all claims, losses, expenses (including without limitation all costs, demands, damages, suits, judgments, fines, penalties, liabilities and attorneys' fees) and causes of action on account of disease or injury (including death) to Buyer's employees, agents, officers, directors, other contractors or their subcontractors of any tier, and causes of action resulting from loss or destruction of property of Buyer, its employees, agents, officers, directors, other contractors and their subcontractors of any tier arising out of the performance of this Agreement and whether occasioned by the sole, concurrent or partial negligence, fault, contractual undertakings or strict liability of Seller. Seller hereby agrees to indemnify, defend and hold harmless Buyer from and against any and all claims, losses, expenses (including without limitation all costs, demands, damages, suits, judgments, fines, penalties, liabilities and attorneys' fees) and causes of action on account of disease or injury (including death) to Seller's employees, agents, officers, directors or subcontractors, and causes of action resulting from loss or destruction of property of Seller, its employees, agents, officers, directors and subcontractors arising out of the performance of this Agreement and whether or not occasioned by the sole, concurrent or partial negligence, fault, contractual undertakings or strict liability of Buyer. Subject to Article 26 POLLUTION, each Party agrees to indemnify, defend and hold harmless the other Party from and against all claims, losses, expenses (including without limitation all costs, demands, damages, suits, judgments, fines, penalties, liabilities and attorneys' fees) and causes of action on account of disease or injury (including death) to third parties, and for loss or destruction of property of third parties arising out of the performance of this Agreement, but only to the extent that any such injury or loss was caused by the indemnifying Party.

15. TERMS AND CONDITIONS: Buyer purchases the Products and/or Services only on Seller's terms and conditions herein which shall control. When received by Seller, Buyer's Purchase orders shall be written acceptance of this Agreement. Unless accepted in writing by an authorized employee of Seller, any Buyer terms and conditions contained in acknowledgments, purchase orders, acceptances, confirmations or other documents inconsistent with, different from, or additional to the terms and conditions herein, will be null and void. In the event of any conflict,

ambiguity or discrepancy between the provisions of the Agreement documents, they shall be given priority in the following order: a) These Standard Product Terms & Conditions herein; b) All Appendices (if any) c) Any Purchase Order

16. GENERAL: (a) representations, warranties, promises, or guarantees not contained herein and/or any modifications to this Agreement shall have no force and effect unless in writing signed by Seller and Buyer, (b) if any part or provision is deemed to be contrary to, prohibited by, held unenforceable, invalid or in conflict with the laws or regulations of any jurisdiction, such provision shall be deemed inapplicable and omitted to the extent contrary, prohibited or invalid, but the validity of the remaining parts or provisions shall not be affected.

17. ADDITIONAL CHARGES: If repair parts, substitutions or additional Products and/or Services are purchased by Buyer, these terms and conditions shall apply as if originally purchased hereunder. Seller reserves the right to discontinue the manufacture of or change or modify any Product design or construction. Seller's Product, designs, dimensions and weights as shown in Seller's catalogs are subject to variation.

18. TERMINATION BY SELLER: Upon written notice to Buyer, Seller may terminate all or any part of the Agreement or suspend performance under the Agreement, without any liability to Buyer, (a) if Buyer (i) repudiates, breaches, or threatens to breach any of the terms of the Agreement, (ii) fails to accept or threatens not to accept Products and/or Services in accordance with the Agreement, or (iii) fails to make timely payment, or (b) upon the occurrence or threat of insolvency or bankruptcy of Buyer. Upon termination of the Agreement by Seller: (A) Seller shall be relieved of any further obligation to Buyer; (B) Buyer shall be liable to Seller for the immediate payment of amounts then billed to date by Seller to Buyer; (C) Buyer shall purchase and pay Seller immediately for all unique raw materials, work in process and finished goods under the Agreement; (D) Buyer shall reimburse Seller for any unreimbursed and unamortized research and development costs, capital equipment, and supplies that are unique to the Product(s) and/or Services; and (E) Buyer shall reimburse Seller for all preparation and other expenses incurred by Seller or its subcontractors in connection with the Agreement and for all other losses or costs arising from termination.

19. BUYER REPUDIATION: Buyer may not terminate this Agreement without Seller's prior written consent and in such event or if Buyer otherwise repudiates this Agreement, Buyer shall be liable to Seller for all of its costs and other commitments incurred to the repudiation date, plus its incidental damages and the profit Seller would have made from full performance of this Agreement.

20. GOVERNING LAW: This Agreement is construed to be between merchants and governed under the laws, and exclusive jurisdiction, of the state in which the Seller is located, without regard to its conflicts of laws rules. The prevailing party will be entitled to recover reasonable attorney fees and costs.

21. ASSIGNMENT: Seller reserves the right to approve and accept in writing Buyer's assignee of this Agreement prior to assignment. Failure to obtain written consent entitles Seller to cancel the Agreement upon written notice. Buyer agrees that Seller

has the right to assign this Agreement to any of its affiliates and subcontract any work provided herein.

22. DELIVERY AND ACCEPTANCE: Deliveries are scheduled after order receipt and clarification of required technical information, including Buyer approval of drawings when required. Shipping dates are estimates, made to the best of Seller's ability based on conditions prevailing at the time of quotation, and are not guaranteed. Delivery to a carrier shall constitute delivery to Buyer. Buyer must immediately inspect or provide for immediate inspections upon delivery. All claims for alleged defects are waived and Buyer shall be deemed to have accepted the goods, unless Seller is notified of the claim within thirty (30) days after receipt of the goods. Seller shall be released from any delivery time obligations if: (a) information, including but not limited to, data, drawings, schemes, or diagrams, necessary for Products and/or Services design, manufacture, supply or delivery is not timely received from Buyer, is incomplete, or contains inaccuracies, (b) Buyer fails to perform any of its obligations under this Agreement, (c) unanticipated or different Product tests, controls or inspections must be conducted, and (d) Buyer requests variations.

23. SUPPLY: This Agreement is not a supply contract for the ongoing sale of Products, but a discrete sale for a quantity of Products and/or Services as defined by this document. Any supply arrangement shall be covered by a separate agreement.

24. PROPRIETARY INFORMATION: The parties shall keep and maintain confidential all Proprietary Information (defined as all business and technical information made available, directly or indirectly, to the other party). The parties agree to defend, indemnify and hold each other harmless from all claims arising from a breach of this confidentiality obligation, which shall survive termination of this Agreement.

25. DRAWINGS / SPECIFICATIONS: Buyer shall be responsible for the accuracy of any designs, drawings, and specifications it provides and shall hold Seller harmless from any and all costs or expenses Seller incurred due to errors or mistakes.

26. POLLUTION: Seller shall release, defend, indemnify and hold harmless Buyer, its affiliates and its other contractors for sudden and accidental pollution or contamination arising above the surface of the land or water and which originates directly from Seller's equipment which equipment is wholly within Seller's control. Buyer shall release, defend, indemnify and hold harmless Seller for all other pollution not specifically assumed by Seller and in particular any consequences of hydrocarbon effluents emanating under the waterline or from underwater reservoirs and equipment (including without limitation blowouts or other uncontrolled well flow or pollution from a pipeline or storage facility, or produced fluids, drilling/completion fluids or cuttings) and any costs related to the removal of debris and wrecks, even if such claims, losses or expenses are contributed to or caused by the negligence or fault of Seller or his subcontractors of any tier.

27. LIMITATION OF LIABILITY: Notwithstanding any other provision contained herein to the contrary, Seller's total cumulative liability arising out of or relating to the performance or non-performance of the Agreement shall be limited to the lesser of one (1) times the initial Agreement price or \$25,000, and Buyer shall indemnify Seller from all amounts and liability in excess of the stated limitation.

28. BUYER DELAY: If Buyer fails to take delivery of the products tendered or any part of them, or fails to provide any instructions, documents, licenses, consents or authorizations required to enable Seller to make delivery on the agreed delivery date, Buyer shall provide the Supplier within 10 days from notification a written request to amend the shipping terms to allow the Supplier to ship the Products and transfer the risk of loss by the agreed delivery date. Supplier shall be entitled to invoice for the full value of the goods tendered, payable net 30 days from the invoice date. If there is delay in providing the Buyer request of amended shipping terms, a carrying charge of .5% per week will be applied to the order value, payable Net 30 from the invoice date.

29. ARBITRATION : All disputes in connection with the execution of the contract shall be settled friendly through negotiation. In case no settlement can be reached, the case then may be submitted for arbitration to the Arbitration Commission of the China Council for the Promotion of International Trade in accordance with the Provisional Rules of Procedure promulgated by the said Arbitration Commission . the Arbitration committee shall be final and binding upon both parties. and the Arbitration fee shall be borne by the losing parties.