

SHELL & TUBE, LLC
PURCHASE ORDER TERMS & CONDITIONS
2011

This Purchase Order shall become a binding agreement of Seller and Buyer upon Seller signing and returning an acceptance copy of this Purchase Order without exceptions, or Seller commencing performance of this Purchase Order, whichever occurs first.

INVOICING

Invoices shall be transmitted via electronic copy to aisaac@shellandtube.com or hard copy to:

Shell & Tube, LLC
Attn: Accounts Payable
5710 S. Garnett Road
Tulsa, Oklahoma 74146

Any of the following conditions will be considered just cause for withholding payment and/or returning invoices to Seller without loss of applicable discount privileges:

- a) The invoice, packing list and/or Purchase Order do not agree in all respects.
- b) Errors or omissions have been made in the Seller's invoice.
- c) Buyer not in receipt of Seller data required on this Purchase Order.
- d) Buyer not in receipt of Material Test Reports (MTRs) from Seller.

The payment period will begin on the date that the Buyer's office making the payment **receives** an acceptable invoice from Seller (at the address specified above).

ADDITIONAL REQUIREMENTS

Orders will not be considered complete until Buyer has received three (3) copies of Material Test Reports (MTRs) from the Seller. One (1) copy of the MTRs should be sent with the product shipment. The additional two (2) copies should be submitted to:

Shell & Tube, LLC
Attn: Quality Control Department
13125 Royal Drive
Stafford, Texas 77477

TAXES

The goods covered by the Purchase Order are not subject to state and/or local sales tax. Buyer is exempt from sales and use taxes and holds Texas Sales and Use Tax Resale Certificate No. 12084331177. The taxable item described in this purchase order will be resold as part of our equipment manufactured for resale.

TERMS OF PAYMENT

Payment will be made Net 30 Days from receipt of a correctly rendered invoice following satisfactory completion of order.

RETURNS/REWORK

Should Buyer discover that the material or equipment fails to conform to all requirements listed on this Purchase Order, Buyer will return the items to Seller at Seller's expense for rework or refund.

QUALITY

Arrangements for Buyer and/or Buyer's clients to verify product at Seller's premises will be requested if any one of the following reasons exist:

- a) Buyer's client has requested it;
- b) Buyer conducts random audit of suppliers;
- c) Buyer has reason to believe Seller's product is nonconforming to specifications.