



2828 Trout Street
Houston, Texas 77093-5546
PHONE: 713 695 3693
FAX: 713 695 3520
www.oteco.com

Standard Terms and Conditions of Sale

These terms and conditions govern the sale of Products ("Product or Products") and provisions of services ("Services") by Oteco Inc. and its affiliates ("Seller") as well as by third party vendors and/or service providers of Seller. These terms and conditions ("Agreement") take precedence over Buyer's supplemental or conflicting terms and conditions to which notice of objection is hereby given. Neither Seller's commencement of performance or delivery shall be deemed or construed as acceptance of Buyer's supplemental or conflicting terms and conditions. Oteco's failure to object to conflicting or additional terms will not change or add to the terms of this agreement. Buyer's acceptance of the Products and/or Services from Seller shall be deemed to constitute acceptance of the terms and conditions contained herein.

1. **Orders:** All orders placed by Buyer are subject to acceptance by Seller. Orders may not be cancelled or rescheduled without Seller's written consent. All orders must identify the products, unit quantities, part numbers, applicable prices and requested delivery dates of the Products being purchased. Unless otherwise agreed, all materials will be shipped no later than one year from the date that Seller accepts the purchase order. Seller may in its sole discretion allocate Product among its Customers. Seller may designate certain Products and Services as non-cancelable, non- returnable ("NCNR") and the sale of such Products shall be subject to any special terms and conditions contained in Seller's Order Acknowledgement or NCNR Letter, which shall prevail and supersede any inconsistent terms and conditions contained herein or elsewhere.
2. **Prices:** The prices of the Products are those prices specified on the front of the invoice. Pricing for undelivered Products may be increased in the event of an increase in Seller's cost, change in market conditions or any other causes beyond the Seller's reasonable control. Price quotations shall automatically expire in thirty (30) days from the date issued, or as otherwise stated in the quotation.
3. **Taxes:** Unless otherwise agreed to in writing by Seller, all prices quoted are exclusive of transportation and insurance costs, duties, and all taxes including federal, state and local sales, excise and value added, goods and services taxes, and any other taxes. Buyer agrees to indemnify and hold Seller harmless for any liability for tax in connection with the sale, as well as the collection or withholding thereof, including penalties and interest thereon. When applicable, transportation and taxes shall appear as separate items on Seller's invoice.
4. **Payment:** Payment may be made by check, money order, credit card, ACH or wire transfer (all fees are borne by the Buyer). A surcharge of 3% for credit card sales will be assessed on amounts over \$10,000.00 USD. Where Seller has extended credit to Buyer, terms of payment shall be net thirty (30) days from date of invoice, without offset or deduction unless otherwise noted. On any past due invoice, Seller may impose interest at the rate of one and a half percent [1.5%] per month. If Buyer fails to make each payment when it is due, Seller reserves the right to change or withdraw credit and thereby suspend or cancel performance under any or all purchase orders or agreements in which Seller has extended credit to Buyer. In the event of default by Buyer, Seller shall be entitled to costs, fees, and expenses, including but not limited to recovery of attorney fees, court costs and fees, and collections costs.

5. **Returns, Refunds and Exchanges:**

Returns:

Only products originally shipped from Oteco or from an authorized supplier will be considered for return to Oteco. For any Customer requesting return of products to Oteco, the Customer certifies that the products were purchased from Oteco and there has been no substitution of the product from another supplier, distributor or other source of the product. Any return must be in the original packaging and in unused condition except if approved for failure analysis/warranty evaluation by an Oteco sales representative via a Return Material Authorization (RMA).

Exchanges:

Any item for exchange must be in new condition and in the original packaging. Exchanges must be requested within 30 days of ship date. Defective item(s) may be exchanged/returned for the same item. Items purchased from Oteco that have been used or altered and any items that have been sold as NC/NR will not be accepted for exchange.

Return Freight / Restocking Fee:

Oteco reserves the right to charge cancellation and restocking fees, at a minimum rate of 15% to be deducted from the Customer refund. Oteco does not refund the original shipping and handling. Customer is responsible for all return freight charges. Oteco does not accept COD shipments.

Refunds:

Upon receipt and inspection of returned item(s), Oteco will advise of the refund status. In the case of factory warranty or failure analysis, Oteco will issue any applicable credit pending manufacturer confirmation of failure.

6. **Limited Warranty:** Oteco warrants its products to be free from defects in workmanship and materials for a period of one (1) year from date of shipment. Oteco's obligation under this guarantee is limited to repairing or replacing, at Oteco's expense and option. Oteco assumes no obligation for replacement charges or lost time incurred by or attributed to an Oteco product.

7. **Limitation of Liabilities:** BUYER SHALL NOT BE ENTITLED TO, AND SELLER SHALL NOT BE LIABLE FOR, LOSS OF PROFITS OR REVENUE, PROMOTIONAL OR MANUFACTURING EXPENSES, OVERHEADS, BUSINESS INTERRUPTION COST, LOSS OF DATA, REMOVAL OR REINSTALLATION COSTS, INJURY TO REPUTATION OR LOSS OF BUYERS, PUNITIVE DAMAGES, IPR INFRINGEMENT, LOSS OF CONTRACTS OR ORDERS OR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY NATURE. BUYER'S RECOVERY FROM SELLER FOR ANY CLAIM SHALL NOT EXCEED THE PURCHASE PRICE PAID FOR THE AFFECTED PRODUCTS IRRESPECTIVE OF THE NATURE OF THE CLAIM WHETHER IN CONTRACT, TORT, WARRANTY, OR OTHERWISE. BUYER WILL INDEMNIFY, DEFEND AND HOLD SELLER HARMLESS FROM ANY CLAIMS BASED ON (a) SELLER'S COMPLIANCE WITH BUYER'S DESIGNS, SPECIFICATIONS, OR INSTRUCTIONS, (b) MODIFICATION OF ANY PRODUCTS BY ANYONE OTHER THAN SELLER, or (c) USE IN COMBINATION WITH OTHER PRODUCTS.

8. **Export Control:** Buyer certifies that it will be the recipient of the Products to be delivered by Seller. Buyer understands that the associated hardware, and/or technical data ("products") listed on their Purchase Order includes items that are governed by the U.S. Export

Administration Regulations (“EAR”), by the U.S. Foreign Assets Control Regulations (“OFAC”) and the International Traffic in Arms Regulations (“ITAR”). The Buyer understands that its sale or distribution of said products may constitute exports or re-exports, and as such, must be in accordance with the requirements administered by Bureau of Industry and Security, Department of Treasury, and Department of State. It is understood that the country of ultimate destination, commodity classification, end-user, or end-use for any said products, could affect the applicable license requirements and exportability. The Buyer agrees to consult various resources, such as the EAR, ITAR, and OFAC, by the U.S. Department of Commerce’s Bureau of Industry and Security’s (“BIS”) Export Counseling Division, and other appropriate Government Sources to ensure that the sales and distribution of said products, is processed in accordance with all applicable laws. The Seller will not transfer any export-controlled products to a “non-U.S. Person” without the proper authority of the United States Government, and the buyer’s written approval.

9. **Force Majeure:** Seller is not liable for failure to fulfill its obligations for any accepted Order or for delays in delivery due to causes beyond Seller’s reasonable control including, but not limited to, acts of God, natural or artificial disaster, riot, war, strike, delay by carrier, shortage of Product, acts or omissions of other parties, acts or omissions of civil or military authority, Government priorities, changes in law, material shortages, fire, strikes, floods, epidemics, quarantine restrictions, acts of terrorism, delays in transportation or inability to obtain labor, materials or Products through its regular sources, which shall be considered as an event of force majeure excusing Seller from performance and barring remedies for non-performance. In an event of force majeure condition, the Seller’s time for performance shall be extended for a period equal to the time lost as a consequence of the force majeure condition without subjecting Seller to any liability or penalty. Seller may, at its option, cancel the remaining performance, without any liability or penalty, by giving notice of such cancellation to the Buyer.
10. **Technical Assistance or Advice:** If technical assistance or advice are offered or given to Buyer, such assistance or advice is given free of charge and only as an accommodation to Buyer. Seller shall not be held liable for the content or Buyer’s use of such technical assistance or advice nor shall any statement made by any of Seller’s representatives in connection with the Products or Services constitute a representation or warranty, express or implied.
11. **General:** (a) The laws of the State of Texas will exclusively govern any dispute between Seller and Buyer, (b) Buyer may not assign this Agreement without the prior written consent of Seller. Seller or its affiliates may perform the obligations under this Agreement. This Agreement is binding on successor and assigns, (c) Products, including drawings or other intellectual property, are subject to any applicable rights of third parties, such as patents, copyrights and/or userlicenses.