

## General Purchasing Conditions (2020)

### OBJECT

1. This document establishes the General Purchasing Conditions (hereinafter the "GPC") which govern the supply of all types of goods, equipment and materials (hereinafter the "Goods") and/or the provisions of all type of services (hereinafter the "Services") by suppliers and contractors (hereinafter the "Supplier") to TESCO – the Eastern Specialty Company and/or any affiliate or subsidiary company (hereinafter the "Buyer" or "TESCO"). Buyer and Supplier are referred to herein individually as a "Party" or collectively as the "Parties".

### CONTRACTUAL DOCUMENTATION

2. The relationship between Buyer and Supplier shall be governed by the following contractual documentation (hereinafter the "Contract"), in descending order of priority: (a) the purchase order (which, when an underlying written agreement exists, will be governed by that written agreement and not the GPC) issued by Buyer (hereinafter the "Order"); and (b) a written agreement, if any, between Buyer and Supplier with respect to Supplier's provision of the Goods and/or Services (hereinafter the "Agreement"). Where a conflict exists between the Contract documents, documents listed earlier in the above sentence shall control over later-listed documents. If there is any doubt regarding the interpretation of any Contract documents, Supplier shall act in accordance with the instructions of the Buyer.
3. These GPC expressly limit Supplier's acceptance to the terms of the offer described herein, and Buyer hereby objects to any different or additional terms contained in any proposal by Supplier or responses to Supplier to the GPC of to the Order issued by Buyer. Supplier's written acknowledgement or acceptance of Buyer's Order or commencement of performance thereunder shall constitute Supplier's acceptance of all terms and conditions herein, and any modifications by Supplier shall be automatically rejected. Supplier hereby acknowledges that when a written agreement does not exist, these GPC automatically are incorporated in the Order. The terms of the Agreement, these GPC, the Order, and any previously executed confidentiality agreement between the Parties are the sole and exclusive terms on which Buyer agrees to be bound.
4. No amendment or addition to or modification of the Order of any provision hereof shall be binding upon Buyer and Supplier, and neither Party shall be deemed to have waived any provision or any remedy available to it unless such amendment, addition, modification or waiver is in writing and signed by a duty authorized officer or representative of the applicable Party or Parties. Any purported amendment, addition, modification or waiver entered orally or otherwise not in compliance with this provision shall be void or unenforceable. The acceptance of an Order by Supplier (whether written or by performance) shall be deemed to include the acceptance of these GPC which shall be deemed incorporated in each Order irrespective of whether they are expressly reference in such Order.

### ORDERS AND DELIVERY SCHEDULES

5. Supplier may accept an Order by written acknowledgement or by commencing performance thereunder. Any commencement of Supplier performance of an Order without a timely written express acceptance in accordance with the preceding sentence shall be deemed an acceptance by Supplier of all terms and conditions stipulated in such Order.
6. Upon reasonable notice to Supplier, Buyer may adjust the amounts which appear in any Order or order the temporary suspension of deliveries under any Order, without involving any modification of the price or of the other terms and conditions of the Contract.

### PRICES AND FORM OF PAYMENT

7. The prices reflected in each Order shall be fixed, firm and definitive and are not subject to revision. Buyer and Supplier hereby acknowledge that there is no index or formula pricing. The price shall be understood as including all items which make up, or which may make up, the cost of the Goods and/or Services subject to the Order.
8. Unless otherwise specified in the Order, payment shall be made within **35** days, calculated from the date of receipts of the Goods or the date of the provision of the Service (with the understanding that such receipt shall take place once its conformity has been verified in accordance with the terms of the Contract and the Supplier has issued the corresponding invoice).
9. Invoices shall be sent by mail to Accounts Payable at TESCO's administrative offices or by email to [AP@TESCOMetering.com](mailto:AP@TESCOMetering.com).
10. Payment terms shall be reflected on the Order or applicable Agreement. Supplier must invoice per Order release and invoices must include the following:
  - a. Purchase Order Number
  - b. Shipper Number
  - c. Shipment Date
  - d. Partial and Final Lien Waivers

All financial transactions pursuant to the Agreement will be conducted in United States Dollars unless otherwise agreed to. No invoices shall be processed for Goods and/or Services which do not comply with the requirements above or as indicated in the Contract/Agreement or authorized amendment as outlined above, or if the date of such invoice is prior to the date of its corresponding delivery note or bill of lading.

### DELIVERY DATE AND/OR PROVISIONS OF SERVICE PERIODS

11. Unless otherwise specified in the Order, delivery of Goods shall be Delivered to the locations indicated by Buyer as per the INCOTERMS in force on the date of the Order.

Supplier shall provide, upon delivery of Goods, a delivery note or bill of lading showing the Order number, quantity price, part number, date of delivery, and, where appropriate any remarks and any other documentation referred to in the Order. Title and risk of loss to Goods (including Goods supplied as part of Services) shall pass to the Buyer upon Delivery.

12. Delivery of Goods and/or Services shall take place upon the inspection and sign-off by Buyer's representative and acknowledgement of terms and conditions set out in the Order or Agreement, but such delivery shall not confer acceptance of Goods and/or Services by Buyer. No inspection, test, delay or failure to inspect or test or failure to discover any defect or non-conformance shall relieve Supplier of any of its obligations or prevent a subsequent rejection of Goods and/or Services by Buyer.
13. The delivery dates specified in any Order shall be of the essence. Supplier shall immediately notify Buyer of any incident which prevents delivery on the dates scheduled, specifying the reason for delay and, if possible, the estimated delivery date. If Supplier fails to notify Buyer, Buyer shall be entitled to compensation for any additional actual, substantiated costs or expenses incurred by Buyer that could have been avoided if Supplier had properly notified Buyer. Supplier shall, at no extra cost to Buyer, take all necessary actions (including overtime work, urgent freight, etc.) to reduce the delay period to a minimum and to mitigate the impacts thereof to Buyer.

### BUYER-SUPPLIED MATERIALS AND COMPONENTS

14. Whenever it is expressly agreed that Buyer will provide certain material or components necessary for Supplier to perform under the Contract (hereinafter the "Materials"), Buyer shall retain sole title to such Materials at all times. Supplier shall carry out all actions necessary to safeguard Buyer's title to such Materials, especially in the event of any bankruptcy procedures involving Supplier, and Supplier shall waive any rights of defense arising from a bailment. Supplier represents that no third party or financial institution has the right to encumber the consigned Materials as of conveyance and at any time when Materials are in possession of Supplier. Supplier shall take all actions to keep consigned Materials free and clear of any encumbrance whatsoever. Supplier shall use the Materials exclusively for the performance of the Contract.
15. If Supplier requires Materials from Buyer in order to provide Goods and/or Services, Supplier must request such Materials sufficiently in advance to allow Supplier to meet the agreed upon Delivery Schedule
16. All Materials supplied by Buyer shall be accompanied by a delivery note or bill of lading indicating the Materials delivered, quantity shipped, Buyer's Order number and the shipper number. Supplier shall be responsible for promptly (i) confirming that the type and quantities of Materials delivered correspond to the delivery note or bill of lading; and (ii) inspecting the Materials and informing Buyer of any defect of non-conformity discovered.
17. Supplier shall establish the controls necessary to maintain custody and the integrity of the Materials. Supplier shall store the Materials at its own cost, mark the same as the property of Buyer and keep them separate from other materials or products.
18. Risk of damage or loss to the Materials shall pass to Supplier upon delivery to Supplier, Supplier shall maintain property and liability insurance (with an insurance company and under terms and conditions acceptable to Buyer) for at least the full replacement value of the Materials in its possession. Supplier shall provide Buyer, within four (4) days following the first delivery of Materials to Supplier, a certificate of insurance confirming the existence and limits of such policy and naming Buyer as additional insured.

### QUALITY

19. Buyer shall notify Supplier in writing of any quality nonconformity detected by Buyer or its customers in Goods supplied by Supplier. Supplier shall promptly respond to a non-conformity report or similar document issued by Buyer and shall promptly investigate and inform Buyer of the cause of the nonconformity and the corrective measures taken to correct it. Any change in the process of manufacture of the Goods or parts or components of the Goods that affects the performance of the Goods or their repair and servicing must be immediately communicated to Buyer in writing who shall have the right to reject such change. Modifications of any of the parts and components of the Goods shall be deemed major changes for this purpose. Any other changes shall be notified in writing to Buyer for information purposes.

### WARRANTIES

20. In addition to any warranties made by Supplier in its brochures, catalogues, sales materials or other documentation, Supplier represents and warrants to Buyer that: (i) the Goods and/or Services are free from any defect in design, workmanship, raw material or manufacturer; (ii) the Goods and/or Services conform to the specifications, drawings, samples or other descriptions applicable thereto; (iii) any Services are performed in a professional and workmanlike manner; (iv) any Goods are merchantable and fit for the particular purpose for which Buyer is purchasing the Goods; (v) the Goods are new and of intended quality, unless otherwise specified by Buyer; (vi) Supplier has conveyed to Buyer good and unencumbered title to the Goods and/or Services; and (vii) the Goods and/or Services comply with applicable local, state, federal laws and/or international legislation, and domestic industry-recognized standards currently applicable to such or similar Goods and/or Services. The term of such warranty (the "Warranty Period") shall be as set forth in the applicable Order or, if not so specified, three (3) years from the date of delivery of such Goods and/or Services.

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21. If during the Warranty Period any of the Goods and/or Services delivered by Supplier do not meet the warranties specified herein or otherwise applicable, Buyer may, at its option, (i) require Supplier to correct any defective or non-conforming Goods and/or Services at Supplier's expense; (ii) if Supplier fails to timely correct any defect or nonconformity, correct such Goods and/or Services to Supplier's at Supplier's expense; or (iv) obtain cover Goods and/or Services and charge the additional costs incurred in obtaining such cover Goods and/or Services to Supplier. Such remedies are in addition to other remedies available at law or equity and are not exclusive. Buyer reserves the right to withhold payments from Supplier until warranty claims are resolved.
22. Any warranties made by Supplier shall run to Buyer and be freely assignable to Buyer's successors, affiliates, assignees, financing parties, and customers without any requirement for Supplier's consent. Supplier shall assign warranties made by other parties on or before the commencement of the Warranty Period, including its vendors and suppliers, to Buyer to the fullest extent permitted by contract and applicable law.

### INDEPENDENT CONTRACTOR

23. The relationship of Supplier to Buyer is that of an independent contractor. Nothing contained in these GPC or any other Contract document shall create an agency relationship between Buyer and Supplier. Supplier's employees shall not be considered employees of Buyer for any purpose.
24. Supplier shall abide by all applicable laws and regulations with respect to its employees and shall be solely liable for any breach of its contractual or legal responsibilities to its employees, agents, suppliers, or subcontractors, including but not limited to health and safety, immigration, worker's compensation, wage and hour, benefits and insurance obligations.

### INSURANCE

25. In the event that Supplier, its employees, agents, or subcontractors enter the site(s) of Buyer or its customers for any reason in connection with an Order, then Supplier and its subcontractors shall procure and maintain for the duration of the performance of the Order worker's compensation, employer's liability, comprehensive general liability, including bodily injury and property damage insurance, and property damage insurance for any equipment they may bring to the site(s), and in general, such other insurance (e.g. products liability insurance, performed works liability insurance) as Buyer may require. Policies will keep reasonable limits according to the risk of the activity and any third-party requirements and be provided by insurance companies of a reputable solvency. In addition, Supplier and its subcontractors shall comply with all site requirements. Supplier shall provide to Buyer a certificate of insurance showing Supplier's compliance with these requirements and a pre-cancellation notice to Buyer of at least thirty (30) days. Supplier shall name Buyer as an additional insured for the duration of the Order. Insurance maintained pursuant to this clause shall be considered primary as respects the interest of Buyer and is not contributory with any insurance which Buyer may carry. "Subcontractor" as used in this clause shall include Supplier's subcontractors at any tier.

### INDEMNIFICATION

26. Supplier shall defend, indemnify and hold Buyer and its directors, officers, employees, assignees, agents, shareholders and affiliates harmless from any and all claims, demands, suits, obligations, liabilities, damages, losses and judgments, including costs and expenses related thereto (including reasonable attorney's fees), arising from Supplier, its employees, agents, contractors, suppliers or other representatives including (i) the death or bodily injury to any person or damage to property on account of (a) any alleged or actual defect, whether latent or patent, in any Good or Service provided hereunder, or (b) the actual or alleged negligence or intentional misconduct of Supplier or any agent, employee, subcontractor or consultant of Supplier, (ii) Supplier's actual or alleged infringement of any patent, trademark, copyright, or misappropriation of any trade secret, or infringement of any other intellectual property right, (iii) any claims or liabilities for royalties, liens or any other encumbrances on the Goods and/or Services supplied, (iv) any actual or alleged breach of Supplier's contractual or legal obligations to its employees, agents, consultants or subcontractors, (v) or actual or alleged violation of the Environmental Requirements or the Health and Safety Requirements.

### CONFIDENTIALITY

27. Buyer and Supplier each agree to keep confidential all information provided by the other party which the receiving party knows or reasonably should know to be confidential or proprietary information or documentation of the disclosing party (collectively, "Confidential Information"), including but not limited to the existence and terms of the Contract, Order and these GPC. In the event that Parties previously executed a confidentiality agreement ("Previous CA"), that Previous CA will supersede terms and conditions in this Section 30 and will be incorporated herein. Further, notwithstanding anything contained to the contrary in the Previous CA, the term of the Previous CA shall be extended to be commensurate with the term of the Contract plus the Previous CA shall survive for an additional year. Supplier shall limit disclosure of Buyer's Confidential Information to those employees, agents, or subcontractors with a need to know in order to fulfill Supplier's obligations under the Contract or any Order, provided that Supplier shall be responsible for any breach of its confidentiality obligations by such employees, agents or subcontractors. In the event that a Party is requested or required (by oral questions, interrogatories, requests for information, or by applicable legal or regulatory authority) to disclose any Confidential Information, the Party shall promptly notify the other Party of such request or requirement prior to disclosure so that the disclosing Party may seek an appropriate protective order and/or waive compliance with the terms of this Agreement, as applicable.

### FORCE MAJEURE

28. Any circumstance which is unforeseeable or which, being foreseeable, is unavoidable, and which hinders extraordinarily or impedes any of the parties to fulfill its obligations shall be deemed a force majeure event. For purposes of these GPC, the following shall not be considered force majeure events; (i) strikes, production stops and labor conflicts which exclusively affect the employees or the personnel engaged by Supplier, (ii) the lack of means of transport or materials; (iii) delays attributable to Supplier's subcontractors (regardless if Supplier declares a force majeure); (iv) change of law; or (v) those circumstances which Supplier does not convey to Buyer within five (5) calendar days following their commencement. The party claiming a force majeure event shall notify the other party of such event within five (5) calendar days of its commencement. Party claiming the force majeure event is obligated to take all necessary measures to mitigate the force majeure event. Such notice shall describe the claimed force majeure event, its estimated duration, its estimated impact on the notifying party's ability to perform under the Contract or Order, and the measures the notifying party proposes to adopt to resolve or to mitigate the adverse consequences arising from the force majeure event.
29. Whenever a force majeure event occurs, the timing for the execution of the Contract or Order shall be extended for a period equivalent to the duration of the force majeure event. If the force majeure event persists more than one hundred twenty (120) days or it becomes obvious that it will persist more than 120 days, the party not affected by such event shall be entitled to terminate the Contract or Order by notifying the other party.

### SEVERABILITY

30. If any provision of this GPC or any Order shall be declared illegal, void or otherwise unenforceable, the remaining provisions shall remain in full force and effect and valid. The Parties shall replace any clause which is declared invalid or void with another valid clause which is as similar as possible to the original in terms of purpose and effect.

### TERMINATION

31. These GPC shall expire according to their own terms upon provision by Supplier of the last of the Goods and/or Services contemplated under a Contract or Order. The following provisions shall survive the expiration or termination of these GPC, the Contract or an Order: Prices and Form of Payment, Warranties, Environmental Requirements, Indemnification, Confidential Information, Applicable Law and Jurisdiction, and Proprietary Rights.

### APPLICABLE LAW AND JURISDICTION

32. Supplier's provision of Goods and/or Services to Buyer shall be governed by and shall be construed, interpreted and enforced according to the laws of the Commonwealth of Pennsylvania without regard to choice of law principles thereof. The parties hereby consent to the nonexclusive jurisdiction of the state and federal courts of Pennsylvania any dispute arising under these GPC, the Contract or an Order.

### SUPPLIER CODE OF CONDUCT

The Buyer sets up minimum values to guarantee that activities and practices of the Supplier conform with:

33. Safe working conditions: The Supplier will ensure a safe and healthy workplace and will take effective measures to prevent potential accidents and injuries to the health of working people, arising from working activities, associated with them, or arising during that period, minimizing – to a reasonable extent – the root causes of hazards inherent in the working environment, given the current knowledge of the industry and of any specific hazards.
34. Protection against risks: The Supplier will minimize worker's exposure to potential safety hazards through appropriate design controls, engineering control, preventative maintenance and safe working procedures, and will provide ongoing safety training. In cases where hazards cannot be properly controlled by these means, the Supplier will provide to the workers adequate and well-maintained personal protective equipment. The supplier will notify in writing to the employees of the specific hazards of the job performance and the mandatory preventative measures to be taken to avoid those hazards. Furthermore, Supplier will deliver to TESCO a copy of the letter issued to each worker and signed by them.
35. Regulatory Compliance / Environmental Protection: The Supplier will comply with all the requirements of environmental regulations regarding waste generation and management, discharges, air emissions, noise and pollution prevention of soil. The Supplier will also comply with all regulations on the use and storage of chemicals in the working areas throughout the execution of the Contract and will assume all responsibilities for failure to comply its obligations to the environment. TESCO may request to the Supplier copies of all documents that prove the right management (contracts with waste disposal firms, authorization and delivery records, etc.) of waste. The Supplier will promptly inform all its employees of the environmental obligations by legal imperative or by express request of TESCO that are acquired under the contract.