

## GENERAL CONDITIONS OF SALE

**1. SCOPE.** All present and future contract negotiations and contractual relations by DINAMIC OIL NORTH AMERICA Inc. and/or its Affiliates, ("Seller") for the sale of certain products or other items ("Products" or "Goods") are subject to the following general terms and conditions of sale (the "GCS"). The GCS shall be coordinated with any special conditions of sale executed in writing between the parties or contained in a written order confirmation issued by Seller.

**2. CONTRACT FORMATION.** Seller will be bound only upon an agreement comprised of an order from Buyer ("PO") and an order confirmation by Seller ("OC"). All understandings between the parties shall be as set forth in those documents, provided that these terms and conditions shall be deemed incorporated in the contract between Seller and Buyer. Statements by sales personnel as well as data and descriptions regarding Goods are subject to change, and therefore they are not binding upon Seller unless and until expressed in a written order acceptance or confirmation as described in this paragraph, and such acceptance or confirmation is received by Buyer. **Buyer acknowledges that it has been advised that no agent, employee, representative or dealer of Seller has any authority to bind Seller to any affirmation, promise, representation, or warranty concerning any of the Goods and, unless such affirmation, promise, representation, or warranty is specifically set forth in these GCS, it does not form a basis of this bargain and shall not be enforceable against Seller.** Seller objects to any terms and conditions in an order from Buyer that vary the terms hereof. Unless otherwise agreed in writing, Buyer's acceptance of delivery of any part of the Goods sold hereunder, or any payment by Buyer for such Goods shall constitute Buyer's acceptance of all terms and conditions herein. In any event the Products shall be accepted if Buyer begins using them for production.

**3. DELIVERY, SHIPMENT.** Delivery of Goods covered hereby shall be Ex-Works INCOTERMS 2010 Seller's facilities without packaging, unless otherwise specified in writing by the Seller. Packaging is supplied at cost and is not returnable. Seller may, at its option, ship all of the Goods covered hereby at one time or in portions from time to time. Seller shall make reasonable efforts to have Goods ready for shipment on or about the time stated or estimated on the OC, although time shall not be of the essence with regard to delivery of the Goods. In case of sale COD, or equivalent forms of payment, the Seller reserves the right to choose the carrier. In the event the Buyer were not up to date with payments for previously purchased Goods, delivery dates shall be considered deferred and the Seller shall have the right to withhold delivery until the Buyer has paid the full balance owed. In the event Buyer failed to accept delivery tendered by Supplier for Buyer's fault or for reasons beyond Supplier's control, delivery shall be considered made for all intents and purposes by means of simple notification that the Goods are available for delivery in a warehouse and the Buyer shall bear all risks and demurrer costs. Under no circumstances will Seller be responsible, or incur any liability, for damages, costs or expenses of any nature (whether general, consequential, as a penalty or as liquidated damages or otherwise) due to any delays in delivery or failure to make delivery at an agreed or specified time.

**4. TITLE, RISK OF LOSS AND CLAIMS.** Risk of loss shall pass to Buyer upon identification of the Goods. After identification of the Goods the Seller shall be considered free from delivery obligations and all risks shall be transferred to the Buyer, even in the event of Seller being entrusted with shipment. Title and ownership to the Goods shall remain with the Seller until Seller has received full payment therefore.

**5. INSPECTION AND CLAIMS.** Buyer shall inspect the Goods immediately on receipt and shall, within eight (8) days thereafter, give written notice to the Seller of any claim that the Goods do not conform to the terms of the contract. The Goods shall be deemed to conform and the Buyer shall be bound to accept the Goods upon the earlier of (a) the passage of such eight (8) day period without notice being given, or (b) any use of the Goods for production. Upon such acceptance, if payment has not already been made, Buyer shall immediately pay for the Goods in full. Seller shall not be liable for any claim for damages resulting from the installation or use by the Buyer of non-conforming, damaged or defective Goods.

**6. PRICE AND PRICE ADJUSTMENT.** Prices shall be the ones expressly indicated in the Seller's written order confirmation and are not inclusive of any costs/services not expressly mentioned therein. Unless otherwise agreed upon in writing, the price shall not include system projects, installation or start-up of the supplied equipment, specific tests, manuals and training courses, assistance at start-up and all services and costs not mentioned in Seller's written order confirmation, including, without limitation, any installation, user and maintenance handbooks, drawings and manuals. Similarly, packaging costs, taxes, stamp-duties, customs expenses, duties and any and all other additional costs are not included in the price unless otherwise indicated in Seller's written order confirmation. The prices of Goods covered hereby are based on the current price levels of Seller's suppliers who are manufacturers of Goods. In the event that, between the date of the order confirmation and the date of delivery of the Goods, the cost of the Goods to Seller is increased by an increase in supplier's price level, then, unless otherwise specified in the order confirmation, Buyer agrees that the amount of such increase shall be added to the price of the Goods. The price to be paid by Buyer for such item shall be adjusted in the same percentage that the price level of

Seller's supplies for such item increases. Should there be changes adverse to Seller in currency exchange rates or in import duties or transportation costs affecting the Goods sold hereunder between the date of the order confirmation and the date of delivery of the Goods, Seller may adjust the price to be paid by Buyer for Goods sold hereunder, in the same percentage that the currency exchange shall have changed and may add the amount by which duties and transportation costs change.

**7. ADVANCE PAYMENTS.** Seller will start execution of the order only upon receipt of the amount agreed at the time of order confirmation. Should the Buyer cancel the order or unreasonably delay delivery, the Seller will retain any advance sum received. Should compensation for the damages exceed the sum, the Buyer will have to pay the excess costs. No interest shall be payable upon advance payments or deposits to Buyer.

**8. CANCELLATION.** Orders frequently require a significant commitment by Seller during the period prior to delivery. An order by Buyer shall not be withdrawn for twenty (20) days to allow time for issuance of an OC. After delivery of an OC as described above, Buyer may not cancel or unreasonably delay delivery or acceptance of Goods. If delivery or acceptance is unreasonably delayed by Buyer, or if the order is cancelled other than in accordance with these GCS, Buyer shall pay the agreed price of the Goods, and Buyer shall pay reasonable charges of Seller in handling and storing the Goods which have been identified to Buyer.

**9. TERMINATION.** Upon written notice to Buyer, Seller may cancel this Agreement, while retaining its rights to possible damages, in the event Buyer ceases conducting business in the normal course, admits its insolvency, makes an assignment for the benefit of creditors or becomes the subject of any judicial or administrative proceedings in bankruptcy, receivership or reorganization.

**10. FORCE MAJEURE.** Seller shall have no liability for any non-performance or delay in performance caused by circumstances beyond Seller's control including, but not limited to, acts of God, fire, flood, war, government action, accident, labor trouble or shortage, inability to obtain material, equipment or transportation, or failure of Seller's suppliers to furnish the Goods.

**11. TAXES.** Buyer agrees to pay all personal property, sales, excise, use and other taxes applicable to the sale, purchase, storage, erection, use or ownership of the Goods covered hereby regardless of whether such taxes are invoiced by Seller.

**12. PAYMENT TERMS.** All payments shall be made at the office of Seller in Pineville, North Carolina or in any other of its offices expressly stated by Seller in its OC, and payment shall not be deemed to have been made until so received by Seller. Unless otherwise agreed upon in writing by an authorized representative of Seller, all Products must be paid in full immediately upon delivery of the Goods. Should Buyer fail to pay any amount due to Seller, Seller may suspend any and all business with Buyer, including with reference to Goods and/or equipment not within the scope of this Agreement, and may refrain from providing technical assistance and services to Buyer including telephone and on-site support and sale of parts (regardless if otherwise due pursuant to a warranty), until any and all outstanding amount including penalty, attorney fees and interest due to Seller is paid in full. Under no circumstance may Buyer set off any claim of any nature against payment for Goods or services ordered by Buyer and delivered to Buyer, and any claims of Buyer allegedly giving rise to such setoff shall be waived if setoff is attempted or asserted. Any payment not made to Seller when due shall accrue interest at the annual rate of eighteen percent (18%) computed for the actual period of such delinquency.

**13. NO LIABILITY TO THIRD PERSONS.** Seller shall not be liable whatsoever to Buyer for any claim or action by any third party arising out of, or alleged to rise out of, the delivery of Goods covered hereby, the presence of Seller's employees on Buyer's premises in connection with this agreement or out of the use, by Buyer, or third parties, of the Goods covered hereby. Buyer shall defend, indemnify and hold harmless Seller from any and all such claims, provided that such indemnification shall not apply to claims asserted by technicians contracted by Seller to perform services, unless the claim arises from an act or omission of Buyer or third parties. Third Parties shall be deemed to include, without limitation, employees of Buyer as well as all third parties not connected with Buyer or Seller.

**14. REMEDIES OF BUYER AND LIMITATION OF WARRANTIES.** Seller warrants that the Goods sold hereunder shall be free, for a period of twelve (12) months from the date of invoice to the Buyer, from defects in material and workmanship existing at the time of delivery to Buyer. During the warranty period, Seller will repair and replace the parts which are defective, due to bad materials or due to construction faults. Seller may, at its option, repair or replace any defective Goods, or pay the reasonable costs thereof, in the event that Buyer notifies it in writing to Seller within thirty (30) days after discovery of such defect. Seller shall have no obligation to remedy any defect except upon delivery of the defective part or parts to Seller. Replacements or repairs shall be ex-works Seller's facilities; the Buyer shall be responsible for costs and risks of returning the defective Goods. Buyer shall bear the cost of labor for work done under warranty. In specific instances, upon written agreement between the Parties, Seller

may consider it advisable, at its sole judgment, to carry out the work necessary for replacement or repair at Buyer's premises; in such an instance Buyer shall pay all travel, board and lodging expenses for the technical personnel sent by the Seller and shall provide all necessary means and auxiliary personnel to ensure the job is done as quickly and as well as possible. The Seller will not be obligated to provide anything further than repair or replacement of parts. The repair, replacement, or payment in the manner described above shall be the exclusive remedy of Buyer for breach of Seller's warranty. The warranty does not apply to damage or breakage caused in whole or in part by lack of operating skill, negligence or improper use of the Goods by the Buyer. It is expressly agreed that Buyer shall have no right of recovery against Seller or any part of all the Goods covered hereby. The aforementioned warranties of Seller shall be void if: (a) the Goods are repaired, disassembled to any extent or changed by any person other than a technician expressly authorized by Seller and contracted by, or through, Seller; (b) safety devices are altered, modified or disabled by Buyer; c) the failure is attributable to software, tooling, accessories or ancillary equipment not sold by Seller. Except as specifically provided in a written warranty statement provided with the Goods, the foregoing warranties of Seller shall not limit Buyer's recourse against a manufacturer of Goods sold hereunder for any warranty extended by such manufacturer. The warranty of any manufacturer shall not be deemed to be the warranty of Seller.

**15. LIMITATION OF LIABILITY:** TO THE FULLEST EXTENT PERMITTED BY LAW, SELLER SHALL NOT BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING FROM THE SET UP, USE OR INABILITY TO USE ANY OF THE GOODS, INCLUDING WITHOUT LIMITATION (1) LOSS OF USE; (2) LOSS OF PRODUCTION; (3) LOSS OF OPPORTUNITY; (4) LOSS OF MARKET VALUE; (5) LOSS OF INCOME; (6) PERSONAL OR BODILY INJURY OF ANY KIND (INCLUDING PHYSICAL OR MENTAL PAIN AND SUFFERING AND EMOTIONAL DISTRESS), MEDICAL, HOSPITAL, OR REHABILITATION EXPENSES; OR (7) DAMAGE TO PERSONAL PROPERTY, EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. BECAUSE SOME STATES/JURISDICTIONS DO NOT ALLOW THE EXCLUSION OR LIMITATION OF LIABILITY FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES, THE ABOVE LIMITATIONS MAY NOT APPLY. THE SOLE REMEDY OF THE BUYER FOR ANY BREACH OF THIS AGREEMENT BY SELLER SHALL BE FOR THE REFUND OF ANY SUMS PAID FOR GOODS NOT DELIVERED BY SELLER AND AS PROVIDED UNDER THE LIMITED WARRANTY IF PROVIDED. SELLER SHALL NOT BE LIABLE FOR ANY OTHER DAMAGES WHATSOEVER.

**16. STATUTE OF LIMITATIONS.** Buyer may bring no suit for any breach of Seller or any other claim arising out of this contract after one (1) year from the date of invoice of the Goods covered hereby.

**17. GOVERNING LAW, VENUE.** The 1980 United Nations Convention on the Sale of Goods ("CISG") shall not apply to this Agreement. This Agreement shall be deemed to have been made in the State of North Carolina, and any action arising out of it shall be resolved in the state or federal courts having within their jurisdiction Mecklenburg County, North Carolina.

**18. DISPUTE RESOLUTION.** If a dispute arises out of or related to this Agreement, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Procedures before resorting to arbitration. In the event such mediation fails, the parties hereby agree to submit any controversy or claim arising out of or relating to this Agreement, or the breach thereof, to arbitration pursuant to the Commercial Rules of the American Arbitration Association ("AAA"), as modified herein. The AAA may appoint the arbitrator if the parties are unable to agree upon arbitrators. Upon the initiation of an arbitration claim, Seller shall be allowed access to the goods at issue to allow its personnel and experts at any reasonable time to examine and test the goods. If payment is withheld based upon an alleged setoff, the arbitrator(s) shall, within thirty (30) days of appointment conduct a hearing and order payment of the setoff amount. The arbitrator shall strictly apply the terms of this Agreement and shall not be authorized to award any remedy, except as stated in this Agreement or expressly consented in writing by the party against whom the remedy is granted. All mediation and arbitration proceedings held pursuant to this arbitration provision shall be conducted in Charlotte, North Carolina. This arbitration provision shall not limit the right of either party during any dispute, claim or controversy to seek, use and employ ancillary, provisional or preliminary rights and/or remedies, judicial or otherwise, for the purposes of realizing upon, preserving, protecting, foreclosing upon or proceeding under forcible entry and detainer for possession of any personal property, and any such action shall not be deemed an election of remedies. This includes, without limitation, obtaining injunctive relief or a temporary restraining order, invoking a power of sale under any security agreement, deed of trust or mortgage, obtaining a writ of attachment, order for claim and delivery or imposition of a receivership or

exercising rights relating to personal property, including taking or disposing of such property with or without judicial purposes pursuant to Article 5 of the Uniform Commercial Code. The Federal Arbitration Act (Title 9 of the United States Code) shall apply to the construction, interpretation, and enforcement of this arbitration provision.)

**19. RESERVATION OF RIGHTS.** No failure of Seller to insist upon or compel compliance by Buyer with any of the terms, provisions or conditions hereof shall be construed as a waiver by Seller of its right to insist upon compliance therewith in the future.

**20. COMPLETE AGREEMENT, MODIFICATION.** The provisions hereof are intended as a complete and exclusive statement of the terms of the agreement between Seller and Buyer. This Agreement may not be modified, rescinded, or cancelled and no waiver by Seller of any claim or right hereunder shall be effective, except by writing signed by an Officer of Seller.

**21. ACCEPTANCE OF CONDITIONS.** The Buyer declares explicitly that, after having read the Seller's GCS in full, he accepts them unconditionally. The parties to this Agreement represent that they have negotiated and understand its provisions and agree that no presumptions should be made against the drafter.

**22. SUCCESSORS AND ASSIGNS.** Buyer may not assign this Agreement (including by operation of law) without the prior written consent of Seller. Any such attempt to assign shall be null and void. **This Contract will be binding on the parties and their respective heirs, personal representatives, successors, and permitted assigns, and will inure to their benefit.** Nothing in the Agreement is intended to or shall confer on any Person other than the parties hereto or their respective permitted successors or assigns, any rights or remedies under or by reason of this Agreement.

**23. SECURITY INTEREST.** To secure the payment of purchase price and any other amounts due to Seller from Buyer under the terms of this agreement, Buyer hereby grants to Seller (as Secured Party) a purchase money security interest in the Goods and the Proceeds thereof. Buyer hereby gives Seller the authorization to sign and file a financing statement (UCC I Form) securing the Interest of Seller to the Goods. To enforce Seller's security interest, Seller shall have all of the rights and remedies available to a secured party under the Uniform Commercial Code and other applicable laws, including but not limited to the following rights: to enter Buyer's premises or any other place where the Goods may be and take possession of, assemble, and collect the same; to require Buyer to assemble the Goods and make the same available at a place designated by Seller to allow Seller to take possession or dispose of the Goods; to retain the Goods in satisfaction of the obligations of Buyer thereunder to sell. In one or more transactions and from time to time thereafter, all or part of the Goods at public or private sale, and to purchase at any sale, public or private (and all sales may be at such price or prices, upon such terms, by such terms, by such methods, and manner, and at such time and place as Seller shall determine, provided that the same are commercially reasonable); and to give any required notice to Buyer by mailing it, postage prepaid, at least five (5) days before the event, if any, which is the subject of the notice, to Buyer's business address as it appears hereon. Buyer acknowledges that this is a Commercial Transaction arising out of the sales of Goods for business purposes, and, upon Buyer's failure to pay the purchase price, Seller may seek an immediate writ of possession from a court of appropriate jurisdiction without prior notice or hearing. Buyer hereby waives any and all rights which Buyer may have to notice or hearing prior to seizure of the Goods following default in payment of the purchase price when due.

**24. SEVERABILITY.** If a provision of this Agreement is determined to be unenforceable in any respect, the enforceability of the provision in any other respect and of the remaining provisions of this Agreement will not be impaired.

**Note: CERTAIN LIMITED WARRANTIES ARE EXPRESSLY PROVIDED HEREIN OR IN AN ORDER CONFIRMATION. SELLER DISCLAIMS ALL OTHER WARRANTIES WHATSOEVER, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. THERE ARE NO OTHER WARRANTIES, EXPRESS OR IMPLIED.**

Any order will be subject to the GCS of Dinamic Oil North America attached above.

I have read and understood all terms and conditions above and I hereby accept to place an order subject to these GCS.

Buyer:

By: \_\_\_\_\_

Date: \_\_\_\_\_