

STRESS ENGINEERING SERVICES, INC. PURCHASE ORDER TERMS AND CONDITIONS

1. Applicability

1.1. Scope. These Terms & Conditions of Purchase (these “**T&Cs**”) apply to all Purchaser’s orders for goods or services, in addition to any terms set forth on the face of Purchaser’s individual order or in any plans, specifications and/or other documents incorporated by reference therein (collectively a “**Purchase Order**”).

(a) Acceptance. A Purchase Order is accepted by Vendor on the earlier of (i) Vendor’s written acceptance of the Purchase Order, (ii) Vendor’s shipment of any goods or rendering any services described in the Purchase Order, or (iii) the expiration of 15 days following Purchaser’s issuance of the Purchase Order (unless Vendor provides a written notice of non-acceptance to Purchaser within that time). Acceptance by Purchaser of any offer from Vendor is expressly limited to the terms and conditions of the Purchase Order.

(b) Other Terms. Purchaser hereby objects to and shall not be bound by any additional, different, or conflicting term contained in any oral or written communication between the parties of any kind, including any Vendor shipping paper, confirmation, form, letter, paper, email, or electronic communication. Every such term shall be of no force or effect, except to the extent otherwise provided in Section 1.3 below.

1.2. Definitions. As used in these T&Cs:

(a) “Affiliate” is a corporation, partnership, or other business entity that directly, or indirectly through one or more intermediaries, controls or

is controlled by, or is under common control with, the person or entity specified.

(b) “Purchaser” means the Stress Engineering Services, Inc. or its Affiliate that issues the Purchase Order.

(c) “Vendor” is the addressee or intended recipient of Purchaser’s Purchase Order (and its Affiliates).

(d) “Work” is the goods, deliverables, and/or work and services provided by Vendor.

1.3. Modification by Amendment. These T&Cs may be modified only by a writing that is signed by Purchaser’s authorized representative and by Vendor (“**Amendment**”). When a conflict arises between these T&Cs and a Written Contract, the provisions of the Amendment always control.

1.4 Changes. Purchaser may at any time, in writing, make reasonable changes in the Purchase Order. If any changes cause an increase or decrease in the cost of, or the time required for performance, Purchaser and Vendor shall determine an equitable adjustment to Vendor’s fee or delivery schedule, or both. Such adjustment shall be evidenced by Amendment.

Vendor must receive prior permission from Purchaser before making any significant changes to the product or services under this Purchase Order. This includes but is not limited to changes in: i) manufacturing; ii) location; iii) process or equipment; iv) suppliers of raw materials; v) test or other methods; or (vi) materials. In addition, Vendor must notify Purchaser promptly regarding changes to any

equipment used under this Purchase Order, including equipment which is found out of tolerance, which could have affected the results provided from Vendor to Purchaser.

2. Termination

2.1. Termination for Cause. Purchaser may, by written notice to Vendor, terminate the Purchase Order, or any part thereof, in the event that Vendor (i) fails to make timely, complete, and conforming delivery of the Work; (ii) breaches any of its representations or warranties in the Purchase Order; (iii) breaches any of the terms and conditions of the Purchase Order; (iv) ceases its business operations; or (v) becomes insolvent or files for bankruptcy protection.

(a) No Payment Obligation. Whenever Purchaser terminates for cause, Purchaser has no payment obligations to Vendor of any kind whatsoever.

(b) Adverse Court Determination. If a court determines that Purchaser's termination for cause was unjustified, then (i) such termination shall be considered to be a termination for convenience pursuant to Section 2.2 below, and (ii) Vendor shall have all rights under that provision (but no other rights or claims for damages).

2.2. Termination for Convenience. Purchaser may, by written notice to Vendor, terminate the Purchase Order, or any part thereof, for any or no reason, for Purchaser's convenience. Upon notice of termination, Vendor shall immediately stop all Work and cause its suppliers and/or subcontractors to stop all Work in connection with the Purchase Order. If Purchaser terminates for convenience, Purchaser shall pay Vendor for Work accepted as of the date of termination, and, subject to Section 5.5, for Vendor's actual, reasonable, and documented out of pocket costs incurred directly as a result of such termination. Purchaser shall have no

responsibility for Work performed after Vendor's receipt of notice of termination or any anticipated profits.

3. Price and Terms

3.1. Price. The price shall be the amount stated in the Purchase Order.

3.2. Freight Charges. Except as expressly provided in the Purchase Order, the price in the Purchase Order shall include packing, shipping DDP (Purchaser's Facility) as set out in INCOTERMS 2020, unloading, assembling and installation, and Purchaser shall not be charged any additional amounts for such services. Collect shipments will not be accepted.

3.3. Payments. Unless otherwise specified in the Purchase Order, payment terms shall be Net 60. However, except as expressly stated in the Purchase Order, payment shall not be due (i) before final acceptance by Purchaser and (ii) until Purchaser receives a correct and proper invoice for the amount due (which accurately reflects the terms in the Purchase Order). Purchaser will use reasonable commercial efforts to pay invoices within terms. However, Purchaser is not obligated to pay late fees, interest, or penalties for invoices paid outside the Purchase Order's terms.

3.4. Setoff. Purchaser has the right to reduce and set off against amounts payable under the Purchase Order any indebtedness or other claim which Purchaser may have against Vendor, regardless of how or when it arose.

3.5. U.S. Dollars. Unless the Purchase Order expressly provides to the contrary, all quotes and amounts paid under the Purchase Order shall be in U. S. Dollars, and Vendor bears the risk of fluctuation in foreign exchange rate.

4. Deliveries

4.1. Packing. Purchaser's Purchase Order number, Project Number, Project Manager, and

specific delivery location must appear on the outside of each package and on all packing slips, invoices, and allied papers. A packing slip must be included with each shipment. Except as expressly provided in the Purchase Order, Vendor shall pack, mark and prepare all shipments to meet the carrier's requirements, at Vendor's expense.

4.2. Timely Delivery. Time is of the essence in fulfillment of the Purchase Order. Shipment and delivery shall be made in accordance with the Purchase Order. Purchaser may, at its option, and without limitation of any of its other rights, cancel any unfilled part of the Purchase Order if complete, conforming delivery is not made within the times specified. Purchaser is not required to accept partial or incomplete delivery. Acceptance of any part of the Purchase Order shall not bind the Purchaser to accept any future shipments.

4.3. Inspection. Work furnished under the Purchase Order shall at all times be subject to Purchaser's inspection and approval prior to acceptance and/or payment. If in Purchaser's opinion, such Work fails to conform to specifications thereof, or is otherwise defective, Purchaser has the right to reject the same and require Vendor's prompt replacement thereof. Rejections may, at Purchaser's option, be returned to Vendor at Vendor's expense and risk.

4.4. Title and Risk of Loss. Until the Work purchased pursuant to the Purchase Order are actually received and accepted by Purchaser, Vendor shall bear the risk of loss, and be solely responsible for damage to the Work. Title shall transfer to Purchaser on the earlier of payment for the Work or acceptance by Purchaser.

5. Warranties and Liability

5.1 Vendor Warranties. Vendor warrants that all Work, material, work product, services, and merchandise supplied under the Purchase

Order (i) shall strictly conform to all specifications, drawings, samples, or other descriptions furnished to and approved by Purchaser; (ii) shall be fit and serviceable for the purpose intended; (iii) shall be of good quality and free from defects in materials and workmanship; (iv) shall be new and not refurbished or reconditioned, unless expressly agreed in writing by Purchaser; and (v) shall not infringe any patent, copyright, trademark, trade secret or other intellectual property, proprietary or contractual right of any third party.

(a) Good Title. Vendor warrants that (i) Purchaser shall have good and marketable title to all Work and all components thereof; (ii) upon delivery, the goods shall be free and clear of all liens and encumbrances of any kind, including purchase money security interests; and (iii) no licenses are required for Purchaser to use such Work.

(b) Services. With respect to services, Vendor warrants that all services shall be provided in a professional and workmanlike manner, with a degree of skill and care consistent with current, good and sound professional procedures.

(c) Effect of Receipt and Payment. Neither receipt of Work, nor payment therefor by the Purchaser, shall ever be deemed to constitute a waiver of the above provisions or preclude Purchaser from enforcing the above provisions as written.

(d) Return Rights. In the event that a breach of warranty occurs, Purchaser may, in its sole discretion, and without waiving any of its other rights, return for credit or require prompt correction or replacement of the nonconforming Work.

5.2. Intellectual Property Indemnity. Vendor shall indemnify, defend and hold Purchaser harmless against all claims, liabilities, losses, damages, costs and expenses (including

reasonable legal fees) resulting from or arising in connection with any actual or claimed infringement of any patent, copyright, trademark, trade secret or other intellectual property, proprietary or contractual right of any third party, with respect to the Work provided under the Purchase Order.

5.3. Vendor Indemnity. Vendor agrees to hold harmless and indemnify Purchaser from and against any and all loss, damage, injury, claims or demands and liability for personal injuries including death, property damage and loss, and liens of workman and material which may be alleged to have occurred in connection with the direct or indirect execution of the Purchase Order. VENDOR UNDERSTANDS AND AGREES THAT THIS PROVISION SHALL BIND IT WHETHER SUCH LOSS, DAMAGE, INJURY, CLAIMS OR DEMANDS ARE CAUSED BY THE ALLEGED NEGLIGENCE OF VENDOR, OF PURCHASER, THEIR AGENTS OR SERVANTS, OR OTHER MANNER, EXCEPTING ONLY DAMAGE TO PERSON OR PROPERTY RESULTING FROM PURCHASER'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. Vendor shall, at its expense, carry adequate general liability and property damage insurance, professional liability insurance (if Vendor provides professional services), as well as workmen's compensation insurance, and, upon request, Vendor shall furnish to Purchaser certificates of such insurance coverage. Vendor shall include Purchaser as an additional insured on such policies, excluding workmen's compensation.

5.4. Purchaser's Damages. Without limiting Purchaser's rights and remedies at law or in equity, Purchaser reserves the right to charge Vendor for any loss, expense (including reasonable attorneys' fees) or damage sustained as a result of Vendor's failure to deliver conforming Work or other breach of the Purchase Order, including without limitation, expenses incurred in connection with

Purchaser's purchase of substitute goods resulting from Vendor's failure or breach.

5.5. Limitation of Parties' Liability. In any event, neither party shall be liable to the other party for any anticipated profits or any incidental, punitive, or consequential damages.

5.6. Independent Contractor. The Work associated with the Purchase Order shall be performed by Vendor as an independent contractor. Vendor has full power and authority to select the means, methods, and manner of performing the Work. The Purchase Order does not in any way create an employer/employee relationship, partnership, or joint venture between Purchaser and Vendor. Vendor shall not represent itself to third parties to be other than an independent contractor of Purchaser, nor shall Vendor offer or agree to incur or assume any obligations or commitments in the name of Purchaser.

5.7. Safety Precautions. Vendor shall comply with the safety procedures of any site where Work is performed and safety procedures of Purchaser at any time when Vendor is present on the premises of Purchaser, which safety procedures shall be provided to Vendor upon request, provided that the safety requirements of the site where Work is performed or listed in the safety procedures of Purchaser shall not relieve Vendor from complying with any applicable laws, ordinances, regulations and rules. Any breach of this Section 5.7 shall be grounds for immediate termination of this Agreement without liability to Purchaser.

6. Right to Audit

6.1 Audit. Vendor shall maintain a complete, correct, and confidential set of records and accounts pertaining to all aspects of Work performed under the Purchase Order, including the performance of the Work by Vendor and its subcontractors, if any. Purchaser or its independent auditor, shall have the right, at all

reasonable hours, to inspect and audit such records and accounts, as well as any and all procedures, controls, records, and accounting data related to Vendor's relationship with Purchaser, the performance of the Work, and/or the valuation of the Work, including, without limitation, all reimbursable costs and expenses. The right to audit and inspect shall extend for a period of four (4) years after the termination of the Purchase Order. Any payment determined to be due either Purchaser or Vendor shall be paid promptly by the other party.

7. Dispute Resolution

7.1. In General. These dispute resolution provisions may be modified by the parties in writing. Nothing herein prevents the parties from utilizing mediation if they so agree. As used below, the amount of a party's requested claim or counterclaim excludes (i) interest; (ii) the monetary value of injunctive relief sought; (iii) any arbitration and arbitrator fees; (iv) all costs, disbursements, and attorney fees; and (v) damages not recoverable hereunder.

Arbitration. Any claim arising out of or relating to the Purchase Order or the breach thereof, shall be settled by binding arbitration administered by the American Arbitration Association ("AAA") under the AAA's then existing Commercial Arbitration Rules. The arbitration shall be in the Houston, Texas in the AAA offices or another location therein selected by the arbitrator (including his or her own offices) and the language of arbitration shall be English.

8. Miscellaneous

8.1. Conduct of Personnel. While at any Purchaser location, Vendor's personnel, agents, and subcontractors shall comply with all the reasonable requests, standard rules, and regulations of Purchaser communicated to Vendor regarding personal and professional

conduct, including without limitation any security or privacy requirements, and shall otherwise conduct themselves in a professional manner.

8.2. Compliance with Laws. Vendor represents and warrants that, in the production and sale of goods to be delivered pursuant hereto, and in the provision of services hereunder, Vendor has complied with all applicable federal, state, and municipal laws and regulations, including, without limitation, (i) all such laws and regulations pertaining to health, safety and environmental standards; (ii) all such laws and regulations pertaining to design, manufacture, testing, labeling, and transportation of such goods; (iii) all such laws and regulations which pertain to affirmative action, nondiscrimination, and/or equal opportunity, including without limitation, the requirements of the Fair Labor Standards Act of 1938, as amended, and the rules and regulations of the Secretary of Labor issued pursuant to Executive Order Number 11246 of September 24, 1965, and (iv) all applicable anti-corruption laws, including the US Foreign Corrupt Practices Act of 1977.

8.3 Export and Import. Vendor shall comply with all United States import and export laws, such as International Traffic in Arms Regulations (ITAR) or Export Administration Regulations (EAR). Vendor shall provide all information, documentation and technical support necessary to obtain any required export license for the Work, if export is required. For example, and in no way limiting the foregoing, Vendor will provide Purchaser with the Export Control Classification Number (ECCN) for any Work, including software or technology, provided by or on behalf of Vendor under the Purchase Order. Unless otherwise agreed by the parties, if Purchaser notifies Vendor in writing that any portion of the Purchase Order will be exported, Vendor will be responsible for obtaining any required government authorizations, including

but not limited to export licenses or exemption authorizations, for any Work, including software, or technology provided by or on behalf of Vendor. Where such licenses or authorizations are obtained, Contractor shall provide Purchaser written notice of all applicable conditions, including but not limited to those restricting the further export, use or release of the Work, software or technology.

8.4. Confidentiality. Confidential Information means and includes all information that Vendor may obtain or acquire in connection with the Purchase Order, including information, whether written, oral or otherwise, relating to trade secrets, transactions, business methods, financial affairs, customers, know-how, intellectual property, proprietary, technical and other information known or used by Purchaser or its client, or otherwise or developed by or on behalf of Purchaser in connection with the Purchase Order. Further, Confidential Information also includes the existence and terms of the Purchase Order.

(a) Duty of Care. Vendor shall preserve in strict confidence all Confidential Information, whether or not marked "Proprietary" or "Confidential," using the same degree of care as it takes to preserve and safeguard its own confidential or proprietary information (but in no event less than a commercially reasonable degree of care). Moreover, Vendor will not (i) disclose or cause to be disclosed at any time any Confidential Information, or (ii) use or cause to be used any Confidential Information for any purpose, except as required in the performance of the services required by the Purchase Order.

(b) Warranties. Vendor represents, warrants and covenants that it shall maintain physical, electronic and procedural safeguards designed to (1) ensure the security, integrity and confidentiality of all Confidential Information, (2) protect against any anticipated threats or hazards to the security, integrity or

confidentiality of Confidential Information, and (3) protect against unauthorized access to or use or disclosure of Confidential Information.

(c) Exclusions. Confidential Information shall not include information: i) which was in the possession of Vendor prior to its disclosure by Purchaser and not under any obligation of confidentiality; (ii) which shall lawfully become part of the public domain; (iii) which shall otherwise lawfully become available to Vendor from a source independent of Purchaser which is not under an obligation of confidentiality with respect thereto; (iv) which Vendor can evidence by written records that it develops without the aid, application or use of the Confidential Information; or (v) which is required to be disclosed by law, a court of competent jurisdiction, or by government order; provided, that Vendor shall immediately notify Purchaser to allow it to protect its interests.

(d) Destruction. To the extent that Confidential Information obtained by Vendor in the performance of the Purchase Order has been reduced to electronic or documentary form, such Confidential Information shall be returned or destroyed upon the earlier of a written request from Purchaser or termination of the Purchase Order.

(e) Advertisement. Vendor shall not use Purchaser's name, logos, trademarks, or any other Confidential Information in any advertisement, publicity material, or other communication to third parties without prior written approval of Purchaser.

(f) Survivorship. Termination of the Purchase Order shall not be construed as relieving the Vendor of its obligations to safeguard, protect, and dispose of Confidential Information as set forth in the Purchase Order.

8.5. Purchaser's Proprietary Rights. Vendor agrees that all Work created by Vendor solely or in collaboration with others in the course of

performing the Work under the Purchase Order or designing or developing materials to be delivered ("**Deliverables**"), including all intermediate and partial versions ("**Work Product**") shall automatically be the sole property of Purchaser upon their creation or (in the case of copyrightable works) fixation in a tangible medium of expression, and Purchaser shall own all rights, including all proprietary and intellectual property rights, title and interest. Vendor hereby irrevocably assigns and transfers to Purchaser and its assignees all right, title and interest in such works.

8.6. Vendor's Proprietary Rights. Vendor shall retain all rights, title, and interest in any intellectual property which the Vendor discovered, conceived, created, produced, or developed, alone or with others, prior to or outside of the Purchase Order. However, Vendor hereby grants Purchaser or its assignees a perpetual, irrevocable, sub-licensable, royalty-free, non-exclusive, and worldwide license to utilize or modify such intellectual property solely in connection with the Work and any repair, maintenance, or operation of the Work.

9. Rules of Construction

9.1. Entire Agreement. The Purchase Order and any Amendments constitute the entire agreement between the parties hereto and supersedes any prior oral or written statements or agreements between Purchaser and Vendor. No supplement, modification, or amendment of the Purchase Order shall be binding unless executed in writing by both parties.

9.2. No Assignment. Vendor may not assign, transfer or subcontract any part of the Purchase Order without the prior written consent of Purchaser, and any assignment in violation of this provision shall be null and void.

9.3. Severability. If any portion of the Purchase Order is declared by a court of competent jurisdiction to be invalid or unenforceable, the

remaining provisions of the Purchase Order shall continue in full force and effect. The illegality of any provision of the Purchase Order shall not affect the remainder of the Purchase Order.

9.4. Waiver. No waiver by Purchaser of any provision of the Purchase Order or any breach hereunder shall be deemed a waiver of any other provision or subsequent breach, nor shall any such waiver constitute a continuing waiver. Delay or failure of Purchaser to insist on strict performance of any provision of the Purchase Order or to exercise any rights or remedies hereunder shall not be deemed a waiver.

9.5. Meaning of Certain Terms. Unless the context clearly requires otherwise, all words used in these T&Cs in the singular include the plural, and all words used in the plural include the singular. Unless the context clearly requires otherwise, whenever the following terms are used in these T&Cs, they mean the following:

(a) "Include" and its derivatives are used in these T&Cs in an illustrative sense, not a limiting one (and thus has the same meaning as the phrase "including but not limited to").

(b) "Signed" means (i) an original signature; (ii) a fax copy with a manual signature; (iii) any signature affixed to a writing that is then scanned and sent by email or other electronic communication; and/or (iii) any signature satisfying the Electronic Signatures in Global and National Commerce Act (ESIGNs), 15 U.S.C. Chap. 96, or any state law that is applicable to that instrument.

(c) "Writing" includes (i) traditional paper documents, (ii) information that is inscribed on a tangible medium, and (iii) information that is stored in an electronic or other medium and is retrievable in a perceivable form (including, without limitation, an email).

9.6. Purchaser's Authorized

Representative. The only Purchaser representatives with authority to modify these T&Cs are (i) its President, and (ii) its Vice President or other executive officers. No such authority is held by sales personnel, purchasing officials, or other employees.

9.7. Choice of Law. All matters arising under or related to the Purchase Order shall be construed and governed under the laws of the State of Texas, excluding any conflicts-of-laws or choice of laws rules or principles as applied in Texas that may require the application of the laws of another jurisdiction, and the execution and delivery of the Purchase Order shall be deemed to be the transaction of business within the State of Texas for purposes of conferring jurisdiction upon courts located in the State of Texas. Venue for any controversy or claim arising out of or relating to the Purchase Order shall be brought exclusively in a federal or state court of competent jurisdiction in Harris County, Texas, and both parties consent to such jurisdiction. EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT.