



FBV INC.

2121 Brittmoores Rd. Suite 4000
Houston, TX 77043 USA

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E sales@fbvalve.com www.fbvalve.com

TERMS AND CONDITIONS OF SALE

Unless a separately signed written agreement governs this Invoice, Purchaser and the Supplier agree that the following terms and conditions replace and supersede any additional conflicting terms submitted with your Purchase Order and are the only terms under which FBV will sell its Products to you.

DEFINITIONS:

- a. "Supplier", "FBV", & "FBV, Inc" shall mean FBV, Inc., its subsidiaries, related companies, agents and/or Representatives
- b. "Purchaser" shall mean the Person(s), Firm, or Company documented on the Invoice and/ or Purchase Order with whom Supplier provides Products toward
- c. "Statement of Work" shall refer to any Invoices, Specifications, Drawings, and Certifications provided by Supplier

A. BRAND

All of FBV, Inc. products are manufactured and supplied under FBV® brand name.

B. TERMS OF SALE

Orders will be initiated by the Customer issuing a Purchase Order to FBV, Inc. Purchase Orders will identify the Products, unit quantities, part numbers (if applicable), descriptions, applicable price and requested delivery dates. Upon receiving Purchase Order, Supplier will issue a Proforma Invoice/Order Acknowledgement, Terms and Conditions of Sale, and Technical Drawing(s) to be signed and approved by Purchaser. Verbal orders will not be considered a firm order. Production will not start unless a written approval of acceptance of the Technical Drawing(s) have been signed and returned to FBV. Orders are subject to FBV, Inc acceptance and to these terms and conditions.

C. CLERICAL ERRORS

FBV, Inc. reserves the right to correct all clerical errors or omissions in any Statement of Work.

D. DESIGN CHANGES

FBV, Inc. reserves the right to change, discontinue or alter the design and construction of any product without prior notice and to have no obligation for such changes, alterations, or discontinuance of the products previously or subsequently sold.

E. TERMS OF PAYMENTS

The terms of this sale require full payment prior to shipping unless (1) Invoice states a different Payment Terms; (2) a written approval has been obtained from Supplier Representative. International orders are to be paid by wire transfer unless over \$100,000, whereas a letters of credit may also be considered. Wire Transfer fees are the responsibility of the Purchaser and must be included with payment to complete transaction. Other forms of payment must be discussed and agreed upon before production has commenced. Domestic orders (USA) can be paid by check or wire transfers. Checks are to be made payable to: FBV, INC. Production will not commence until Terms of Payments are agreed and acceptable to Supplier.

For factory orders below USD \$5,000.00 a surcharge fee of USD \$220.00 for export documentation fees will be included in the order. For factory orders between USD \$5,000.00 to USD \$10,000.00 a surcharge fee of USD \$110.00 for export documentation fees will be included in the order.

F. SALES TAX

For domestic orders (USA), the amount of any sales, excise or other taxes, if any, applicable to the products shall be added to the purchase price and shall be paid by Purchaser unless Purchaser provides Supplier with an exemption certificate acceptable to the taxing authorities. Any taxes which Supplier may be required to pay or collect under any existing or future law, upon or with respect to the sale, purchase, delivery, storage, processing, use or consumption of any of the products, including taxes upon or measured by the receipts from the sale thereof, shall be for the account of the Purchaser, who shall promptly pay the amount thereof to Supplier upon demand.

G. LATE PAYMENTS

Balances remaining unpaid 30 days after Payment Due Date are subject to an interest charge of 1.5% per month or the highest rate permitted by law, whichever is lower, until paid. Any discounts, rebates, administrative fees, credits, or other fees due or owed to Supplier will be applied against delinquent balances before payment or reimbursement is made. Any disputed amounts should be reported immediately and remitted with the undisputed amount by the payment due date. If Supplier agrees with the billing dispute, Supplier will credit Purchaser the amount of the agreed-upon billing dispute. All billing disputes must be made within six (6) months of the applicable invoice date, or will be deemed to be waived.

Supplier reserves the right in its sole discretion to require prepayment from any Purchaser at any time and may refuse to sell and/or withhold further shipment until all overdue balances are made current.

If the Purchaser has decided to cancel the order or place it on hold, refer to the following section **I. ORDER CANCELLATION & HOLDING (PENDING) POLICY**, for more information.

Purchaser shall be liable for, and shall reimburse Supplier for all costs and expenses it may incur in connection with collection of any amounts owed to Supplier or enforcement of its rights, including without limitation, reasonable attorneys' fees and expenses, court costs, and cost of collection agencies.

H. CHANGE OF ORDER

Orders received may not be changed except on terms satisfactory to FBV, Inc. and which prevents FBV, Inc. from incurring any loss. Changes of products that are considered out of standard or special will not be accepted without full reimbursement of all related expense incurred at that time. All change of orders must be made in writing to and approved by FBV, Inc. subject to appropriate charges to the Purchaser.

I. ORDER CANCELLATION & HOLDING (PENDING) POLICY

The Purchaser has the responsibility to provide a signed and dated written notification of cancellation to Supplier for cancelled orders prior to Shipping Date. If order is cancelled before Proforma Invoice is signed and accepted, then a cancellation fee will be waived. If the Purchaser cancels an order after Proforma Invoice has been accepted, but before production has completed, Purchaser will be held to cover the cost associated with the purchase of raw material and labor incurred at that time. Supplier will provide the Purchaser the amount due for cancellation when notified has been received. For custom design products that are out of standard, Purchaser will be held responsible for 100% of the order amount. **Orders cannot be cancelled or returned to the factory after products have been shipped.**



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In the event that the order is placed on hold during production, the Purchaser will be held responsible for material and labor incurred during production. If products completed are not arranged for pick-up then the Purchaser will be held responsible for the warehousing fee of 0.001% per day. In the event that the order is placed on hold after production is complete then the Purchaser will incur charges of a warehousing fee of 0.001% per day until paid. Supplier will hold the items for certain length on time agreed upon by a signed and dated written agreement between Supplier and Purchaser. If the Products are not paid and in process of shipment after 30 days End of Holding Date (as shown on Agreement Letter) and/ or the Purchaser has not made contact or reached a decision with Supplier within 30 days, then Supplier reserves the right to take action as deemed necessary by Supplier which may include selling the products.

J. RETURNED GOODS POLICY

All factory orders cannot be returned after products have shipped. For any Products sold from inventory from the Houston, TX Warehouse, written approval must be obtained prior to return. FBV will deduct any shipping, restocking, and reconditioning expenses from the Purchaser's credit before issuing a refund.

K. SHIPPING POLICY

Shipping costs are calculated based on the weight of products and the location of shipment. Products are shipped EXW, Ex Works or F.O.B., Free on Board; however, Purchaser has the right to request different shipping terms. Supplier will abide by the INCOTERMS 2010 based on the shipping terms agreed between Supplier and Purchaser. The cost of any special packing or special handling caused by Purchaser's requirements or requests shall be added to the amount of the order. If Purchaser causes or requests a shipment delay, or if Supplier ships or delivers the products erroneously as a result of inaccurate, incomplete or misleading information supplied by Purchaser or its agents or employees, storage and all other additional costs and risks shall be placed solely by Purchaser.

L. DELIVERY POLICY

Lead times quoted are provided as accurate as possible given the conditions prevailing at the time of quotation. All delivery time are confirmed or modified at the time a Purchase Order is provided. **FBV, Inc. reserves the right to change the delivery time based on current production schedule at the time of order.** In no instances does FBV, Inc. guarantee delivery times, nor will FBV, Inc. assume any liability for damages, losses, or expenses resulting from FBV's failure to deliver products within the quoted delivery times.

M. CERTIFICATIONS POLICY

The Purchaser has the right to request any and all certificates held by the Supplier. FBV is certified in the following: API 6D SPEC, API 600 SPEC, ISO 9001:2008, API 6FA, API 607 and CE PED 97/23/EC Certified.

N. CERTIFICATE OF COMPLIANCE

Supplier hereby certifies that the Products furnished have been manufactured in accordance with and will conform to, manufacture's specifications and that any value-added work performed on any Products has been done in accordance with applicable Purchaser's specifications relating to such work.

O. INSPECTION AND FACTORY TEST

The Quality Control used by the Supplier in its manufacture of Products shall be in accordance with the Supplier's Quality Control Policies, Procedures and Practices. Supplier shall accommodate Purchaser's request to witness Supplier factory test of Products, if witnessing can be arranged without delay of the work. Access shall be limited to areas directly concerned with Products ordered by Purchaser and shall not include restricted areas where development or work of a proprietary nature is conducted. All complete orders shall be given a Mill Test Certificate according to EN 10204 3.1; Quality Inspection Reports are also available upon request. NDE Reports must be requested in advance.

The Supplier will not be held responsible for any third party inspection fees unless fees were included in the offer by FBV, Inc. Supplier will not be held responsible for transportation and accommodation fees to the facility, such as flight and vehicle transportation, hotel, and food expenses.

P. GUARANTEE

All complete orders shall be given a Certificate of Guarantee from Supplier which guarantees to the Purchaser that its Product(s) delivered has met the standards and specifications described in the technical drawings and Purchase Order and will be free of defects in material and workmanship for a period of 18 months from date of Commodity shipment showed on bill of lading or aerial bill, or 12 months from date of Commodity installation, whichever comes first. Upon written notification and suitable pictures of the defective product from the initial purchaser, Supplier further guarantees that should the products fail to meet standards within the warranted time period, Supplier will of their own choice correct the defects or replace the product(s) at Supplier own expense, or alternatively, refund at the price of purchase. This Guarantee is void for any situation where Supplier determines that the Products were not stored, installed, maintained, utilized and operated in accordance with Supplier recommendations as cited in the Installation, Operation, and Maintenance Manuals supplied by Supplier. Therefore, if abuse, misuse or lack of maintenance is determined to be the cause of defect or problem by the investigation of a Supplier Representative, Supplier will not be held responsible for the products. If FBV, Inc. is satisfied that the Product is covered by the guarantee, FBV, Inc., at its sole discretion, with either: (1) repair the Product, (2) replace the Product, or (3) refund the initial purchase price paid for the Product.

If Product is found to be defective, the Purchaser must immediately notify FBV, Inc. of defect in writing, cooperate fully with FBV, Inc. investigation of the defect, and comply in full with all shipping and return policies established by FBV, Inc. including obtaining FBV, Inc. written approval prior to returning any Product to FBV, Inc.

If the Product is claimed to be defective requires spare parts or replacement, FBV, Inc. will replace or provide spare parts of the Product free of charge, and will return the Product based on the initial terms of shipping. Replacement parts provided under the terms of this guarantee are warranted for the remainder of the guarantee period of the Products upon which they are installed to the same extent as if such parts were original components.

If the Product is claimed to be defective requires on-site repair, labor for repairs will be provided at no charge; however, transportation and accommodations will be the responsibility of the Purchaser. Repairs to Product by the Purchaser must be authorized by FBV, Inc. to avoid the voiding of the guarantee and cost for guarantee labor will be paid on receipt of final repair invoice.

Purchaser shall bear all responsibility and expense incurred for removal, reinstallation and labor of the guarantee Product.

FBV, Inc. makes no guarantee with respect to components or accessories not manufactured by it and shall be released from all obligations under all warranties, either expressed or implied, if any Product covered hereby is repaired or modified by persons other than its own authorized service personnel unless such repair by others is made with the written consent of FBV, Inc.



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No agent, distributor, employee or representative of FBV, Inc. is allowed to make any modification, extension, or addition to this guarantee whether written or verbal.

This guarantee supersedes all prior proposals or representations, whether written or oral, and constitutes the entire agreement between the parties. It may not be expanded or modified except in writing signed by both parties.

Q. CLAIM NOTICES

Upon receipt of shipment, Purchaser is to inspect the goods for shortages and incorrect materials. Any claims must be provided in writing with suitable pictures to FBV with ten (10) business days from the receiving date of the shipment. Any warranty claims must be made within fourteen (14) business days after the Purchaser becomes aware of the facts that such claim will be based. Any claim, whether receiving warranty in nature, must be received within the time period stated above or such claim will be forever waived.

R. FORCE MAJEURE

In no event shall FBV, Inc. be liable for losses, costs, damages or other expenses resulting from failure or delay in delivery due to acts of God, strikes, local labor shortages, fire, flood, or other casualty, government regulations or requirements, shortages or failure of raw materials, supplies, fuel, power or transportation, breakdown of equipment, or any other causes beyond FBV's control. In no event shall FBV, Inc. be liable for any consequential damages or claims for labor resulting from failure or delay in delivery.

S. ARBITRATION

Any claim, dispute, or controversy arising from or relating to the Products, the Services, the interpretation or application of these Terms and Conditions or any Statement of Work, the breach, termination or validity thereof, the relationships which result from these Terms and Conditions or any Statement of Work (including, to the full extent permitted by applicable law, relationships with third parties who are not signatories hereto), or Supplier's or any of its Affiliates' advertising or marketing (collectively, a "Claim") WILL BE RESOLVED, UPON THE ELECTION OF ANY OF SELLER, CUSTOMER OR THE THIRD PARTIES INVOLVED, EXCLUSIVELY AND FINALLY BY BINDING ARBITRATION. If arbitration is chosen, it will be conducted pursuant to the Rules of the American Arbitration Association. If arbitration is chosen by any party with respect to a Claim, neither Supplier nor Purchaser will have the right to litigate that Claim in court or to have a jury trial on that Claim or to engage in pre-arbitration discovery, except as provided for in the applicable arbitration rules or by agreement of the parties involved. Further, Customer will not have the right to participate as a representative or member of any class of claimants pertaining to any Claim. Apart any choice of law provision included in these Terms and Conditions, this arbitration agreement is subject to the Federal Arbitration Act (9 U.S.C. §§ 1-16). The arbitration will take place exclusively in Houston, TX. Any court having jurisdiction may enter judgment on the award rendered by the arbitrator(s). Each party involved will bear its own cost of any legal representation, discovery or research required to complete arbitration. The existence or results of any arbitration will be treated as confidential. Despite anything to the contrary contained herein, all matters pertaining to the collection of amounts due to Supplier arising out of the Products or Services will be exclusively litigated in court rather than through arbitration.

T. LIMITATION OF LIABILITY

UNDER NO CIRCUMSTANCES WILL SUPPLIER, ITS AFFILIATES OR ITS OR THEIR SUPPLIERS, SUBCONTRACTORS OR AGENTS BE LIABLE FOR: (A) ANY INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, BUSINESS, REVENUES OR SAVINGS, IN EACH CASE, WHETHER A CLAIM FOR ANY SUCH LIABILITY IS PREMISED UPON BREACH OF CONTRACT, WARRANTY, NEGLIGENCE, STRICT LIABILITY OR OTHER THEORY OF LIABILITY; (B) ANY CLAIMS, DEMANDS OR ACTIONS AGAINST CUSTOMER BY ANY THIRD PARTY; (C) ANY LOSS OR CLAIM ARISING OUT OF OR IN CONNECTION WITH CUSTOMER'S IMPLEMENTATION OF ANY CONCLUSIONS OR RECOMMENDATIONS BY SELLER OR ITS AFFILIATES BASED ON, RESULTING FROM, ARISING OUT OF OR OTHERWISE RELATED TO THE PRODUCTS OR SERVICES.

U. CONFIDENTIALITY

Supplier agrees not to utilize or disclose to others any confidential information, drawings or data, whether or not designated as such, supplied, furnished or disclosed to Supplier by Purchaser except as reasonably required for the purpose of filling this order. Supplier shall immediately return any such confidential materials to Purchaser at their request.

V. CHANGES TO TERMS AND CONDITIONS OF SALE

FBV, Inc. reserves the right to make changes to this document at any time without notification.