

GENERAL TERMS AND CONDITIONS FOR THE PURCHASE OF GOODS AND SERVICES

1. Applicability.

(a) The term “**Seller**” shall include all suppliers of Goods and Services for Buyer’s designated benefit. The term “**Buyer**” means The Quality Companies LLC and its affiliate companies and its and their subsidiaries, including without limitation: Quality Construction & Production, L.L.C., Quality Production Management, L.L.C., Zadok Technologies Inc., and Traco Production Services, Inc.

(b) The term “**Goods**” means the materials, equipment and/or supplies which are the subject matter of the Purchase Order. The term “**Services**” means labor performed under the Purchase Order, or related to or rendered in connection with the Goods, as may be provided from time to time by Seller or its subcontractors.

(c) These terms and conditions of purchase (these “**Terms**”) are the only terms which govern the purchase of Goods and Services by Buyer from the Seller named in the Purchase Order.

(d) The accompanying purchase order (the “**Purchase Order**”) and these Terms (collectively, this “**Agreement**”) comprise the entire agreement between the parties, and supersede all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral. These Terms prevail over any of Seller's general terms and conditions regardless of whether or when Seller has submitted its sales confirmation or such terms. This Agreement expressly limits Seller's acceptance to the terms of this Agreement. Fulfillment of or other performance under this Purchase Order constitutes acceptance of these Terms.

2. Delivery of Goods and Performance of Services.

(a) Seller shall deliver the Goods in the quantities and on the date(s) specified in the Purchase Order or as otherwise agreed in writing by the parties (the “**Delivery Date**”). If Seller fails to deliver the Goods in full on the Delivery Date, Buyer may terminate this Agreement immediately by providing written notice to Seller and Seller shall indemnify Buyer against any losses, claims, damages, and reasonable costs and expenses directly attributable to Seller's failure to deliver the Goods on the Delivery Date.

(b) Seller shall deliver all Goods to the address specified in the Purchase Order (the “**Delivery Point**”) during Buyer's normal business hours or as otherwise instructed by Buyer. Seller shall pack all goods for shipment according to Buyer's instructions or, if there are no instructions, in a manner sufficient to ensure that the Goods are delivered in undamaged condition. Seller must provide Buyer prior written notice if it requires Buyer to return any packaging material. Any return of such packaging material shall be made at Seller's risk of loss and expense.

(c) Seller shall provide the Services to Buyer as described and in accordance with the dates or schedule set forth on the Purchase Order and in accordance with the terms and conditions set forth in these Terms.

(d) Seller acknowledges that time is of the essence with respect to Seller's obligations hereunder and the timely delivery of the Goods and Services, including all performance dates, timetables, project milestones and other requirements in this Agreement.

(e) Seller’s acceptance of a Purchase Order means that Seller has fully investigated and incorporated the following into the compensation set forth in the applicable Purchase Order: the conditions at and around the site where the Services are to be performed; the reasonably foreseeable complications, hazards and risks incident to performing the Services; and the availability of labor, tools, material, supplies, equipment and transportation necessary to perform the Services.

(f) Seller shall furnish all labor, services, tools, material, supplies, equipment and transportation necessary to perform the Services, unless otherwise specified in the applicable Purchase Order.

3. Shipping Terms. Delivery shall be made in accordance with the Incoterms on the face of this Agreement. The Purchase Order number must appear on all shipping documents, shipping labels, bills of lading, invoices, correspondence and any other documents pertaining to the Purchase Order.

4. Title and Risk of Loss. Title and risk of loss passes to Buyer upon delivery of the Goods at the Delivery Point.

5. Buyer’s Inspection.

(a) Inspection and Rejection of Nonconforming Goods. Buyer has the right to inspect the Goods on or after the Delivery Date. Buyer, at its sole option, may inspect all or a sample of the Goods, and may reject all or any portion of the Goods if it determines the Goods are nonconforming or defective. If Buyer rejects any portion of the Goods, Buyer has the right, effective upon written notice to Seller, to: (a) rescind this Agreement in its entirety; (b) accept the Goods at a reasonably reduced price; or (c) reject the Goods and require replacement of the rejected Goods. If Buyer requires replacement of the Goods, Seller shall, at its expense, within two (2) days replace the nonconforming or defective Goods and pay for all related expenses, including, but not limited to, transportation charges for the return of the defective goods and the delivery of replacement Goods. If Seller fails to timely deliver replacement Goods, Buyer may replace them with goods from a third party and charge Seller the cost thereof and terminate this Agreement for cause pursuant to Section

15. Any inspection or other action by Buyer under this Section shall not reduce or otherwise affect Seller's obligations under the Agreement, and Buyer shall have the right to conduct further inspections after Seller has carried out its remedial actions.

(b) Inspection of Services. Buyer shall have full access to the Services and may inspect the Services at any time. No inspection or failure to inspect by Buyer shall constitute approval of such Services or a waiver of any of Buyer's rights or remedies or relieve Seller of any of its obligations under this Agreement.

6. Price. The price of the Goods and Services is the price stated in the Purchase Order (the "**Price**"). Unless otherwise specified in the Purchase Order, the Price includes all packaging, transportation costs to the Delivery Point, insurance, customs duties, fees and applicable taxes, including, but not limited to, all sales, use or excise taxes. No increase in the Price is effective, whether due to increased material, labor or transportation costs or otherwise, without the prior written consent of Buyer.

7. Payment Terms. Seller shall issue an invoice to Buyer on or any time after the completion of delivery and only in accordance with these Terms. Buyer shall pay all properly invoiced amounts due to Seller within sixty (60) days after Buyer's receipt of such invoice, except for any amounts disputed by Buyer in good faith. Seller shall continue performing its obligations under this Agreement notwithstanding any such dispute. Without prejudice to any other right or remedy it may have, Buyer reserves the right to set off at any time any amount owing to it by Seller against any amount payable by Buyer to Seller.

8. Seller's Obligations Regarding Services. Seller shall:

(a) before the date on which the Services are to start, obtain, and at all times during the term of this Agreement, maintain, all necessary licenses and consents and comply with all relevant laws applicable to the provision of the Services;

(b) comply with all rules, regulations and policies of Buyer, including security procedures concerning systems and data and remote access thereto, building security procedures, including the restriction of access by Buyer to certain areas of its premises or systems for security reasons, and general health and safety practices and procedures;

(c) maintain complete and accurate records relating to the provision of the Services under this Agreement, including records of the time spent and materials used by Seller in providing the Services in such form as Buyer shall approve. During the term of this Agreement and for a period of two years thereafter, upon Buyer's written request, Seller shall allow Buyer to inspect and make copies of such records and interview Seller personnel in connection with the provision of the Services;

(d) obtain Buyer's written consent, which may be given or withheld in Buyer's sole discretion, prior to entering into agreements with or otherwise engaging any person or entity, including all subcontractors and affiliates of Seller, other than Seller's employees, to provide any Services to Buyer (each such approved subcontractor or other third party, a "**Permitted Subcontractor**"). Buyer's approval shall not relieve Seller of its obligations under the Agreement, and Seller shall remain fully responsible for the performance of each such Permitted Subcontractor and its employees and for their compliance with all of the terms and conditions of this Agreement as if they were Seller's own employees. Nothing contained in this Agreement shall create any contractual relationship between Buyer and any Seller subcontractor or supplier;

(e) require each Permitted Subcontractor to be bound in writing by the confidentiality provisions of this Agreement, and, upon Buyer's written request, to enter into a non-disclosure or intellectual property assignment or license agreement in a form that is reasonably satisfactory to Buyer;

(f) ensure that all persons, whether employees, agents, subcontractors, or anyone acting for or on behalf of the Seller, are properly licensed, certified or accredited as required by applicable law and are suitably skilled, experienced and qualified to perform the Services;

(g) ensure that all of its equipment used in the provision of the Services is in good working order and suitable for the purposes for which it is used, and conforms to all relevant legal standards and standards specified by the Buyer; and

(h) keep and maintain any Buyer equipment in its possession in good working order and shall not dispose of or use such equipment other than in accordance with the Buyer's written instructions or authorization.

9. Change Orders. Buyer may at any time, by written instructions and/or drawings issued to Seller (each a "**Change Order**"), order changes to the Services. Seller shall within one (1) day of receipt of a Change Order submit to Buyer a firm cost proposal for the Change Order. If Buyer accepts such cost proposal, Seller shall proceed with the changed services subject to the cost proposal and the terms and conditions of this Agreement. Seller acknowledges that a Change Order may or may not entitle Seller to an adjustment in the Seller's compensation or the performance deadlines under this Agreement.

10. Warranties.

(a) Seller warrants to Buyer that for a period of twelve (12) months from the Delivery Date, all Goods will: (i) be free from any defects in workmanship, material and design; conform to applicable specifications, drawings, designs, samples and other requirements specified by Buyer; (ii) be fit for their intended purpose and operate as intended; (iii) be merchantable; (iv) be free and clear of all liens, security interests or other encumbrances; and (v) not infringe or misappropriate any third party's patent or other intellectual property rights. These warranties survive any delivery, inspection, acceptance or payment of or for the Goods by Buyer.

(b) Seller warrants to Buyer that it shall perform the Services using personnel of required skill, experience and qualifications and in a professional and workmanlike manner in accordance with best industry standards for similar services and shall devote adequate resources to meet its obligations under this Agreement.

(c) the warranties set forth in this Section 10 are cumulative and in addition to any other warranty provided by law or equity. Any applicable statute of limitations runs from the date of Buyer's discovery of the noncompliance of the Goods or Services with the foregoing warranties.

(d) If Buyer gives Seller notice of noncompliance pursuant to this Section 10, Seller shall, at its own cost and expense, promptly (i) replace or repair the defective or nonconforming Goods and pay for all related expenses, including, but not limited to, transportation charges for the return of the defective or nonconforming goods to Seller and the delivery of repaired or replacement Goods to Buyer, and, if applicable, (ii) correct or re-perform the applicable Services.

(e) Seller will be responsible for any and all Losses resulting from its failure to meet its warranty obligations. If Seller fails to remedy deficient Goods or Services as required by the preceding paragraph, Seller agrees that Buyer shall have the right to remedy such defects at Seller's expense.

11. General Indemnification. Seller shall defend, indemnify and hold harmless Buyer and Buyer's subsidiaries, affiliates, successors or assigns and their respective directors, officers, shareholders and employees (collectively, "**Indemnitees**") from and against any and all loss, injury, death, damage, liability, claim, deficiency, action, judgment, interest, award, penalty, fine, cost or expense, including reasonable attorney and professional fees and costs, and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers (collectively, "**Losses**") arising out of or occurring in connection with (a) any breach or non-fulfillment of any representation, warranty, or covenant under this Agreement by Seller; (b) any negligent or more culpable act or omission of Seller, its subcontractors, or their respective employees, agents, or representatives (including any recklessness or willful misconduct) in connection with the performance of its obligations under this Agreement; or (c) any bodily injury or death of any individual, or damage to real or tangible personal property caused by the acts or omissions of Seller, its subcontractors, or their respective employees, agents, or representatives. Seller shall not enter into any settlement without Buyer's prior written consent.

12. Insurance. If the Agreement provides for Seller to perform services on Buyer's location or a third party's or public location, including, but not limited to, the delivery and/or unloading of Goods, such as, but not limited to, Goods installation at Buyer's location, Seller shall obtain and maintain until the completion of Seller's obligations under the Agreement, at Seller's sole expense and with insurance companies having at least an A.M. Best A-VII rating (or equivalent, if not rated by A.M. Best) and authorized to do business in the jurisdiction in which the Services are to be performed, insurance coverage of the types and limits described below. Seller warrants and shall ensure that each subcontractor shall obtain and maintain the same insurance coverage of the types and limits as required of Seller and meeting all other requirements of this Section applicable thereto. The limits and coverages set forth below are minimums and will not be construed to limit Seller's liability. The required liability insurance can be met under a primary or an excess policy or any combination thereof. All costs and deductible amounts will be for the sole account of Seller.

(a) Workers' Compensation insurance complying with the laws having jurisdiction over each employee (including an alternate employer endorsement naming Buyer as alternate employer), whether or not Seller is required by such laws to maintain such insurance, and Employer's Liability insurance with limits of \$1,000,000 each accident, \$1,000,000 disease each employee, and \$1,000,000 disease policy limit. If any portion of the services are performed offshore or on navigable waterways, this insurance shall be endorsed to provide Maritime Liability coverage, including Longshore and Harbor Worker's Act, Outer Continental Shelf Lands Act, Jones Act, Death on High Seas and In Rem.

(b) Commercial General Liability insurance on an occurrence form with a combined single limit of \$1,000,000 each occurrence, and annual aggregates of \$1,000,000, for bodily injury and property damage, including coverage for premises-operations, contractual liability where required by written contract, broad form property damage, personal injury liability, products/completed operations, sudden and accidental pollution and explosion, collapse and underground property damage.

(c) Automobile Liability insurance complying with any regulatory body having jurisdiction, or a combined single limit of \$1,000,000 each accident for bodily injury and property damage, whichever is the greater, but to include coverage for all vehicles used in performance of services related to the Agreement, whether owned, non-owned, or hired.

(d) Umbrella/Excess Liability Insurance applying in excess of the requirements of the policies required by above paragraphs (a) (Employer's Liability only), (b), and (c) with a combined single limit of \$10,000,000 per occurrence and in the aggregate.

In each of the above described policies, Seller and all subcontractors agree to waive and will require their insurers to waive any rights of subrogation or recovery they may have against the Indemnitees. Under the policies described in paragraphs (b), (c), and (d) above, the Indemnitees will be included as additional insureds as respects services to be performed related to the Agreement with respect to liability for bodily injury, property damage or personal and advertising injury caused in whole or in part by Seller's acts and omissions or the acts or omissions of those acting on Seller's behalf. Such policies will be primary insurance with respect to the Indemnitees, and any other insurance maintained by any Indemnitee is excess and not contributory with this insurance.

Non-renewal or cancellation of policies described above will be effective only after written notice is received by Buyer from Seller thirty (30) days in advance of any such non-renewal or cancellation. Prior to rendering any Services, Seller and each subcontractor as

appropriate shall deliver to Buyer certificates of insurance evidencing the existence of the insurance required above. If the insurance policies described in this Section are not obtained and maintained as provided, Buyer shall have the right to immediately terminate the Agreement, or to suspend delivery of the Goods and/or performance of the Services until such time as the obligations of this Section are satisfied, without any liability to Seller.

13. Intellectual Property.

(a) All intellectual property rights, including copyrights, patents, patent disclosures and inventions (whether patentable or not), trademarks, service marks, trade secrets, know-how and other confidential information, trade dress, trade names, logos, corporate names and domain names, together with all of the goodwill associated therewith, derivative works and all other rights (collectively, "**Intellectual Property Rights**") in and to all documents, work product and other materials that are delivered to Buyer under these terms and conditions or prepared by or on behalf of Seller in the course of performing the Services (collectively, the "**Deliverables**") shall be owned exclusively by Buyer. Seller agrees, and shall cause its employees (collectively, "**Seller Personnel**") to agree, that with respect to any Deliverables that may qualify as "work made for hire" as defined in 17 U.S.C. § 101, such Deliverables are hereby deemed a "work made for hire" for Buyer. To the extent that any of the Deliverables do not constitute a "work made for hire," Seller hereby irrevocably assigns, and shall cause the Seller Personnel to irrevocably assign to Buyer, in each case without additional consideration, all right, title, and interest throughout the world in and to the Deliverables, including all Intellectual Property Rights therein. Seller shall cause Seller Personnel to irrevocably waive, to the extent permitted by applicable law, any and all claims such Seller Personnel may now or hereafter have in any jurisdiction to so-called "moral rights" or rights of droit moral with respect to the Deliverables.

(b) Seller shall, at its expense, defend, indemnify and hold harmless Buyer and any Indemnitee against any and all Losses arising out of or in connection with any claim that Buyer's or Indemnitee's use or possession of the Goods or use of the Services infringes or misappropriates the patent, copyright, trade secret or other intellectual property right of any third party. In no event shall Seller enter into any settlement without Buyer's or Indemnitee's prior written consent.

14. Compliance with Law. Seller shall comply with all applicable laws, regulations and ordinances. Seller shall maintain in effect all the licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations under this Agreement. Seller shall comply with all export and import laws of all countries involved in the sale of the Goods under this Agreement or any resale of the Goods by Seller. Seller assumes all responsibility for shipments of Goods requiring any government import clearance. Buyer may terminate this Agreement if any governmental authority imposes antidumping or countervailing duties or any other penalties on Goods.

15. Termination. In addition to any remedies that may be provided under these Terms, Buyer may terminate this Agreement with immediate effect upon written notice to the Seller, either before or after the acceptance of the Goods or the Seller's delivery of the Services, if Seller has not performed or complied with any of these Terms, in whole or in part. If the Seller becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors, then the Buyer may terminate this Agreement upon written notice to Seller. If Buyer terminates the Agreement for any reason, Seller's sole and exclusive remedy is payment for the Goods received and accepted and Services accepted by Buyer prior to the termination.

16. Waiver; Amendment. No waiver by Buyer of any of the provisions of this Agreement is effective unless explicitly set forth in writing and signed by Buyer. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement operates, or may be construed, as a waiver thereof. No single or partial exercise of any right, remedy, power or privilege hereunder precludes any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. These Terms may only be amended or modified in a writing stating specifically that it amends these Terms and is signed by an authorized representative of each party.

17. Confidential Information. All non-public, confidential or proprietary information of Buyer, including but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, disclosed by Buyer to Seller, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential" in connection with this Agreement is confidential, solely for the purpose of performing this Agreement and may not be disclosed or copied unless authorized in advance by Buyer in writing. Upon Buyer's request, Seller shall promptly return all documents and other materials received from Buyer. Buyer shall be entitled to injunctive relief for any violation of this Section.

18. Force Majeure. No party shall be liable or responsible to the other party, or be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement, when and to the extent such party's (the "**Impacted Party**") failure or delay is caused by or results from the following events ("**Force Majeure Event(s)**"): (a) acts of God; (b) flood, fire, earthquake, hurricane, or explosion; or (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest. The Impacted Party shall give notice within 24 hours of the Force Majeure Event to the other party, stating the period of time the occurrence is expected to continue. The Impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized. The Impacted Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause. In the event that the Impacted Party's failure or delay remains uncured for a period of fifteen (15) days following written notice given by it under this Section, the other party may thereafter terminate this Agreement upon written notice to the Impacted Party.

19. Liens. Seller shall pay when due all of its obligations to third parties incurred in connection with the Goods and Services and shall keep Buyer's property free and clear of all liens and other encumbrances arising out of this Agreement. If Seller breaches this Section, then, in addition to any other rights which Buyer may have against Seller, Buyer may withhold payment from Seller until sufficient funds have been withheld to satisfy such obligations and/or to cause the release of such liens or other encumbrances.
20. Assignment. Seller shall not assign, transfer, delegate or subcontract any of its rights or obligations under this Agreement without the prior written consent of Buyer. Any purported assignment or delegation in violation of this Section shall be null and void. No assignment or delegation shall relieve the Seller of any of its obligations hereunder. Buyer may at any time assign or transfer any or all of its rights or obligations under this Agreement without Seller's prior written consent to any affiliate or to any person acquiring all or substantially all of Buyer's assets.
21. Relationship of the Parties. The relationship between the parties is that of independent contractors. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.
22. No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and the Indemnities, and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.
23. Governing Law; Submission to Jurisdiction. All matters arising out of or relating to this Agreement are governed by and construed in accordance with the internal laws of the State of Louisiana without giving effect to any choice or conflict of law provision or rule (whether of the State of Louisiana or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the State of Louisiana. Any legal suit, action or proceeding arising out of or relating to this Agreement shall be instituted in the federal courts of the United States of America or the courts of the State of Louisiana in each case located in the Parish of East Baton Rouge, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.
24. Attorneys' Fees. If either Buyer or Seller institutes suit to enforce any right or obligation against the other arising from this Agreement, the one to prevail shall be entitled to recover all expenses of litigation, attorneys' fees, and court costs from the other.
25. Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder (each, a "Notice") shall be in writing and addressed to the parties at the addresses set forth on the face of the purchase order or to such other address that may be designated by the receiving party in writing. All Notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a Notice is effective only (a) upon receipt of the receiving party, and (b) if the party giving the Notice has complied with the requirements of this Section.
26. Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.
27. Survival. Provisions of these Terms which by their nature should apply beyond their terms will remain in force after any termination or expiration of this Agreement including, but not limited to, the following provisions: General Indemnification, Insurance, Intellectual Property, Confidential Information, Governing Law; Submission to Jurisdiction, and Survival.
28. Statutory Employer. In all cases where Seller's employees (meaning Seller's direct, borrowed, special or statutory employees) are covered by the Louisiana Worker's Compensation Act, La. R.S. 23:1021 et seq., Buyer and Seller agree that Buyer shall be and hereby is designated as the statutory employer of Seller's direct, borrowed, special and statutory employees, pursuant to La. R.S. 23:1061(A)(3). Buyer and Seller further agree that the Services are an integral part of and essential to Buyer's ability to generate its goods, products and services. This provision is included for the sole purpose of establishing a statutory employer relationship to gain the benefits expressed in La. R.S. 23:1061, and is not intended to create an employer/employee relationship for any other purpose. Buyer shall be entitled to all rights and protections afforded a statutory employer under La. R.S. 23:1061, including without limitation the indemnification under La. R.S. 23:1061(B), and such indemnification shall apply notwithstanding anything to the contrary in this Agreement. Neither Seller nor its underwriters shall be entitled to seek contribution from Buyer for any worker's compensation benefits payments made on behalf of any of Seller's direct, borrowed, special or statutory employees for purposes of La. R.S. 23:1031(C).