

All Customer transactions with Apergy ESP Systems, LLC (“Apergy ESP”) are subject to the following Terms and Conditions (“Terms and Conditions”):

1. **TERMS AND CONDITIONS.** These Terms and Conditions shall apply to the quote accepted by Customer (each, a “Quote”) between Apergy ESP and the Customer for any one or more of the following: (i) equipment and any related accessories or components (“Equipment”); (ii) installation services (“Installation Services”), maintenance services (“Maintenance Services”), field services (“Field Services”), monitoring services (“Monitoring Services”), engineering services (“Engineering Services”), third party services (“Third Party Services”), and subscription services (“Subscription Services”) (collectively, “Services”) and are hereby incorporated into and made a part of each Quote. Customer shall be deemed to have accepted and agreed to these Terms and Conditions by executing each Quote.

2. **CONFLICTING MSA.** In the event of any conflict between these Terms and Conditions and any Master Service Agreement (“MSA”) entered into between Apergy ESP and Customer, with respect to all matters pertaining to the Equipment rented by Customer from Apergy ESP pursuant to the applicable Quote, the applicable Quote and these Terms and Conditions shall control. With respect to all other matters pertaining to Equipment purchased by Customer or Services, the applicable MSA shall control until such MSA is terminated in accordance with its terms, and thereafter these Terms and Conditions shall control.

3. **TITLE AND RISK OF LOSS OF EQUIPMENT.**

a) Risk of Loss. Risk of loss passes to Customer at Apergy ESP's facility regardless of any shipping or delivery Apergy ESP may offer Customer. Customer shall assume and bear the risk of loss, theft and damage to the Equipment from any and every cause whatsoever, regardless if covered by insurance. No loss or damage to the Equipment or any component part thereof shall impair any obligation of Customer under any Quote or these Terms and Conditions, which shall continue in full force and effect except as hereinafter expressly provided.

b) Title to Purchased Equipment. For Equipment purchased by Customer, title transfers to Customer upon receipt of all Payments, as defined in Section 6. If rental equipment is purchased by Customer under a right to purchase option, title will transfer in accordance with Section 23(c).

c) Title to Rental Equipment. Equipment that is rented by the Customer shall, at all times, be the sole and exclusive property of Apergy ESP. Customer shall have no right or property interest therein, except for the right to use the Equipment in the normal operation of Customer's business during the rental term as agreed in the applicable Quote (the “Rental Term”). Customer agrees to keep the Equipment in Customer's exclusive control and possession and shall not allow any lien security interest, claim or encumbrance of any kind to be placed on, levied against or recorded on the Equipment. Payments of a replacement service fee shall not convey any ownership in the Equipment.

4. **DISMANTLE INSPECTION FAILURE ANALYSIS (“DIFA”).**

a) Apergy ESP-Owned Equipment. From the date of pull (which, for purposes of these Terms and Conditions, shall mean Customer's removing the Equipment from the well), Customer shall have forty-five (45) days to request a DIFA of Equipment rented from Apergy ESP hereunder. Upon the expiration of such forty-five (45) day period, if Customer has not requested and scheduled a DIFA, Apergy ESP will dispose of the Equipment at its discretion.

b) Customer-Owned Equipment. From the date of pull, Customer shall have forty-five (45) days to request and schedule a DIFA of Equipment purchased by Customer from Apergy ESP hereunder. Upon the expiration of such forty-five (45) day period, if Customer has not requested a DIFA, Apergy ESP shall store and scrap the Equipment per the terms of Section 4 (c), (d), and (e).

c) If customer owned Equipment is pulled from a wellbore, returned to Apergy ESP for testing and possible refurbishment and Apergy ESP determines that Equipment may be reused following refurbishment, Apergy ESP will store the Equipment for a maximum total time of twelve (12) months from the date of Apergy ESP's notification of Customer thereof ("Reusable Storage Time"). Upon expiration of the Reusable Storage Time, if Customer has not retrieved such Equipment or scheduled installation of such Equipment with Apergy ESP, Apergy ESP may scrap the Equipment and credit to Customer an amount equal to the scrap value of the Equipment.

d) If customer owned Equipment is pulled from a wellbore, returned to Apergy ESP for testing and possible refurbishment and Apergy ESP determines that such Equipment is not to be reused, Customer will have forty-five (45) days from the date Apergy ESP notifies Customer thereof to retrieve the Equipment within forty-five (45) days ("Scrap Storage Time") for no scrap value credit or to request a credit to Customer's account in an amount equal to the scrap value of the Equipment. Upon the expiration of the Scrap Storage Time, if Customer has not retrieved the Equipment or requested a credit, Apergy ESP may scrap the Equipment and credit to Customer an amount equal to the scrap value of the Equipment.

e) Notwithstanding the foregoing, upon the expiration of twelve (12) months from the date of pull, Apergy ESP shall be entitled to scrap the Equipment and credit to Customer an amount equal to the scrap value of the Equipment.

5. **PRICE.** Prices (including any transportation charges) are subject to change without notice unless specifically designated as firm for a specific period pursuant to the applicable Quote. A price designated as firm for a specified period may be revoked by Apergy ESP if the revocation is in writing and is sent to the Customer prior to written acceptance of the price being received by Apergy ESP from Customer. The Quote price of the Equipment excludes applicable taxes.

6. **PAYMENT AND TAXES.** Customer shall remit payment to Apergy ESP for, as applicable, the purchase price of Equipment, Equipment rental fees, fees for Services, and any other applicable fees, as set forth in the applicable Quote ("Payments"). Payments shall be payable thirty (30) days following receipt of the invoice by Customer, and paid to Apergy ESP at the address for Apergy ESP set forth in the applicable Quote or as may otherwise be designated by Apergy ESP from time to time. Customer agrees to pay, without formal notice, 1.5% per month of the amount not paid when due, provided that, if such rate is in excess of applicable governing law, Customer agrees to pay the maximum permitted rate. Except as otherwise provided in these Terms and Conditions, Customer's obligation to remit Payments shall be absolute and unconditional, notwithstanding: (i) any setoff, counterclaim, recoupment, defense or other right which Customer may have against Apergy ESP or any affiliate; (ii) any defect in the title, condition, operation, fitness for use, damage or destruction of or to the Equipment; or (iii) any insolvency, bankruptcy, reorganization or similar proceedings instituted by or against Customer. Customer shall pay all taxes based on the rental of the Equipment, the Payments, or any Services related thereto, including, as applicable, any personal property taxes, sales taxes, excise taxes, or value added taxes, but excluding taxes based on Apergy ESP's net income. Customer shall also assume and pay any import or export duties and taxes, with respect to the materials covered by the applicable Quote and shall hold Apergy ESP harmless from and reimburse Apergy ESP for same.

7. **SHIPMENT AND DELIVERY.** Unless otherwise provided in the applicable Quote, Customer shall be responsible for all transportation costs to deliver the Equipment to Customer's location. Field assembly necessary to place units in operable condition shall be done by and at Customer's expense. All materials and parts shall be packaged and shipped at the lowest acceptable rate by common carrier or any other method selected by Apergy ESP. The shipment terms of Apergy ESP's Equipment shall be at Apergy ESP's discretion with all costs for the account of Customer.

8. **INSTALLATION/SERVICE/TESTING.** Unless provided otherwise in the applicable Quote, fees for Services including, but not limited to, labor, freight, mileage, accommodations, and consumables shall be billed to Customer upon completion of Services. Customer shall be responsible and pay for all permit and licenses fees required by any law, order, rule, or regulation of any authority having jurisdiction relative to

inspection of the Equipment or Services provided hereunder, including boiler, electrical, and other inspections.

9. **CHANGES.** If Customer requests or causes a change to a delivery or Services schedule or Apergy ESP's fabrication or shipment that results in delay or additional expense to Apergy ESP, all costs incurred shall be borne by Customer, including storage charges in the event of a suspension of fabrication or delivery. The delivery date shall be equitably adjusted when affected by any Customer change. In no event will a change be implemented without a signed change order issued by Customer.

10. **CUSTOMER RESPONSIBILITY.** Customer, through its own analysis, is solely responsible for making final Equipment selection and assuring that all safety, performance, endurance, maintenance, and warning requirements for Customer's particular application are met. Customer shall analyze all aspects of its particular application and follow applicable industry standards and Equipment information. If Apergy ESP provides Equipment options, Customer is responsible for determining the utility and functionality of the option, as well as its suitability and sufficiency for Customer's reasonably foreseeable uses of the Equipment.

11. **CANCELLATION FOR CONVENIENCE.** Customer may cancel a Quote for its sole convenience and shall pay a cancellation charge for purchased Equipment equal to the higher of (i) the associated milestone noted in the applicable Quote, (ii) 25% of the purchase price, or (iii) any loss or cost incurred by Apergy ESP, including cost of materials, labor, engineering, reconditioning and Apergy ESP's profit margin.

12. **UCC FILING, SECURITY INTEREST AND FINANCING ARRANGEMENT.** Customer authorizes Apergy ESP to record a UCC-1 financing statement or similar instrument, in order to provide notice of Apergy ESP's interest in the Equipment. If any applicable law requires the registration of the Equipment or the issuance of a certificate of title therefor or both, Customer agrees to promptly comply with such law(s) and shall cooperate with Apergy ESP in executing any such applications for registration or certificates of title, including notating Apergy ESP's interest in the Equipment on any such certificate of title. In the event that the rental of Equipment to Customer is deemed to constitute a secured transaction disguised as a lease, Customer grants to Apergy ESP a first priority security interest in the Equipment and any additions, attachments, upgrades, accessions, repairs, modifications, replacements thereto and proceeds thereof, including insurance proceeds, to secure Customer's remittance of Payments and all other Payments obligations when due, and Customer's performance of all of the terms and conditions of these Terms and Conditions and the applicable Quote.

13. **EQUIPMENT AND SERVICES WARRANTY.** Apergy ESP shall provide the Equipment and perform the Services, and Customer shall pay Apergy ESP the Payments, as set forth in the applicable Quote as provided in these Terms and Conditions. Services will be performed on a schedule as agreed by the parties or as provided in applicable Equipment documentation, manufacturer recommendations or industry standards. For purposes of this Section 13 and Section 14, "Warranty Period" means the period of time during which the applicable Equipment or Service is covered by Apergy ESP's applicable warranty (subject to Sections 14, (a), (b), (c), and (d)).

a) Equipment. Apergy ESP warrants Equipment against defects in material and workmanship for a Warranty Period of twelve (12) months from the date of shipment.

b) Installation Services. Unless expressly provided otherwise in the applicable Quote, all installation of Equipment purchased or rented from Apergy ESP shall be performed by Apergy ESP or its designee. Installation Services include a Warranty Period of ninety (90) days from the date of installation for the workmanship thereof.

c) Field Services. Field Services may include fan filter cleaning and replacements, software updates, electronics and screen replacements, and communication system repairs. Field Services include a Warranty Period of ninety (90) days from the date of completion for the workmanship thereof.

14. WARRANTY REMEDY / EXCLUSIONS & DISCLAIMERS.

a) Warranty Claim Process. Apergy ESP will, at its sole option, cost and expense, repair, replace, or correct any and all Equipment or re-perform any Services (to the extent a warranty is provided in Section 13 above), that fails to conform to the warranty provided in Section 13 if such failure becomes apparent and is called to Apergy ESP's attention in writing prior to the expiration of the applicable Warranty Period. Apergy ESP reserves the right to declare void any warranty claim in which Customer does not extend Apergy ESP a reasonable opportunity to fully inspect the defective Equipment and the circumstances related to the claim, including without limitation, as provided herein.

b) Exclusions. The warranties provided in Section 13 does not apply to (i) normal wear and tear, (ii) any Equipment which has been subjected to accident, misuse, abuse or neglect by any party other than Apergy ESP, (iii) any Equipment which has been repaired, altered or modified by any party other than Apergy ESP without prior written authorization from Apergy ESP, (iv) any Equipment which has been improperly installed, stored, used or maintained by any party other than Apergy ESP, (v) any Equipment which has been exposed to conditions outside the range of the environmental and/or operating specifications provided for the Equipment, or (vi) to the extent any Services are performed based on the recommendations, directions or specifications of Customer.

c) Third Party Products / Third Party Services. A "Third Party Product" is defined as any portion of the Equipment that was manufactured by a third party. Third Party Products and Third Party Services (as defined above) are not covered by the warranty terms listed in Sections 13 and 14. Any warranties made or given by such third parties for their products or services that are, by their terms, assignable to Customer, shall be assigned to Customer. If any warranties made or given by such third parties are not assignable, Apergy ESP shall use reasonable commercial efforts to enable Customer to receive the benefit of such warranty coverage.

d) THE REMEDIES SET FORTH IN SECTION 14 SHALL BE CUSTOMER'S SOLE AND EXCLUSIVE REMEDY AND APERGY ESP'S ENTIRE LIABILITY FOR ANY BREACH OF THE WARRANTIES SET FORTH IN SECTIONS 13. APERGY ESP MAKES NO OTHER WARRANTIES, WHETHER EXPRESSED, STATUTORY OR IMPLIED, WITH RESPECT TO THE EQUIPMENT, SERVICES, THIRD PARTY SERVICES OR THIRD PARTY PRODUCTS, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OR CONFORMANCE TO DESCRIPTION, OR WARRANTIES ARISING FROM COURSE OF DEALING, TRADE PRACTICE OR OTHERWISE.

15. INDEMNIFICATION, CONSEQUENTIAL DAMAGES AND LIMITATION OF LIABILITY.

a) CUSTOMER AGREES TO INDEMNIFY AND HOLD APERGY ESP, ITS AFFILIATES, AND ITS AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SUCCESSORS AND ASSIGNS HARMLESS FROM AND AGAINST ANY AND ALL DAMAGES, CLAIMS, LOSSES, EXPENSES, OBLIGATIONS, FINES, PENALTIES, DEMANDS, CAUSES OF ACTION, COSTS AND LIABILITIES (INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES AND DEFENSE COSTS) ARISING OUT OF, RESULTING FROM, RELATING TO, IN THE NATURE OF OR CAUSED BY, CUSTOMER'S USE AND OPERATION OF THE EQUIPMENT OR RECEIPT OF THE SERVICES.

b) NOTWITHSTANDING ANY OTHER PROVISION OF THESE TERMS AND CONDITIONS, EACH PARTY WAIVES ANY CLAIM AGAINST THE OTHER FOR ITS OWN LOST PROFITS OR LOSSES DUE TO BUSINESS INTERRUPTIONS, OR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR OTHER SPECIAL DAMAGES, HOWEVER SAME MAY BE CAUSED, REGARDLESS OF THE FAULT

(OTHER THAN WILLFUL MISCONDUCT, MALICE, OR INTENTIONAL TORT), NEGLIGENCE (WHETHER SOLE, JOINT, CONCURRENT, ACTIVE OR PASSIVE OR OTHERWISE), PRE-EXISTING DEFECT, OR STRICT LIABILITY OF THE RELEASED PARTY DIRECTLY OR INDIRECTLY ARISING OUT OF THE EQUIPMENT PROVIDED TO CUSTOMER BY APERGY ESP OR CUSTOMER'S USE OR OPERATION OF THE EQUIPMENT.

c) CUSTOMER AGREES THAT APERGY ESP'S ENTIRE LIABILITY, AND CUSTOMER'S EXCLUSIVE REMEDY, IN LAW AND EQUITY OR OTHERWISE FOR ANY CLAIMS FROM ANY CAUSE OR CAUSES INCLUDING, BUT NOT LIMITED TO, ANY BREACH OF CONTRACT OR WARRANTY OR NEGLIGENCE OR STRICT LIABILITY SHALL NOT EXCEED THE PRICE ALLOCABLE TO THE EQUIPMENT OR SERVICE OR PART THEREOF WHICH GIVES RISE TO THE CLAIM.

16. INSURANCE.

a) Customer, at its expense, shall maintain: (i) property and casualty insurance insuring the Equipment for an amount not less than the greater of the Casualty Loss Value or Stipulated Replacement Cost of the Equipment, naming Apergy ESP or its assigns as sole loss payee; and (ii) commercial general liability insurance (including blanket contractual liability coverage and products liability coverage) for personal and bodily injury and property damage, either alleged or actual, direct or vicarious, arising out of or in connection with the use, possession, or ownership of the Equipment, with a combined single limit per occurrence of not less than the amount specified in the applicable Quote, naming Apergy ESP and its assigns as additional insureds.

b) Customer shall provide, or cause its insurance carrier to provide, thirty (30) days prior written notice to Apergy ESP of cancellation, restriction, or reduction of coverage and shall have a clause specifying that no action or misrepresentation by Customer shall invalidate such policy. Customer's insurance carrier will (i) waive any right of set-off against Customer or Apergy ESP, and any rights of subrogation against Apergy ESP, and (ii) be primary with respect to any insurance maintained by Apergy ESP, not subject to any co-insurance clause and shall be without right of contribution from any other insurance.

c) Apergy ESP shall be under no duty to ascertain the existence of or to examine any such policy or to advise Customer in the event any such policy shall not comply with the requirements hereof. Prior to delivery of the Equipment to Customer, all standard ACORD certificates of insurance shall be delivered to Apergy ESP. Customer agrees to keep the Equipment insured with an insurance company with at least "A-" rated by A.M. Best. The proceeds of any loss or damage insurance shall be payable to Apergy ESP, but Apergy ESP shall remit all such insurance proceeds to Customer at such time as Customer either (i) provides Apergy ESP satisfactory proof that the damage has been repaired and the Equipment has been restored to good working order and condition or (ii) pays to Apergy ESP the Casualty Loss Value. It is understood and agreed that any Payments made by Customer or its insurance carrier for loss or damage of any kind whatsoever to the Equipment are not made as accelerated Payments or adjustments of Payments, but are made solely as indemnity to Apergy ESP for loss or damage of its Equipment.

17. DEFAULT AND REMEDIES.

a) The occurrence of any of the following shall constitute an "Event of Default" under these Terms and Conditions:

- i) Failure by Customer make Payments as and when required by the applicable Quote;
- ii) Customer's violation of any provision of these Terms and Conditions (other than Payments) which is not corrected by Customer within ten (10) days after notice of such violation is given by Apergy ESP; or

iii) The insolvency or bankruptcy of Customer or other material adverse change in the financial condition, business or operations of Customer.

b) Upon the occurrence of an Event of Default, Apergy ESP may, at Apergy ESP's option, terminate or cancel the applicable Quote, in whole or in part. If Apergy exercises such termination or cancellation option Customer shall pay all accrued and unpaid sums due, plus the accelerated unpaid balance of Customer's account. Apergy ESP may also elect any of the remedies available to Apergy ESP under Article 2A of the Uniform Commercial Code. If Apergy ESP engages an attorney to enforce these Terms and Conditions or collect Payments owed to Apergy ESP, Customer agrees to pay Apergy ESP's reasonable attorney's fees and actual court costs. If Apergy ESP repossesses the Equipment, Customer agrees to pay the cost of repossession. It is further agreed that Customer's rights and remedies are governed exclusively by these Terms and Conditions and Customer waives its rights under Article 2A of the UCC. The foregoing rights and remedies of Apergy ESP shall be cumulative and in addition to all other rights and remedies available to Apergy ESP in law and in equity.

18. GOVERNING LAW AND JURISDICTION. These Terms and Conditions and each Quote shall be governed by any construed in accordance with the substantive laws of the State of Texas, without regard to its conflicts of laws provisions. Any suit or other proceeding arising out of or relating to each Quote or these Terms and Conditions may be brought in the courts of the State of Texas, County of Harris, or, if it has or can acquire jurisdiction, in the United States District Court for Southern District of Texas, and each of the parties hereto irrevocably submits to the exclusive jurisdiction of each such court in any such suit or proceeding, waives any objection it may now or hereafter have to venue or to convenience of forum, agrees that all claims in respect of the suit or proceeding shall be heard and determined only in any such court and agrees not to bring any suit or proceeding arising out of or relating to this Agreement in any other court. Each party agrees that the exclusive choice of forum set forth in this Section does not prohibit the enforcement of any judgment obtained in that forum or any other appropriate forum. Each of the parties hereto hereby waives to the fullest extent permitted by applicable law any right it may have to a trial by jury with respect to any actions or liabilities arising out of, under or in connection with each Quote or these Terms and Conditions.

19. CORPORATE AUTHORITY. The parties hereto covenant and warrant that the persons executing each Quote on their behalf have been duly authorized to do so, and these Terms and Conditions and each Quote constitute a valid and binding obligation of each party hereto. Customer will, at Apergy ESP's request, provide to Apergy ESP, certificates of authority naming the officers of Customer who have the authority to execute the Quote. Customer agrees that it shall advise Apergy ESP of any change in Customer's name, address or corporate structure within ten (10) days.

20. CONFIDENTIALITY.

a) A party (the "Receiving Party") shall keep in strict confidence all information which is of a confidential or proprietary nature (including any technical or commercial know-how, specifications, inventions, processes or initiatives) and has been disclosed to the Receiving Party by the other party (the "Disclosing Party"), its employees, agents or subcontractors, and any other confidential information concerning the Disclosing Party's business or its products or its services which the Receiving Party may obtain (collectively, "Confidential Information"). The Receiving Party shall restrict disclosure of such Confidential Information to such of its employees, agents or subcontractors as need to know it for the purpose of discharging the Receiving Party's obligations under these Terms and Conditions, and shall ensure that such employees, agents or subcontractors are subject to obligations of confidentiality corresponding to those which bind the Receiving Party. The Receiving Party shall remain liable for a breach of such obligations by the Receiving Party's employees, agents and subcontractors. The Receiving Party shall only use or make copies of confidential information (including any reproductions, extracts or analyses of that confidential information) in connection with and to the extent necessary for the purposes of these Terms and Conditions.

b) Confidential Information, as defined above in Section 20(a) shall not include any information that, as shown by competent proof, (i) is publicly known or generally available in the public domain prior to the time

of disclosure by the Disclosing Party to the Receiving Party, (ii) becomes publicly known or generally available in the public domain after disclosure by the Disclosing Party to the Receiving Party through no action or inaction of the Receiving Party, (iii) is already in the possession of the Receiving Party at the time of disclosure by the Disclosing Party as shown by the Receiving Party's written records existing immediately prior to the time of such disclosure, (iv) is obtained by the Receiving Party from a third party that may lawfully disclose such information without breaching any obligation of confidentiality applicable to such third party or (v) is independently developed by the Receiving Party without use of or reference to the Disclosing Party's Confidential Information, as shown by the Receiving Party's independent contemporaneous written records.

c) Notwithstanding anything to the contrary in this Agreement, a Receiving Party may disclose a Disclosing Party's Confidential Information to the extent required to do so by a governmental agency, a court or administrative subpoena, an order or other legal process or requirement of law, or in order to defend its rights hereunder. If so required, the Receiving Party shall (a) first notify the Disclosing Party of such request, requirement or proposal (to the extent permitted by law) for use in defense; (b) only furnish such portion of the Disclosing Party's Confidential Information as it is advised in writing by counsel that it is legally required to disclose; and (c) cooperate with the Disclosing Party in its efforts to obtain a protective order or other reliable assurance that confidential treatment be accorded to that portion of Confidential Information that is required to be disclosed.

21. EXPORT.

a) The products, items, technology or software covered by this quotation/order may be subject to various laws including U.S. and foreign export controls. If applicable, Customer confirms they are committed to complying with all relevant export laws and are responsible for applying for export licenses, if required, based on end-user or country of ultimate destination. Customer shall not trans-ship, re-export, divert or direct products other than in or to the ultimate country of destination declared by Customer and specified as the country of final destination on Quotation/Sales Order Acknowledgment. Customer agrees to indemnify and hold Apergy harmless from any and all costs, liabilities, penalties, sanctions and fines related to non-compliance with applicable export laws and regulations.

b) If the customer is responsible for authorizing the forwarder to act as its true and lawful agent for purposes of preparing and filing the Export Declaration in accordance with the exporting country's laws and regulations, the authorized agent must provide the copies of Export Documentation, including the AWB or B/L and the Export Declaration to Apergy as soon as the documentation is available. Upon request, the authorized agent will provide Apergy with a copy of the power of attorney or written authorization from the customer.

22. GENERAL.

a) Any cause of action arising out of or related to these Terms and Conditions or any Quote must be brought by Customer no later than one (1) year after the cause of action has accrued.

b) If any provision hereof is invalid or not enforceable under applicable law, the remaining provisions shall not thereby be invalidated or voided, but such part(s) shall be deemed modified to the extent required to make it enforceable, or, if necessary, the applicable Quote and/or these Terms and Conditions shall be deemed to be amended to delete the unenforceable part(s) and the remainder of the applicable Quote and/or these Terms and Conditions shall have the same force and effect as if such part(s) had never been included herein.

c) Except as provided in Section 22(b) above, these Terms and Conditions, and the Quote, may only be amended in writing by authorized representatives of both parties.

d) Customer shall not assign its rights or obligations under these Terms and Conditions or any Quote (by operation of law or otherwise), or, if Equipment is rented by Customer, rent the Equipment to third parties or affiliates without the prior written consent of Apergy ESP.

e) Neither Apergy ESP nor Customer shall be liable for any delay or damage due, occasioned or caused as a result of a change in laws, orders, rules or regulations applicable to the Equipment or Services performed hereunder, or by strikes, action of the elements, or causes beyond the reasonable control of the parties. Any delay due to any of the above causes shall not be deemed to be a breach or failure to perform under these Terms and Conditions, or any part thereof; provided, however, the party delayed by such event shall provide notice thereof to the other party as soon as reasonably possible specifying all facts relating thereto, the anticipated consequences thereof, and any proposed actions to be taken in mitigation of adverse consequences. Notwithstanding the foregoing, this Section shall not apply to a party's Payments obligations hereunder.

f) All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed given and received (i) on the date of delivery when delivered by hand, (ii) on the following business day when sent by receipted overnight courier, or (iii) three (3) business days after deposit in the United States Mail when mailed by registered or certified mail, return receipt requested, first class postage prepaid, to the recipient's mailing address set forth in the applicable Quote or at such other address as may be hereafter provided by a party for future notices in accordance with this Section.

g) These Terms and Conditions shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assignees.

23. RENTAL SPECIFIC TERMS. Without limiting any in these Terms and Conditions or the applicable Quote, this Section 23 only applies to Equipment that is rented on a Quote.

a) **MAINTENANCE AND REPAIR OF EQUIPMENT.** Customer shall maintain the Equipment in good working order and perform preventive maintenance in accordance with the manufacturer's specifications at all times during the Rental Term. Customer shall be responsible for all repair and maintenance costs for the Equipment during the Rental Term. In no event shall Customer or a third party alter or modify the Equipment during the Rental Term without the prior written consent of Apergy ESP. Customer shall, during normal business hours, provide Apergy ESP and Apergy ESP's agents and representatives with access to the Equipment and the maintenance records for the Equipment, and allow such persons to review and make such inspections and verifications as Apergy ESP considers necessary to confirm Customer's compliance with these Terms and Conditions.

b) **LOSS OR DAMAGE OF EQUIPMENT.** Customer shall assume and bear the risk of loss, theft and damage (including any governmental requisition, condemnation or confiscation) to the Equipment and all component parts thereof from any and every cause whatsoever, regardless if covered by insurance. No loss or damage to the Equipment shall impair any obligation of Customer under these Terms and Conditions, which shall continue in full force and effect except as hereinafter expressly provided. Customer shall reimburse Apergy ESP with a replacement service fee, documented in the applicable Quote, for damaged Equipment that Apergy ESP will replace during the Rental Term. Title ownership of all replacement and damaged Equipment will remain with Apergy ESP. Customer shall, within ten (10) days after Equipment becomes damaged, notify Apergy ESP to retrieve and replace the Equipment or directly return the damaged Equipment to Apergy ESP for future replacement by Apergy ESP. In the event that all or part of the Equipment shall, as a result of any cause whatsoever (including Equipment lost in hole, or Equipment testing positive for Naturally Occurring Radioactive Material), become lost, stolen, or missing, then Customer shall, within ten (10) days after any such loss, fully inform Apergy ESP in writing of such loss or damage and shall pay to Apergy ESP the following amounts: (a) the Payments (and other amounts) due and owing under the applicable Quote at the time of such loss or damage (or Event of Default, as hereinafter defined), plus (b) an amount equal to a stipulated cost for replacement of the Equipment set forth in the applicable Quote (collectively, the sum of (a) plus (b) shall be the "Casualty Loss Value"). Upon receipt by Apergy ESP of the Casualty Loss Value, Customer's obligation to remit Payments shall cease.

Apergy ESP may request, and Customer shall complete, an affidavit(s) which swears out the facts supporting the loss or damage to the Equipment.

c) **PURCHASE OPTION.** If Customer elects to exercise any purchase option granted to Customer in a Quote, Customer shall give Apergy ESP at least thirty (30) days prior written notice that Customer is exercising such purchase option. If the purchase option is exercised, Customer hereby acknowledges that it will be purchasing the Equipment in its "AS IS, WHERE AS" condition, and all representations and warranties previously provided by Apergy ESP (if any) shall thereupon expire (if not previously expired). Customer acknowledges and agrees that it will purchase the Equipment based upon its personal inspection of the Equipment, and that it is not relying upon any representations or warranties of Apergy ESP in purchasing the Equipment. Upon Apergy ESP's receipt of the option purchase price and any other amounts due and owing to Apergy ESP under the applicable Quote, Apergy ESP will execute any documents necessary to transfer title to the Equipment to Customer.

d) **RETURN TO APERGY ESP.** If Customer does not elect to exercise a purchase option in a Quote, Customer shall, upon the termination or expiration of the Rental Term and at Customer's sole expense, immediately return and surrender the Equipment to Apergy ESP at the location designated by Apergy ESP, in good condition, free and clear of any lien, security interest, claim or encumbrance of any kind. If Customer fails to return the Equipment as required hereunder, then all of Customer's obligations under these Terms and Conditions and the applicable Quote (including, without limitation, Customer's obligation to remit Payments) shall continue in full force and effect until the Equipment is returned to Apergy ESP in the condition required hereunder or until such time as Apergy ESP may otherwise terminate the applicable Quote in accordance with Section 17.

e) **WELLBORE DIVESTITURES.** Customer shall provide Apergy ESP at least thirty (30) days written notice of a pending sale or divestiture of a wellbore that is under a Quote with Apergy ESP Equipment. Apergy ESP, at its sole discretion with consent from Customer and Customer's acquiring purchaser, may establish credit approval, new account, and rental Quote with Customer's acquiring purchaser of the divested wellbore(s). Alternatively, Customer will have the option to i) purchase said Equipment prior to the date of the sale or divestiture closing and as otherwise provided in Section 23(c) or ii) return or have Apergy ESP remove the Equipment prior to the date of the sale or divestiture closing as otherwise provided in Section 23(d).