

Alberta Oil Tool, a Division of Apergy Canada ULC
Standard Terms and Conditions of Sale

General: All quotations and orders are subject to the following conditions of sale. Stenographic and clerical errors are subject to correction. All price lists are subject to change without notice. Orders become contracts only at such time as Alberta Oil Tool issues a Sales Order Acknowledgment at Edmonton, Alberta. The purchaser is deemed to have accepted and agreed to these terms and conditions when Alberta Oil Tool begins performing.

Orders: All orders for equipment or services are subject to acceptance by Alberta Oil Tool, Edmonton, Alberta, Canada. Sales on open account are subject to approval by our Accounts Department. The minimum billing charge is \$50.00.

Liability: Neither Alberta Oil Tool nor its agents, employees, or affiliates shall be liable to purchaser for any consequential, special, incidental, or indirect losses or damages of any nature whatsoever, including, but not limited to, loss of profit, interest, business interruption, increased expense of operation of facility or equipment, whether arising under or associated with liability of company under the law of contracts, torts (including, without limitation, negligence of every kind and strict liability, without fault), or property, or at common law or in equity violation of applicable laws and regulations or similar statutes of other jurisdictions, or otherwise, and however the same may be caused, whether by unavailability of the equipment, delays, shutdowns, or service interruptions, or otherwise. Purchaser agrees that Alberta Oil Tool's entire liability, and purchaser's exclusive remedy, in law and equity or otherwise with respect to the products and services provided by Alberta Oil Tool under these terms and conditions is solely limited to the amount paid by purchaser for the products to which the applicable claim relates.

We will not assume any responsibility, expense or liability for repairs or alterations to products without our written consent. No claims for contingent liability or consequential damages will be recognized or allowed by us.

Limited Warranty: All Alberta Oil Tool products are guaranteed against defects in material and workmanship for a period of (A) 12 months for Norriseal™ Control products, (B) 24 months for Norris® Rod Guide, Tubular and Accessory products, (C) 36 months for Norris Butterfly Valve products, and (D) for the entire life of Norris steel Sucker Rod, Drive Rod®, Pony Rod and Coupling products. This warranty applies only when materials are used within specified limits. Alberta Oil Tool's obligation under this warranty being limited to the repair or replacement of any part or parts of its own manufacture; items to be returned to Alberta Oil Tool's plant in Edmonton, Alberta, Canada, freight prepaid, which upon inspection are determined by Alberta Oil Tool to have been defective in material or workmanship, and further provided that said material or equipment should have been maintained in its original installation or shall have been in the continuous possession of the original user. We do not allow claims for unauthorized repairs, labor, or material. No guarantee is made against corrosion or chemical attack. Purchasers are

expected to make their own tests to determine the suitability of these products for their particular purposes. All metals and resilient synthetics are guaranteed to be of the material specified.

This warranty shall not apply to any products which have been subjected to (i) accident, misuse, abuse or neglect by any party other than Alberta Oil Tool, (ii) wear and tear from the normal use of the products, (iii) repair, alteration or modification by any party, other than Alberta Oil Tool, without prior written authorization from Alberta Oil Tool, (iv) improper installation, use, storage, care or maintenance by any party other than Alberta Oil Tool, (v) exposure to conditions outside the range of the environmental and/or operating specifications provided for the products, or (vi) force majeure events.

This warranty does not apply whatsoever in regard to merchandise, equipment, parts or accessories not of Alberta Oil Tool's own manufacture such as controllers, positioners, operators, solenoids, etc., Alberta Oil Tool's liability in such cases being limited to such adjustments, if any, as the manufacturer may grant, and Purchaser waives any warranties implied by law as to such items as to Alberta Oil Tool.

THE REMEDIES OF REPAIR OR REPLACEMENT SET FORTH ABOVE SHALL BE PURCHASER'S SOLE AND EXCLUSIVE REMEDY AND ALBERTA OIL TOOL'S ENTIRE LIABILITY FOR ANY BREACH OF THE WARRANTY SET FORTH IN THIS SECTION. ALBERTA OIL TOOL MAKES NO OTHER WARRANTIES, WHETHER EXPRESS, STATUTORY OR IMPLIED, WITH RESPECT TO THE PRODUCTS INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OR CONFORMANCE TO DESCRIPTION, OR ANY WARRANTIES ARISING FROM COURSE OF DEALING, TRADE PRACTICE OR OTHERWISE.

Alberta Oil Tool neither assumes nor authorizes any person to assume for it any other liability in connection with the sale or use of its material or equipment.

Change of Design: We reserve the right to discontinue the manufacture of, or change or modify the design and construction of any Alberta Oil Tool product, in due course of our manufacture procedure, without incurring any obligation to accept credit, to replace or furnish or install such changes or modifications on products previously or subsequently sold.

Rejections: Claims of incorrect quantities and incorrect or defective material must be filed in writing within ten days from receipt of said material and failure to give such notice shall constitute unqualified acceptance and a waiver of all such claims by purchaser. Sales order and purchase order references must be included. We then have the option of reinspection at the purchaser's plant or our own before allowing or rejecting the purchaser's claim. No material may be returned without first obtaining written permission from Alberta Oil Tool. Defects that

do not impair satisfactory service shall not be a cause for rejection.

Shipments: All prices are quoted EX-WORKS¹, Alberta Oil Tool, Edmonton, Alberta, Canada, unless otherwise agreed to and set forth in the Sales Order Acknowledgment. Title and risk of loss pass to the purchaser EX-WORKS¹ at Alberta Oil Tool's facility regardless of any transportation assistance Alberta Oil Tool may offer purchaser, and purchaser shall assume and bear the risk of loss, theft and damage to the completed order from any and every cause whatsoever. No loss or damage to the order once title has passed to the purchaser shall impair any obligation of the purchaser under these terms and conditions, which shall continue in full force and effect. Claims for shortage or damage in transit must be made by the customer against the carrier. Any shortage of cartons must be noted on freight bill when material is received. In the absence of definite shipping instructions, we reserve the right to ship all material, upon completion, by any public carrier that we deem satisfactory.

Taxes: The amount of any present or future sales, use or other similar tax applicable to the material sold hereunder shall be added to the price quoted and shall be billed to the purchaser in the same manner and with the same effect as if originally added hereto.

Security Interest: The purchaser hereby grants Alberta Oil Tool a security interest in all products purchased from Alberta Oil Tool to secure payment of all amounts due by the purchaser. Purchaser hereby authorizes Alberta Oil Tool, at its option, to file any initial financing statements, continuation statements or amendments thereto under the Personal Property Security Registration System, or other similar system, necessary to effectuate and perfect such security interest and the proceeds thereof.

Additional Charges: Additional charges will be made to cover the cost of unusual packing, delivery, engineering, servicing, overtime work, taxes, financing or any cost element not included in our price. Additional charges will be made after notice to purchaser to cover abnormal price increases by our suppliers.

In case of refusal or inability of purchaser to accept any shipment in accordance with the terms of his order, or contract, the purchaser shall be held liable for freight, express, storage, extra cost of handling and other expenses that may be incurred thereby. Should the purchaser's financial responsibility become unsatisfactory to Alberta Oil Tool, cash payment or satisfactory security may be demanded by Alberta Oil Tool.

Terms of Payment: Terms are Net 30 days from the date of invoice unless otherwise indicated on the Sales Order Acknowledgment. Interest will be charged on all accounts not paid 30 days after date of invoice at 1.5% per month, 18% per annum. Purchaser shall reimburse Alberta Oil Tool for all collection costs, court costs, administration costs, investigation costs, attorneys' fees and all other incidental costs, charges or expenses incurred in the collection of past due amounts or otherwise resulting or arising from any breach by purchaser of these terms and conditions. In addition to all other remedies available under these terms and conditions or at law (which

Alberta Oil Tool does not waive by the exercise of any rights under these terms and conditions), Alberta Oil Tool shall be entitled to suspend the delivery of any products or the performance of any services under this or any other agreement between the parties, if purchaser fails to pay any amount when due hereunder and such failure continues for 5 days following written notice thereof. Purchaser shall not withhold payment of any amount due and payable by reason of any set-off of any claim or dispute with Alberta Oil Tool, whether relating to Alberta Oil Tool's breach, bankruptcy or otherwise.

Tools, Fixtures, etc.: Charges for tools, fixtures, etc. are partial charge and do not convey ownership or the right to remove from our plant.

Inspection: When orders are accepted subject to customer's inspection, the products must be inspected and accepted at the Alberta Oil Tool point of manufacture.

Return of Goods: Written permission from Alberta Oil Tool corporate office must be secured before returning goods for credit. Returned goods must be returned, by the original purchaser or user, prepaid, unused, and in new condition. A restocking charge of the greater of 25% or \$150.00 will be made to cover the cost of receiving and processing; an additional charge may be added to cover the cost of reconditioning returned goods to salable condition unless otherwise agreed. If the goods are not a standard catalog item or have been used, the exact amount of credit will be dependent upon the current demand of the item to be returned and its "as received" condition. Material returned without written authorization from Alberta Oil Tool, Edmonton, will be returned at sender's expense. Non-standard Product will not be accepted as "returned for credit". Products will not be accepted as "returned for credit" if the period from the date of delivery, to the original purchaser, is greater than two (2) years.

Returns for Repair: Alberta Oil Tool must be notified in writing if the customer wishes to return equipment to the factory for repair. If the equipment is accepted, it will be repaired to like-new condition at the lowest possible cost. All shipments sent to Alberta Oil Tool's facility must be prepaid.

Change Orders or Cancellations: Any order received and accepted by Alberta Oil Tool cannot be changed or cancelled in any way without terms satisfactory to Alberta Oil Tool and which prevent Alberta Oil Tool from incurring any loss. Changes or cancellations of products considered non-standard or special will not be accepted without full reimbursement of all related expenses incurred to date. All cancellations and change orders must be made in writing to and approved by Alberta Oil Tool, subject to appropriate charges to Purchaser.

Export Control: The purchaser acknowledges that the goods sold under this Agreement, which may include technology and software, are subject to the customs and export control laws and regulations of Canada and may also be subject to the customs and export laws and regulations of the country in which the goods are manufactured and/or received. The purchaser confirms they are committed to complying with all relevant export laws and that purchaser is responsible for applying for

¹ Incoterms 2010

export licenses, if required, based on end-user or country of ultimate destination. Further the goods shipped pursuant to this Agreement may not be (a) trans-shipped, re-exported, diverted or directed other than in or to the ultimate country of destination declared by purchaser and specified as the country of final destination on the Sales Order Acknowledgment, or (b) sold, leased or otherwise transferred to restricted customers or utilized by restricted end-users engaged in activities related to weapons of mass destruction, including without limitation, activities related to the design, development, production or use of nuclear weapons, materials, or facilities, missiles or the support of missile projects, and chemical or biological weapons. The purchaser agrees not to provide any written regulatory certification on behalf of Alberta Oil Tool.

Exports and re-exports of these commodities, technology or software are subject to applicable laws and regulations. Diversion contrary to applicable laws and regulations is prohibited. Purchaser agrees to indemnify and hold Alberta Oil Tool, its agents, employees, and affiliates harmless from any and all costs, liabilities, penalties, sanctions and fines related to non-compliance with applicable export laws and regulations.

Routed Exports: If purchaser is responsible for authorizing the forwarder to act as its true and lawful agent for the purposes of preparing and filing the Export Declaration (B13A) in accordance with the laws and regulations of the Canada Border Services Agency (CBSA), the authorized agent must provide the copies of Export Documentation, including the AWB or B/L and the Export Declaration (B13A) to Alberta Oil Tool as soon as the documentation is available.

Force Majeure: Alberta Oil Tool shall not be liable for damages under these terms and conditions for a delay or failure in its performance as a result of causes beyond its reasonable control, including any law, order, regulation, direction, or request of any government having or claiming to have jurisdiction over Alberta Oil Tool, its subcontractors and/or its suppliers; failure or delay of transportation; insurrection, riots, national emergencies, war, acts of public enemies, strikes or inability to obtain necessary labor, manufacturing facilities, material or components from Alberta Oil Tool's usual sources; fires, floods or other catastrophes; acts of God, acts of omissions of purchaser or any causes beyond the reasonable control of Alberta Oil Tool and/or of its suppliers. Upon the giving of prompt written notice to purchaser of any such causes of a delay or failure in its performance of any obligation under these terms and conditions, the time of performance by Alberta Oil Tool shall be extended to the extent and for the period that its performance of said obligations is prevented by such cause.

Governing Law: These terms and conditions shall be governed by the laws of the Province of Alberta, without regard to conflict of laws principles.

Consent to Forum: Purchaser hereby consents to the jurisdiction of any state or federal court located in Calgary, AB and consents that it may be served with any process or paper by registered mail or by personal service within or outside the Province of Alberta in accordance with applicable law. Furthermore, purchaser waives and agrees not to assert in any such action, suit or proceeding that it is not personally subject to the jurisdiction of such courts, that the action, suit or proceeding

is brought in an inconvenient forum or that venue of the action, suit or proceeding is improper. Nothing contained in this section shall limit or restrict the right of Alberta Oil Tool to commence any proceeding in the federal or state courts located in the province where purchaser resides or maintains its chief executive offices, as applicable, or in any other province, to the extent Alberta Oil Tool deems such proceeding necessary or advisable to exercise remedies available under these terms and conditions.

Waiver of Jury Trial: Alberta Oil Tool and purchaser each hereby waive any right to trial by jury in any action, suit, proceeding or counterclaim of any kind arising out of or relating to these terms and conditions.

Severability: Wherever possible, each provision of these terms and conditions shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of these terms and conditions shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of these terms and conditions.

Waiver: Either party's failure at any time to require strict performance by the other of any of the terms or provisions of these terms and conditions shall not waive or diminish that party's rights thereafter to demand strict compliance therewith or with any other provision. Waiver by either party of any default by the other shall not waive any other or similar defaults by the other party.

Amendments: These terms and conditions are the exclusive agreement between the parties relating to the subject matter hereof and supersedes all prior understandings, writings, proposals, representations or communications, oral or written, of either party. These terms and conditions may only be amended in writing by authorized representatives of both parties.

Captions: The captions of these terms and conditions are for convenience and reference only and in no way define, limit or describe the scope or intent of these terms and conditions or any provision thereof.

Binding Effect: These terms and conditions shall be binding upon and inure to the benefit of Alberta Oil Tool, purchaser and their respective successors and permitted assignees. Purchaser shall not assign its rights or obligations under these terms and conditions (by operation of law or otherwise) without the prior written consent of Alberta Oil Tool, which consent will not be unreasonably withheld. For purposes of these terms and conditions, assignment shall include a change in control of purchaser in which more than fifty percent (50%) of the equity interests of purchaser cease to be beneficially owned by the equity holders of purchaser as of the date the products are purchased by purchaser.

Corporate Authority: The parties hereto covenant and warrant that the persons executing the transaction agreement on their behalf have been duly authorized to do so, and these terms and conditions and the transaction agreement constitutes a valid and binding obligation of each party hereto.