

CUSTOMER ACKNOWLEDGEMENT OF AGREEMENT FOR HEAT TREATING SERVICES

VARCO HEAT TREATING COMPANY OFFERS TO PERFORM AND WILL PERFORM OUR HEAT TREATING PROCESS ON YOUR MATERIAL ONLY UPON THE FOLLOWING TERMS AND CONDITIONS:

Because of the hazards and uncertainties of heat treating, Varco must limit its warranties and liability as follows:

1. Varco warrants only that Varco will perform its heat treating process on the customer's material in a good and workmanlike manner; this warranty is given to no one other than Varco's customer. There are no warranties, express or implied, of merchantability or of fitness for a particular purpose, which extend beyond the face hereof. Additional warranties can be made only in an additional writing signed by authorized representatives of both Varco Heat Treating Company and Varco's customer.
2. The remedies provided herein are exclusive. Except as further limited below, VARCO'S LIABILITY TO ITS CUSTOMERS SHALL NOT EXCEED VARCO'S CHARGES FOR THE HEAT TREATING SERVICE PERFORMED ON CUSTOMER'S MATERIAL. Varco will not be liable for any other damages, including consequential or incidental damages, sustained by customer or any other person.
3. When Varco is given detailed heat treating instructions, Varco shall not be liable for damages caused by Varco's carrying out such instructions.
4. If no instructions are given to Varco specifying the area on which to conduct hardness tests, Varco will not be liable for damages resulting from making such tests.
5. Varco will not be liable for damages caused by customer's failure to accurately describe material delivered for heat treating (e.g., quality, make, grade of steel, or material specification) and customer will be charged for any additional testing expenses incurred by Varco as a result thereof.
6. Unless provided for in an additional writing signed by authorized representatives of both Varco Heat Treating Company and Varco's customer, Varco will not be liable for shrinkage, expansion, deformity or rupture of the material caused by heat treating or subsequent grinding.
7. Varco will not be liable for shortages in weight or count unless the customer brings them to the attention of Varco within five days after receipt of material.
8. Varco will not be liable for damages caused by delay or by failure of Varco to deliver arising out of circumstances beyond Varco's reasonable control, including but not limited to, any such acts or demands of the United States government, strikes, fires, accidents, railway freight embargoes, car shortages, labor shortages, or acts of unintentional negligence by Varco's employees.
9. The customer agrees to indemnify, assume all risk, and defend Varco, its officers, employees and agents, and each of them, from all claims, demands, causes of action, losses, damages, expenses and reasonable attorney's fees incurred by Varco arising out of or in any manner directly or indirectly connected with heat treating performed for customer.