

KOIL ENERGY SOLUTIONS, INC.
EQUIPMENT RENTAL AND SERVICES AGREEMENT

This Equipment Rental and Services Agreement (“**Agreement**”), effective as of _____, 202_ (the “**Effective Date**”) is entered into by and between **Koil Energy Solutions, Inc.** (the “**Company**”) and _____ (“**Customer**”). The terms of this Agreement govern the relationship of the Company and Customer with regard to (a) Customer’s rental and use of items of equipment owned by the Company (the “**Equipment**”) and (b) with regard to any technical, professional, consulting or other personnel services provided to Customer either in connection with the use of the Equipment (“**Equipment Related Services**”) or independent of such use (the “**Independent Services**”). Company and Customer are sometimes referred to collectively herein as the “**Parties**,” and each individually as a “**Party**.” Specific Equipment Related Services and/or Independent Services (collectively “**Services**”) are further described in the “**Proposal**” attached hereto as Appendix “A” and incorporated herein for all purposes. Customer’s execution or acceptance of a Proposal, including by electronic or click-through acceptance, constitutes Customer’s acceptance of and agreement to be bound by this Agreement. In the event of any discrepancy between the Proposal and this Agreement, the terms of this Agreement shall control.

1. EQUIPMENT RENTAL

The rental rate for the Equipment, and as applicable, the rate for the Equipment Related Services, shall be as provided on the Proposal. Rent begins to accrue from the time the Equipment is picked up and will continue to accrue until the Equipment is returned by Customer to the Company’s facilities. A minimum of one (1) day’s rental, rounded up, will be charged for each item of Equipment, unless otherwise agreed to in writing. Equipment provided in an exchange due to misuse or damage shall be considered a separate rental. Determination and approval of start and stop dates are at the discretion of the Company. It is Customer’s responsibility to advise the Company of any purchase order numbers, job charges, offshore location, tax status, or any other pertinent information that relates to this Agreement or Customer’s use of the Equipment. Unless otherwise set forth in the Proposal, all Equipment shall be delivered, and risk of loss shall pass, to Customer Ex Works (Incoterms 2020) Company’s applicable facility.

2. TERMS OF PAYMENT; TAXES

Initial payment for the rental of Equipment and Equipment Related Services (the “**Rent**”) shall be due thirty (30) days from the commencement of the Rental Term (defined below) and shall be due and invoiced monthly thereafter. In the event Company employs an attorney for collection of Rent and/or for payment for loss of or damage to the Equipment pursuant to Article 9 below, Customer shall pay all reasonable attorney, collection, and court fees. Customer shall pay interest on all late payments at the lesser of (a) 1.5% per month or (b) the maximum amount permitted by applicable law. Customer hereby waives any right of setoff against payments due Company.

Customer shall be liable for taxes, customs duties, tariffs, import and export duties, and other governmental charges or fees (the “**Taxes**”) arising out of or related to the Equipment Related Services and any rental, importation or exportation, possession, use, or operation of the Equipment during the Rental Term (as defined below). The Rent set out in the Proposal is exclusive of any Taxes unless specified in the Proposal, including but not limited to sales tax or value added tax, and if applicable, such tax will be added to Customer’s invoice. Customer shall release, protect, defend, indemnify, and hold Company Group (defined below) harmless from and against any and all liabilities resulting from Customer’s failure to make timely payments, comply with reporting, complete filing, or any other procedural requirements related to or arising from the rental, importation or exportation, possession, use, or operation of the Equipment. In the event that Company receives a direct request from any governmental authority requesting information regarding Customer, and upon written request by Company, Customer shall provide evidence to confirm Customer’s compliance with governmental tax reporting and payment obligations.

3. INSPECTION AND MAINTENANCE

It is Customer’s responsibility to inspect all items of Equipment and the delivery ticket to ensure that all items of Equipment are listed on the delivery ticket. Unless Customer immediately notifies Company of any defects in the Equipment, Customer shall be conclusively presumed to have accepted the Equipment in “as is” condition and with all faults. Thereafter, Customer will have no right to revoke acceptance, and any attempt at revocation shall be without effect. It is agreed that the Equipment shall be returned to Company in the same condition in which it was received by Customer, less normal wear and tear, and that Customer shall be responsible for all damage, repairs, replacements, and maintenance during the Rental Term and while the Equipment is in Customer’s possession and also shall be responsible for all repairs and maintenance caused by Customer’s use of the Equipment. Customer shall be responsible for routine maintenance of the Equipment, including, but not limited to, daily checking of general condition, replacing parts, fuel, grease, and other operating fluids and supplying consumables. If the Equipment becomes disabled due to the fault of Customer Group or any third party, Company will not be responsible for furnishing substitute equipment. Rent will continue to be charged on all disabled Equipment until returned to Company. Company shall have the right at any time to enter the premises occupied by the Equipment and shall be given free access thereto for purposes of inspection. Notwithstanding the foregoing, Customer acknowledges and agrees that Company has no obligation to inspect the Equipment during the Rental Term and has no control over the possession, operation, use, inspection, maintenance, and/or repair of the Equipment by Customer or anyone for whom Customer is responsible.

4. USE OF EQUIPMENT

Customer shall be responsible for the proper and safe operation of the Equipment in its entirety, including, but not limited to, providing, at its own expense, proper preventative maintenance. Customer shall not make any alterations, additions, modifications, or improvements, or disfigure, cover or remove any lettering, emblems, insignia, or labels displayed on the Equipment without prior written consent of Company. Customer shall employ only competent, experienced and qualified personnel who are familiar with the Equipment and its intended use. Customer shall provide only personnel who are qualified to operate, inspect, and maintain the Equipment, and when applicable, to assemble, disassemble, transport, load, unload, and/or drive the Equipment properly and safely in strict accordance with the manufacturer's operation manuals and specifications, including rated load capacities and applicable law. Use of the Equipment by Customer constitutes Customer's representation that Customer's employees are familiar with the Equipment, have received appropriate training, certification, and licensing, and are qualified to use the Equipment. Customer shall see that the Equipment is not subjected to careless or needlessly rough usage and, if applicable, shall ensure that the Equipment is not installed in such a manner that it might be considered attached to realty. Customer shall not utilize any hazardous substances in conjunction with its use of the Equipment.

5. OTHER PROJECTS, PERSONNEL AND SAFE WORKING ENVIRONMENT

Customer agrees that in the event it requires Services for any other project, location, or job not included in a Proposal hereunder, it shall notify Company and offer Company the opportunity to provide such Services at rates and on terms mutually agreeable to the Parties. Customer shall provide and ensure a safe working environment and working conditions for all personnel provided by or through Company to perform the Services that meets or exceeds the most stringent industry standards applicable to the Services and locations where the Services are to be supplied. Any change in the location where the Equipment is to be used by Customer or where Services are to be provided requires advance written notice to the Company. In the event of any such change in location, Company shall have the right, in its sole discretion, to modify the Rent or other rates at which the Services are provided or to terminate this Agreement and require the negotiation and execution of a new agreement to cover such new location. If Customer requests changes to the scope of the rental or Services as listed in the Proposal, Company shall provide rates and fees for the changes requested.

6. CUSTOMER'S OBLIGATIONS REGARDING SERVICES.

For Independent Services, Customer shall include in the Proposal information outlining the nature, location, and anticipated duration of the work for which the Services are requested, the type and number of persons (these and all other service providers "**Consultants**") requested and their respective duties, experience, qualifications (including technical or professional degrees), and any other job criteria required of each type of Consultant and any other information reasonably necessary to enable Company to engage qualified Consultants (the "**Consulting Specifications**"). Customer shall promptly notify Company in writing of any changes in the Consulting Specifications or the Independent Services, and the Customer shall have no obligation to provide additional or different Consultants. With regard to any type of Services, any material, safety clothing, and equipment or other tools or equipment necessary for the Consultant or Consultants to perform their duties shall be provided as agreed between the Customer and Company or as set forth in Appendix A. Except as otherwise provided in Appendix A and agreed to by Company, if items related to the performance of the Services or Consultant's assigned duties are furnished by Company, Customer agrees to reimburse Company for any and all expenses incurred by Company in connection therewith. Customer shall inform the Consultants of any applicable safety precautions and recommended equipment prior to the commencement of any Services. Customer shall be solely responsible for customs and shall serve as the importer and exporter of record, if applicable.

7. COMPANY'S OBLIGATIONS REGARDING SERVICES.

Company shall be responsible for verifying the qualifications of Consultants and shall make every reasonable effort to ensure that they possess all necessary technical knowledge, work experience, integrity, and reliability necessary to meet or exceed applicable Consulting Specifications and perform the Services. Notwithstanding the foregoing, Company cannot guarantee that the performance of the Consultants or any specific results obtained will meet the expectations or requirements of Customer and Company's only obligation in such cases shall be to provide substitute Consultants at the written request of Customer.

8. INDEMNITY

AS USED HEREIN, "**CUSTOMER GROUP**" MEANS CUSTOMER, ITS AFFILIATES, ENTITIES FOR WHOM THE FOREGOING PERFORM SERVICES, ITS AND THEIR JOINT VENTURERS, JOINT INTEREST OWNERS, PARTNERS, CO-OWNERS, CO-LESSEES, CONTRACTORS, AND SUBCONTRACTORS OF EVERY TYPE OR TIER (OTHER THAN ANY MEMBER OF COMPANY GROUP, DEFINED BELOW), AND ITS AND THEIR RESPECTIVE EMPLOYEES, DIRECTORS, OFFICERS, MEMBERS, MANAGERS, REPRESENTATIVES, AGENTS AND INVITEES. CUSTOMER SHALL RELEASE, INDEMNIFY, DEFEND, PROTECT AND HOLD HARMLESS COMPANY, ITS PARENTS, AFFILIATES, ITS CONTRACTORS AND SUBCONTRACTORS OF EVERY TYPE AND TIER, JOINT VENTURERS, JOINT INTEREST OWNERS, PARTNERS,

CO-OWNERS, CO-LESSEES, AND ITS AND THEIR RESPECTIVE EMPLOYEES, DIRECTORS, OFFICERS, MEMBERS, MANAGERS, REPRESENTATIVES, AGENTS, AND INVITEES, (“**COMPANY GROUP**”), FROM AND AGAINST ALL CLAIMS, DEMANDS, CAUSES OF ACTION, JUDGMENTS, PROCEEDINGS, LOSSES, DAMAGES, LIABILITIES, FINES, PENALTIES, COSTS AND EXPENSES, INCLUDING LITIGATION COSTS AND REASONABLE ATTORNEYS’ FEES (“**CLAIMS**”) ARISING OUT OF, RELATING TO, OR IN CONNECTION WITH THE PROVISION OF EQUIPMENT OR SERVICES UNDER THIS AGREEMENT TO THE EXTENT THAT SUCH CLAIM INVOLVES: (A) DAMAGE TO, DESTRUCTION OR LOSS OF PROPERTY OF CUSTOMER GROUP (INCLUDING ALL EQUIPMENT RENTED FROM COMPANY DURING THE RENTAL TERM), (B) PERSONAL INJURY OR DEATH OF ANY MEMBER OF CUSTOMER GROUP, (C) CUSTOMER GROUP’S MATERIAL BREACH OF THIS AGREEMENT, (D) THE TRANSPORTATION, REPAIR, MAINTENANCE, HANDLING, POSSESSION, CUSTODY, USE, OPERATION, OR RETURN OF THE EQUIPMENT, AND (E) ANY VIOLATION OF ANY APPLICABLE LAW BY ANY MEMBER OF CUSTOMER GROUP. **CUSTOMER’S OBLIGATION TO RELEASE, INDEMNIFY, DEFEND, PROTECT, AND HOLD HARMLESS COMPANY GROUP FROM AND AGAINST CLAIMS UNDER SUBPARAGRAPHS (A) AND (B) OF THIS PARAGRAPH SHALL APPLY REGARDLESS OF CAUSE (DEFINED BELOW).**

COMPANY SHALL RELEASE, INDEMNIFY, DEFEND, PROTECT, AND HOLD HARMLESS CUSTOMER GROUP FROM AND AGAINST THE FOLLOWING CLAIMS ARISING OUT OF, RELATED TO OR IN CONNECTION WITH THE PROVISION OF EQUIPMENT OR SERVICES UNDER THIS AGREEMENT: (A) DAMAGE TO, DESTRUCTION OR LOSS OF PROPERTY OF COMPANY GROUP (SUBJECT TO CUSTOMERS COMPLIANCE WITH ARTICLE 9 OF THIS AGREEMENT), (B) PERSONAL INJURY OR DEATH OF ANY MEMBER OF COMPANY GROUP, (C) COMPANY GROUP’S MATERIAL BREACH OF THIS AGREEMENT, AND/OR (D) ANY VIOLATION OF ANY APPLICABLE LAW BY ANY MEMBER OF COMPANY GROUP. **COMPANY’S OBLIGATION TO RELEASE, INDEMNIFY, DEFEND, PROTECT, AND HOLD HARMLESS CUSTOMER GROUP FROM AND AGAINST CLAIMS UNDER SUBPARAGRAPHS (A) AND (B) OF THIS PARAGRAPH SHALL APPLY REGARDLESS OF CAUSE.**

AS USED HEREIN, “REGARDLESS OF CAUSE” SHALL MEAN, TO THE MAXIMUM EXTENT PERMITTED BY LAW, THAT THE APPLICABLE RELEASE, PROTECTION, DEFENSE, INDEMNITY, AND HOLD HARMLESS OBLIGATIONS AND/OR LIABILITIES ASSUMED BY EITHER PARTY UNDER THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO THE EQUIPMENT AND SERVICES OR THE INGRESS, EGRESS, LOADING, OR UNLOADING OF PERSONNEL OR CARGO, ANY PRESENCE ON ANY PREMISES (WHETHER LAND, BUILDING, VEHICLE, PLATFORM, AIRCRAFT, VESSEL OR OTHERWISE) OWNED, OPERATED, CHARTERED, LEASED, USED, CONTROLLED OR HIRED BY ANY MEMBER OF COMPANY GROUP OR CUSTOMER GROUP, AND SHALL APPLY REGARDLESS OF CAUSE, EVEN IF CAUSED BY PRE-EXISTING CONDITIONS, DEFECT, OR RUIN OF PREMISES OR EQUIPMENT, UNSEAWORTHINESS, UNAIRWORTHINESS, STRICT LIABILITY, REGULATORY, OR STATUTORY LIABILITY, PRODUCTS LIABILITY, BREACH OF REPRESENTATION OR WARRANTY (EXPRESS OR IMPLIED), BREACH OF DUTY (LEGAL, STATUTORY, CONTRACTUAL, EQUITABLE, OR OTHERWISE), ANY THEORY OF TORT, BREACH OF CONTRACT, FAULT, THE NEGLIGENCE OF ANY DEGREE OR CHARACTER (WHETHER SOLE, JOINT, OR CONCURRENT, ACTIVE, OR PASSIVE, BUT NOT INCLUDING GROSS NEGLIGENCE OR WILLFUL MISCONDUCT) OF ANY PARTY OR PARTIES, INCLUDING THE INDEMNIFIED PARTY AND/OR ITS PARTY GROUP. BOTH PARTIES ACKNOWLEDGE THAT THE FOREGOING STATEMENT IS CONSPICUOUS AND AFFORDS FAIR AND ADEQUATE NOTICE.

9. LOST AND DAMAGED EQUIPMENT

Customer agrees to pay full Replacement Value (defined below) plus any accrued Rent for any item of Equipment lost, destroyed, or otherwise not timely returned to Company. Customer agrees to pay for all parts and labor for any improperly used or damaged Equipment. Customer is responsible for the Equipment and its associated components from the time Equipment departs the Company’s facilities until it is returned into the possession of Company. Any damage to the Equipment shall be assessed promptly upon return of the Equipment to Company’s facilities. Customer is entitled to inspect any damages assessed by Company and shall, in all events, be presented with a quote for the cost of repair, including projected necessary man hours, third party costs, and parts and materials. The cost of any parts or fabrication materials necessary for repairs by Company shall be calculated on a cost plus twenty percent (20%) basis. At Company’s sole option and upon written prior approval of Company, Customer may, at its own cost, obtain a quote for repair or replacement of any damaged Equipment and have such repair or replacement performed, provided that any such repair or replacement is to the satisfaction of Company and is completed within seven (7) days of the date of return of the Equipment by Customer to Company. Any negotiations regarding the repairs or replacement costs referenced in this paragraph will be conducted between Company and Customer only. Equipment that is not returned, whether lost or stolen, will be replaced at the then current Replacement Value and charged to Customer. As used herein, “**Replacement Value**” shall mean Company’s then current list price, without discounts (if the Company equipment was manufactured by Company) or the list purchase price of new Equipment purchased from a third party, in either instance plus all costs incurred by Company for shipping, taxes, and insurance.

10. TERMINATION FOR CONVENIENCE

To the extent the Proposal sets forth a term for hire of the Equipment and/or Services ("**Term for Hire**"), Customer may request to terminate such Proposal for Customer's convenience in whole or in part and Company agrees to cooperate with Customer in attempting to make such arrangements conditioned on: (a) Customer providing at least thirty (30) days' advance written notice of such termination to Company and (b) Customer's payment to Company of: (i) all Rent previously incurred and amounts for Services previously rendered, (ii) all costs incurred by Company for all materials, supplies and services purchased or rented in anticipation of performing under the Proposal, including third party cancellation or early-termination fees which cannot be reasonably cancelled or revoked as at the date of termination, plus (iii) a termination fee equal to twenty percent (20%) of the Rent and charges for Services for the remaining Term for Hire and, if applicable (iv) Customer shall arrange for the affected Consultant's and/or Equipment's transportation back from the applicable Services site at Customer's sole cost and expense. Company may terminate a Proposal for convenience, in whole or in part, by providing Customer at least thirty (30) days' advance written notice thereof. In such event, (a) Customer shall return the applicable Equipment to Company pursuant to Company's instructions, (b) Customer shall pay Company for the Equipment provided and Services performed up to the date of termination, and, if applicable (c) Customer shall arrange for the affected Consultant's and/or Equipment's transportation back from the applicable Services site at Customer's sole cost and expense.

11. TERMINATION FOR CAUSE

Either Party may terminate this Agreement or a Proposal if the other Party breaches a material provision of this Agreement or a Proposal. In the event that a Party (the "**Defaulting Party**") is in breach of a material provision of this Agreement or a Proposal, the other Party (the "**Non-Defaulting Party**") will submit a written cure notice to the Defaulting Party advising of such breach. The Defaulting Party will have ten (10) days to cure the breach, beginning on the date the Defaulting Party receives the written cure notice. If the Defaulting Party does not cure the breach within the ten (10) day period, the Non-Defaulting Party may terminate this Agreement and/or the Proposal without penalty. Without limiting the foregoing, Company may immediately terminate the Proposals if Customer is either adjudicated bankrupt, goes into receivership, files a petition in bankruptcy, makes an assignment for the benefit of creditors, or if action under any law for the relief of debtors is taken. If Customer is the Defaulting Party, then within thirty (30) days of such termination, Customer shall pay Company: (i) all Rent previously incurred and amounts for Services previously rendered, (ii) all costs incurred by Company for all materials, supplies and services purchased or rented in anticipation of performing under the Proposal, including third party cancellation or early-termination fees which cannot be reasonably cancelled or revoked as at the date of termination, plus (iii) a termination fee equal to the remaining Rent payable for the Term of Hire under all terminated Proposals and, if applicable (iv) Customer shall arrange for the affected Consultant's and/or Equipment's transportation back from the applicable Services site at Customer's sole cost and expense. In the case of any termination by Company pursuant to this Article Customer must return the Equipment to Company pursuant to Company's instructions and pay all invoices and all monies due and owing at the time of receipt of the termination notice. In the event Independent Services are terminated under this Article due to an uncured default by Customer, Customer shall pay a termination fee equal to all fees that would have been payable to Company for the remainder of the Term for Hire but for the termination of this Agreement, as liquidated damages and not as a penalty. The Parties agree that in the event of termination under the foregoing sentence, the damage to Company would be difficult if not impossible to determine, and that the payment of the fees set forth in this Article 11 is a fair and reasonable compensation for such termination.

12. RETURN OF EQUIPMENT

Customer agrees that if the Agreement is terminated pursuant to Article 11 of this Agreement, Customer will return said Equipment to the Company at Customer's sole risk and expense within thirty (30) days of Company's request. If Customer fails to return any Equipment within such thirty (30)-day period, Customer shall continue to be responsible for Rent for such Equipment, calculated at the pro rata daily rate based on the Rent applicable immediately prior to termination, until such Equipment is actually returned to and received by Company. Such continued Rent shall not constitute a penalty or late fee and shall be in addition to Customer's other obligations under this Agreement.

At the end of the Rental Term, Customer will return the Equipment to Company (except in case of total constructive loss which expression shall mean that the Equipment is actually lost or incapable of economic repair as the Parties will mutually agree), at the same conditions they were rented out, reasonable wear and tear excepted. Any all costs incurred with regard to the repair and restoration of the lost or damaged Equipment shall be borne by Customer as stated in Article 9.

13. TITLE

Title to the Equipment shall be and shall remain at all times vested with the Company. Customer shall give the Company immediate notice in the event any Equipment is levied upon, claimed or otherwise threatened with seizure for any reason and shall take all action necessary or appropriate to protect Company's title to the Equipment. Customer shall not allow any liens to attach to the Equipment or to any property of Company Group.

Nothing in the Agreement shall be construed as granting any rights under any patents, trademarks, copyrights, or other intellectual property owned by the Company. Unless otherwise provided by special written agreement signed by Company and Customer, all data, software programs, tools, tooling, molds, patterns, formulas, product designs, equipment, fixtures, specifications, templates, scripts, ideas, concepts, inventions, works of authorship, products, know-how, processes, and techniques used or developed, produced,

acquired, or used by Company or its employees or subcontractors for the purposes of fulfilling Customer's Services remain the property of Company and Company retains all rights, title, and interest in same. For the Equipment provided to Customer pursuant to these terms and conditions for which Customer has paid Company all amounts owed, Company hereby grants to Customer a non-exclusive, royalty-free, non-sublicensable, non-assignable temporary license to use such Equipment solely for Customer's own internal business purposes during the Term for Hire. Customer agrees that Company retains proprietary rights in and to all Equipment, specifications, designs, engineering details, discoveries, inventions, patents, copyrights, trademarks, trade secrets, and other proprietary rights relating to the Equipment and Services.

14. WARRANTY

Company warrants that it has the right to rent the Equipment and give Customer possession of the Equipment pursuant to the terms of this Agreement. In the event Customer notifies Company of a defect in any Equipment in accordance with Section 3 hereof, Company shall promptly repair or replace such Equipment., WITHOUT LIMITING THE FOREGOING, COMPANY MAKES NO OTHER WARRANTY, EXPRESS OR IMPLIED, AS TO THE EQUIPMENT AND ASSUMES NO RESPONSIBILITY FOR ITS CONDITION. ANY OTHER WARRANTY AS TO THE EQUIPMENT, EXPRESS OR IMPLIED, IS HEREBY EXCLUDED AND DISCLAIMED, INCLUDING THE IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT, AND CUSTOMER WAIVES THE SAME. IN ADDITION THERETO, COMPANY MAKES NO WARRANTY, EXPRESS OR IMPLIED AGAINST PATENT OR LATENT DEFECTS IN MATERIAL, WORKMANSHIP OR CAPACITY OF THE EQUIPMENT, NOR DOES COMPANY WARRANT THAT THE EQUIPMENT WILL SATISFY THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION, OR CONTRACT WHICH PROVIDES FOR SPECIFIC MACHINERY OR OPERATIONS, OR SPECIAL METHOD. ALL CLAIMS ARISING IN ANY WAY OUT OF THIS AGREEMENT OR THE EQUIPMENT ARE ENTIRELY ASSUMED BY CUSTOMER AT CUSTOMER'S SOLE RISK AND SOLE EXPENSE.

COMPANY WARRANTS THAT ALL SERVICES WILL BE PERFORMED IN A GOOD AND WORKMANLIKE MANNER. TO BE EFFECTIVE, ANY CLAIM OF DEFECTIVE SERVICE MUST BE MADE IN WRITING DESCRIBING THE SPECIFIC NATURE OF THE DEFECTIVE SERVICE AND MUST BE DELIVERED TO COMPANY BEFORE THE COMPANY REPRESENTATIVE PERFORMING SUCH SERVICE LEAVES THE SERVICE LOCATION AFTER PERFORMING THE ALLEGED DEFECTIVE SERVICE.

COMPANY'S SOLE LIABILITY AND CUSTOMER'S SOLE REMEDY FOR ANY BREACH OF THE REPRESENTATIONS AND WARRANTIES IN THIS AGREEMENT IS EITHER (X) THE REPLACEMENT OF THE APPLICABLE EQUIPMENT OR CONSULTANT OR (Y) REPERFORMANCE OF THE APPLICABLE SERVICES, SUCH REPLACEMENT OR REPERFORMANCE BEING AT COMPANY'S SOLE DISCRETION. UNDER NO CIRCUMSTANCE SHALL COMPANY'S LIABILITY FOR BREACH OF ANY REPRESENTATION OR WARRANTY EXCEED 125% OF THE AMOUNT CHARGEABLE BY COMPANY FOR THE ALLEGEDLY DEFECTIVE SERVICES OR EQUIPMENT. EXCEPT FOR THE WARRANTIES EXPRESSLY SET FORTH IN THIS ARTICLE 14, COMPANY HEREBY EXPRESSLY DISCLAIMS ANY AND ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED AND WITHOUT LIMITING THE FOREGOING, CUSTOMER HEREBY ACKNOWLEDGES AND AGREES THAT COMPANY'S WRITTEN WORK PRODUCT IS INTENDED TO BE USED SOLELY BY CUSTOMER AND NOT BY ANY OTHER PERSON OR ENTITY, AND COMPANY SHALL HAVE NO LIABILITY THEREFORE WHATSOEVER.

15. LIMITATION OF LIABILITY

Notwithstanding any other provisions of this Agreement, but subject to Articles 10 and 11 hereof, under no circumstances shall either Party be liable to the other for consequential, special, incidental, indirect, exemplary damages of the other Party or its Group, including but not limited to consequential damages arising out of or related to its performance under this Agreement ("**Special Damages**"), whether based upon breach of this Agreement, warranty, or negligence and whether grounded in tort, contract, civil law, or other theories of liability including strict liability, even if advised in advance of the possibility of such damages. Without limiting the foregoing, in no event shall the Company be liable for Special Damages arising from delays, loss of use or of profits, downtime, costs of renting replacements, any Claim which may occur due to mechanical failure or improper operation of the Equipment, or for other Special Damages. To the extent that the limitations of liability contained in this Article conflict with any other provision(s) of this Agreement, such provision(s) will be regarded as amended to whatever extent required to make such provision(s) consistent with this provision. Provided, however, notwithstanding anything to the contrary in this Agreement, the provisions of this Article shall not be construed to excuse or deem unenforceable any obligation of a Party to defend, indemnify and hold harmless another Party under Article 8 against Claims for damages, including but not limited to Special Damages made by or incurred by third parties for which indemnity is owed hereunder.

16. INSURANCE

Customer shall, at its own expense, provide and maintain appropriate insurance coverages covering its obligations hereunder with

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underwriters and amounts satisfactory to the Company in its sole discretion, including, but not limited to, Comprehensive General Liability, Worker's Compensation and Employer's Liability in compliance with local statutory requirements; Automobile Liability as may be required by statute; any other insurance policies reasonably required by applicable law; and any insurance policies as may be specified in a Proposal. Customer agrees to support its indemnification obligations under this Agreement with liability insurance coverages in amounts equal to the amounts specified by Company in the Proposal, but in no event less than \$10,000,000.00 per occurrence, to be met by any combination of primary and excess (umbrella) coverages. Customer shall also at its own expense, provide and maintain insurance against loss by all risks of physical loss or damage as is normally provided by a contractor's equipment floater policy, in an amount equal to the manufacturer's list price. Customer shall, upon request of the Company, provide the Company with certificates of insurance evidencing the coverages required above. Customer's insurance policies required hereunder shall: (i) name the Company Group as an additional insured (except for Worker's Compensation and Professional Liability), (ii) be endorsed to provide that the Company be given at least thirty (30) days prior written notice of any cancellation of or material changes in such coverage, (iii) include a waiver of subrogation in favor of Company Group, and (iv) be primary to, and shall receive no contribution from, any other insurance coverage in favor of any member of Company Group. Customer must provide certificates of insurance, if requested by the Company, before shipment or delivery of Equipment to Customer. If Customer is self-insured, it shall furnish written evidence of such fact all to the satisfaction of the Company. THE PROVIDING OF ANY INSURANCE REQUIRED HEREIN DOES NOT RELIEVE CUSTOMER OF ANY OF THE RESPONSIBILITIES OR OBLIGATIONS ASSUMED BY CUSTOMER IN THIS AGREEMENT, OR FOR WHICH CUSTOMER MAY BE LIABLE BY LAW OR OTHERWISE. If requested by the Company, Customer at its own expense shall furnish a bond in the amount of the value of the Equipment with sureties satisfactory to the Company, to ensure fulfillment of this Agreement. In the event that the **TEXAS OILFIELD ANTI-INDEMNITY ACT** (Tex. Civ. Prac. & Rem. Code Section 127.00 et seq. (2023)) governs the enforceability of any provision under this Agreement, the Company agrees to obtain insurance coverage under this Article 14 in the same manner and subject to the same terms, conditions and specifications imposed on Customer under this Article. In the event that the **LOUISIANA OILFIELD ANTI-INDEMNITY ACT** (La. Rev. State Section 9:2780)) governs enforceability of any provision under this Agreement, the Company shall reimburse the Customer for any additional premiums incurred for naming the Company as an additional insured and waiving subrogation under the Customer's policy. In such event, Customer shall present monthly invoices to Company for amounts owned for reimbursement, and Customer shall pay such invoices no later than thirty (30) days following receipt of the invoice.

Customer shall not allow the use by Consultants of any motor vehicle belonging to Customer or leased or hired by Customer without providing or procuring full insurance coverage for such vehicle and the Consultant(s) with respect to such use. Evidence of such coverage shall be delivered to Customer prior to Consultant's use of such motor vehicle. The provision of any such transport or use by a Consultant of Customer's motor vehicles shall be at Customer's sole risk and cost.

17. SOLICITATION OF CONSULTANTS.

Should Customer or its affiliates offer employment to any Consultant during or at the end of the Term of this Agreement, or within twelve (12) months thereafter, Customer shall be obligated to pay and the Customer shall be entitled to receive a placement fee equal to one hundred fifty percent (150%) of the gross annualized compensation to be paid to such Consultant; which fee shall become due and payable immediately once the Consultant has been in Customer's employ for a period of ninety (90) days after the date of employment commencement. For purposes hereof, "gross annualized compensation" shall include any bonuses, offshore allowances or similar pay, or benefits to which the Consultant is entitled as liquidated damages and not as a penalty. The Parties agree that in the event of a hiring under the foregoing sentence, the damage to Company would be difficult if not impossible to determine, and that the payment of the placement fee is a fair and reasonable compensation for such hiring.

18. GOVERNING LAW; ARBITRATION

This Agreement shall be governed in accordance with the laws of the State of Texas, without regard to its conflicts of laws rules. Any action allowed to be brought in a court under this Article 18 shall be brought only in a state or federal court in the state of Texas.

Without limiting each Party's right to seek declaratory, injunctive or other equitable relief as set forth below, any controversy or claim arising out of or relating to the Agreement or any Proposal, the relationship of the Parties to the Agreement or any Proposal, and/or the breach, termination or validity thereof, directly or indirectly, including whether any such claim is properly arbitrable, shall be settled by arbitration administered by Judicial Workplace Arbitrations, Inc. ("**JWA**"), and the arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1 et seq. The arbitration shall be heard by a single arbitrator, the place of arbitration shall be Houston, Texas, and the arbitration will be conducted in the English language. The arbitration, including the arbitration hearing, shall be governed by the Texas Rules of Civil Procedure and the Texas Rules of Evidence. The arbitrator shall issue a written and reasoned award and opinion within thirty (30) days of the arbitration hearing, the decision and award of the arbitrator shall be final, binding and enforceable, and the arbitration award may be confirmed in any court of competent jurisdiction. The Party initiating the arbitration pursuant to this Article shall pay the initial filing fees. Thereafter, the Parties shall split any additional administrative or arbitrator fees paid to JWA or the arbitrator equally; *provided, however*, the prevailing Party shall be entitled to an award of reasonable attorneys' fees, and the arbitrator shall have the power to award the prevailing Party any administrative or arbitration fees paid to JWA or the arbitrator. The Parties agree that failure or refusal of a Party to pay its required share of the deposits for arbitrator compensation or administrative charges shall constitute a waiver by that Party to present evidence or cross-examine witnesses. In such event, the other Party shall be

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required to present evidence and legal argument as the arbitrator may require for the making of an award. Notwithstanding the foregoing, either Party may seek interim injunctive relief in any court of appropriate jurisdiction with respect to any alleged breach of such Party's proprietary rights. Arbitration awards and decisions are subject to Article 15.

19. ENTIRE AGREEMENT

This Agreement, together with any Proposal, constitutes the entire agreement between the Parties concerning the rental of the Equipment and Company's provision of the Services. Notwithstanding the foregoing, except as expressly agreed by the Parties in writing, nothing in this Agreement shall be deemed to amend, restate or replace any existing agreements between the Parties concerning Company's performance of other services and provision of other goods to Customer. The terms and conditions of this Agreement shall take precedence over any additional or different terms contained in Customer's documents, notwithstanding the acknowledgement by the Company of Customer's purchase order or other similar document provided by Customer. Company's failure to object to any terms and conditions or any other provisions contained in any communication from Customer, including, but not limited to, Customer's Proposals, does not waive any of the terms and conditions specified herein. Company's acceptance of any resulting Proposal or Customer's receipt of Equipment or consent to the commencement of any Services, whichever occurs first, will conclusively evidence Customer's unconditional acceptance of these terms and conditions. Any additional, contrary or different terms (i) provided by Customer during the performance of the Services and rental of the Equipment, (ii) contained or referred to in any form generally used by Customer, or any correspondence which may have been applicable to the subject matter hereof, or (iii) implied by trade, custom, practice or course of dealing, are void and unenforceable, and any purported provisions to the contrary are hereby excluded or extinguished. Customer's acceptance of any Proposal or Customer's receipt of any Equipment or consent to any Services, whichever occurs first, will conclusively evidence the Parties' unconditional acceptance of this Agreement. Regardless of its construction as an offer, acceptance, confirmation or use to place or accept Proposals for Equipment or Services pursuant to an earlier contract, this Agreement and the applicable Proposal incorporates by reference all terms of the Uniform Commercial Code providing any protection for the Company, including, without limitation, all of Company's remedies under the Uniform Commercial Code.

20. AMENDMENT; WAIVER

No modification, amendment, supplement to, or waiver of this Agreement or any Proposal, or any provisions hereof or thereof, will be binding upon the Parties unless made in writing and duly signed by both Parties; *provided, however*, for the avoidance of doubt, no modification, amendment, supplement to or waiver of this Agreement or any Proposal, or provision hereof or thereof, shall be made via electronic communication unless the Parties first agree in writing (that is not an electronic communication) to be bound by electronic communications. The waiver by either Party of a breach or default by the other Party shall not be deemed a waiver of any different or subsequent breach.

21. ASSIGNMENT

Customer may not assign or transfer this Agreement, in whole or in part, without the prior written approval of the Company. Any attempted assignment or transfer of this Agreement without the written consent of the Company shall be void and of no effect whatsoever. Company shall have the right to assign, in whole or in part, its rights and obligations under the Agreement to any of its affiliates. The Agreement shall be binding upon the Parties' respective successors and permitted assigns.

22. FORCE MAJEURE

The Company shall not be liable for its failure to perform or delay in performance hereunder due to contingencies beyond its reasonable control including, but not limited to, strikes, riots, insurrection, acts of terrorism, compliance with laws or governmental orders, fires, earthquakes, hurricanes, other inclement weather, pandemics, or other acts of God (hereinafter, "**Force Majeure**") and such failure shall not constitute a default or breach under this Agreement. In the event of Force Majeure, Company will promptly notify Customer, and the date(s) of delivery will be deferred for a period commensurate with the time lost due to the Force Majeure. If the excusable delay under a Force Majeure continues for more than ninety (90) days, Company and Customer will each have the option of terminating the affected Proposal(s) pursuant to Article 10. In the event the Services are terminated by Customer under this Article, Customer shall arrange for the affected Consultant's transportation back from the applicable Services site at the Customer's sole cost and expense. The occurrence of a Force Majeure shall not limit Customer's obligation to pay Customer any amounts owed hereunder, including, but not limited to, fees for standby time during such Force Majeure.

23. UNENFORCEABLE PROVISIONS

In the event that one or more provisions of this Agreement or any Proposal is held to be invalid or unenforceable, the remaining provisions shall apply in full force and effect without affecting the enforceability of the remaining provisions, and the invalid or unenforceable provision will be deemed to be modified to the extent required to become enforceable.

24. TERM

The term for providing Independent Services (if any) shall be as specified in the Proposal. Unless otherwise specified in the Proposal, the rental term for the Equipment shall begin on the date the Equipment leaves Company's facility and, unless earlier terminated as provided for herein, shall end on the later to occur of: (a) the expiration of the Term for Hire set forth in the Proposal, or (b) such time as when the Equipment is received by Company at the facility of origin of the Equipment or another location approved by Company (the "**Rental Term**").

25. NON-EXCLUSIVE AND INDEPENDENT CONTRACTOR

The Parties expressly acknowledge and agree that their relationship under this Agreement shall be non-exclusive, and that each of them may, subject to their obligations hereof pertaining to proprietary or confidential information or the like, enter into substantially similar agreements with other parties with respect to (a) services similar (or substantially similar) to the Services contemplated hereunder, or part thereof, or (b) as applicable, the Services, or part thereof. The Parties agree that this Agreement and the Proposals shall not be construed as creating a joint venture, partnership or the like between the Parties. Customer acknowledges that all Consultants supplied are either (a) employees of Company and pursuant to the preceding sentence, are not to be construed as employees or agents of Customer, or (b) not employees of Company but are independent Contractors of Company; accordingly, nothing contained herein shall be construed to designate such Consultants as employees or agents of Customer, nor shall the Customer and Company be considered co-employers of the Consultants. Nothing contained herein shall be construed to designate those Consultants that are independent Contractors of the Company as employees or agents of the Company. Customer shall be solely responsible for allocating work or assigning duties to the Consultants and for the supervision, direction and control of the Consultants shall use its sole discretion in determining the manner and method of utilizing the Consultants. Nothing contained herein shall prevent the Customer from exercising its right to dismiss a Consultant if the Consultant commits any act which would merit termination if the Consultant were an employee of Customer. In such event, Company's sole obligation shall be to replace such Consultant pursuant to Article 11. Neither Party shall act or be deemed to act on behalf of the other Party or have the right to bind the other Party. Each Party shall remain an independent entity, and act as an independent contractor.

26. CONFIDENTIALITY

The Parties acknowledge that during the performance of this Agreement or any Proposal, any information disclosed to, or obtained by a Party ("**Receiving Party**") by or from the other Party ("**Disclosing Party**"), in connection with said performance shall be deemed confidential and proprietary to the Disclosing Party ("**Confidential Information**"). Without limitation to the foregoing, Customer acknowledges that (i) the specifications, requirements, designs and the like for the manufacture of the Equipment and/or the performance of the Services (as applicable), and (ii) the content of any Proposal (whether accepted or not by Customer), shall be deemed confidential and proprietary to Company. Receiving Party shall, and shall oblige its officers, employees, contractors and agents to, maintain full secrecy and confidentiality on all matters not in the public domain concerning or arising out of the performance of the Proposal. Without limiting the foregoing, Customer shall not directly or indirectly disassemble, deconstruct, decompile, test or otherwise analyze the Equipment and Services for the purpose of reverse engineering the design or composition thereof. The foregoing shall not apply to any Confidential Information that: (i) can be shown by documentary evidence to have been previously known to the Receiving Party at the time of disclosure, (ii) is independently developed by the Receiving Party without breach of its obligations hereunder, (iii) is lawfully obtained from a third party without restriction on use or disclosure, (iv) is or becomes part of the public domain through no fault of Receiving Party, or (v) is disclosed pursuant to any judicial or governmental requirement or order, provided that (unless prohibited by law) Receiving Party takes reasonable steps to give Disclosing Party sufficient prior notice in order to contest such requirement or order. Receiving Party shall use the same degree of care to avoid unauthorized disclosure of the Confidential Information as it employs with respect to its own confidential/proprietary information of similar quality and nature, but employing no less than a reasonable standard of care. Upon the expiration or termination of a particular Proposal, and at Disclosing Party's option, Receiving Party shall: (a) return to Disclosing Party all copies of Disclosing Party's Confidential Information in Receiving Party's Group's possession, or (b) permanently destroy all copies of such Confidential Information then in Receiving Party's Group's possession.

27. COMPLIANCE WITH LAWS

Company is committed to uncompromising ethical standards, strict adherence to law, and customer satisfaction. Customer is encouraged to communicate any concerns or questions regarding ethics and values to the Koil Energy Corporate Ethics Help Line, at 1-281-949-5050.

Customer shall comply with, is represents and warrants that it is currently in compliance with, and will adhere to, all applicable laws and regulations which may apply to Customer in connection with the Agreement or any Proposal. Without limiting the generality of the foregoing, Customer shall strictly comply with, and adhere to, all applicable U.S. and non-U.S. laws and regulations pertaining to environment, health and safety, economic sanctions laws, trade, import and export control. Specifically, Customer covenants that they shall not - directly or indirectly - sell, provide, export, re-export, transfer, divert, loan, lease, consign, or otherwise release or dispose of any equipment, product, commodities, services, software, source code, or technology received under this Agreement to or via any individual, entity, or destination, or for any use prohibited by the laws or regulations of the United States or any other applicable jurisdiction without having obtained prior authorization from the competent governmental authorities as required by all such laws and

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regulations. Customer represents and warrants that neither it, nor any of its officers, directors, or, to its knowledge, beneficial owners, is a person or entity that is the subject of sanctions administered by the U.S. Department of the Treasury's Office of Foreign Assets Control, the United Nations, the European Union, or His Majesty's Treasury (collectively, "Sanctions"), and Authorized Dealer shall not sell, transfer, or otherwise make available any Products to any person, entity, or country subject to Sanctions. In addition, Customer represents and warrants that it shall comply with UK Bribery Act 2010 (UKBA), the US Foreign Corrupt Practices Act 1977 (USFCPA) as amended from time to time, and any applicable national, regional, state, municipal, or local laws and regulations that prohibit bribing, or improper payments or other benefits to government officials or any other persons influencing the transactions. Customer shall continue to maintain and enforce its own policies and procedures relating to business ethics that are in line with U.S. laws and policies. Unless expressly stated in the Proposal, Customer shall not transport, ship, deliver, or otherwise export the Equipment or any documentation thereof outside of the United States.

28. DISCLAIMER OF RELIANCE

Customer expressly warrants and represents that no promise, agreement, representation, inducement, or condition which is not herein expressed has been made to Customer by Company or any member of Company Group in executing this Agreement. Customer further warrants and represents that (a) it is not relying upon any statement or representation of Company or any member of Company Group in executing this Agreement; and (b) it is relying solely upon its own judgment in forming this Agreement.

29. SURVIVAL

The following Articles will survive the termination or expiration of this Agreement or any Proposal: 2: Terms of Payment; Taxes; 8: Indemnity; 9: Damages and Lost Equipment; 10: Termination for Convenience; 11: Termination for Cause; 12: Return of Equipment; 13: Title; 14: Warranty; 15: Limitation of Liability; 16: Insurance; 17: Solicitation of Consultants; 18: Governing Law; Arbitration; 23: Unenforceable Provisions; 26: Confidentiality; 27: Compliance with Laws; 28: Disclaimer of Reliance.

30. NOTICES

Any notices required hereunder shall be in writing and delivered to the receiving Party at the address shown on the signature line below or at such other address as the receiving Party may from time to time designate in writing. Delivery may be by regular mail, overnight or other courier, electronic mail, facsimile transmission, or in person. All notices shall be deemed given on the date delivered.

31. COUNTERPARTS

This Agreement may be executed in any number of electronic counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all of such counterparts shall constitute for all purposes one agreement. Any signature hereto delivered by a Party by facsimile or e-mail transmission shall be deemed an original signature hereto.

32. ACCEPTANCE AND ELECTRONIC EXECUTION

By signing below, clicking "I accept" or a similar electronic acceptance button, or otherwise electronically accepting this agreement through the Company's website, portal, application or other electronic system, Customer acknowledges that it has read and understands this agreement, agrees to be bound by these terms and conditions, and represents that the individual accepting this Agreement on Customer's behalf has authority to bind Customer.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

COMPANY:

KOIL ENERGY SOLUTIONS, INC.

By: _____

Name: _____

Title: _____

Contact Information

Name

Address

Phone

Email

CUSTOMER:

[CUSTOMER NAME]

By: _____

Name: _____

Title: _____

Contact Information

Name

Address

Phone

Email