

Cover-it Insulation Services LLC

Standard Terms and Conditions of Sale (industrial Version)

Effective Date: February 24, 2026

1. Supremacy of Terms

These Terms and Conditions supersede any and all terms contained in any purchase order, vendor form, or other document issued by Customer unless expressly agreed to in writing by an authorized officer of Cover-it Insulation Services LLC ("Company"). No course of dealing or performance shall modify these Terms.

2. Scope of Work

Company shall furnish removable insulation blankets, pipe insulation, metal jacketing, and related industrial services strictly in accordance with the written quotation issued by Company. Any labor, materials, services, or deliverables not expressly identified in the written quotation are excluded from the scope of work.

Removable insulation blankets are intended to be designed, field-measured, and engineered by Company personnel. Blankets fabricated based on measurements, drawings, specifications, or other information provided by Customer or third parties are manufactured strictly in reliance upon such information and are not guaranteed to fit or perform as intended.

In the event that Customer-provided measurements, drawings, specifications, or field conditions are inaccurate, incomplete, or materially different from actual site conditions, any required modifications, remakes, reinstallation, repairs, or additional labor shall constitute a change in scope and will be performed only upon written approval as a change order. All such work shall be billed at Company's then-current labor, material, and applicable service rates.

Where quotations are prepared based on isometric drawings, P&IDs, sketches, or other documentation provided by Customer, such pricing is contingent upon the accuracy and completeness of those documents. Field conditions shall govern. Any variance between drawings and actual site conditions, including but not limited to additional valves, flanges, fittings, routing differences, insulation thickness changes, access limitations, missing drawings, or undocumented piping, shall constitute a change in scope. Company reserves the right to adjust quantities and pricing accordingly. Additional blankets or labor required due to discrepancies between drawings and actual field conditions shall be subject to written change order and billed at Company's then-current rates. Quantities reflected in quotations based on drawings are estimates only and subject to verification upon field review.

Removable insulation blankets are fabricated to wrap around or butt-up to existing insulation systems based on field conditions, existing insulation thickness, and design determinations

made by Company at the time of engineering. Final configuration and fitment methodology shall be at the sole discretion of Company unless specific design requirements are clearly communicated and agreed to in writing prior to fabrication. Company shall not be responsible for aesthetic preferences, alternate fitment methods, or post-installation design requests not previously disclosed.

Company may procure insulation materials, metal jacketing, accessories, or related components from third-party manufacturers or suppliers on behalf of Customer. Company makes no independent warranty as to the performance, specification, or suitability of such third-party materials. Any manufacturer warranties shall be passed through to Customer to the extent assignable. Company shall not be liable for defects in third-party materials beyond the remedies provided by the original manufacturer.

Unless expressly stated otherwise in writing, Customer shall be solely responsible for providing safe and unobstructed access to the work area, including but not limited to scaffolding, lifts, utilities, equipment isolation, and coordination with other trades.

Custom fabricated products, including but not limited to removable insulation blankets, fabricated insulation systems and specially sourced materials, are manufactured specifically for Customer's application and are non-returnable and non-refundable except where Company determines that the product was manufactured contrary to the approved scope of work or contains a defect covered under the applicable warranty.

Equipment Condition and Fitment Assumptions

Where field measurements, engineering, design, or fabrication are performed on equipment, piping, valves, instruments, spools, assemblies, or systems that are not installed, not in their final operating position, not insulated, not heat traced, not fully assembled, not commissioned, or otherwise incomplete at the time of measurement, Company's design and fabrication shall be based upon the conditions observable at the time of measurement and any information provided by Customer.

Company shall not be responsible for fitment issues, clearance conflicts, dimensional changes, interference conditions, installation difficulties, or performance concerns resulting from changes made after measurement, including but not limited to the installation of insulation, heat tracing, supports, structural components, instruments, tubing, conduit, jacketing, access platforms, guards, adjacent equipment, or other field modifications.

Where final operating conditions cannot be verified at the time of measurement, Company does not guarantee final fitment. Any redesign, modification, alteration, rework, field adjustment, replacement, or additional labor required as a result of differences between measured conditions and final installed conditions shall constitute a change in scope and shall be subject to written change order and billed at Company's then-current labor, material, engineering, and service rates.

3. Authorization to Proceed

Company shall be obligated to fabricate, procure, or commence work only upon receipt of a valid and awarded purchase order or other written authorization to proceed from Customer.

If Company elects to begin fabrication, procurement, or scheduling prior to receipt of a formal purchase order based on Customer's written request or direction (including email or other written communication), such action shall constitute acceptance of the performed, material ordered, or costs incurred in reliance upon such authorization.

4. Pricing & Validity

Quotations are valid for thirty (30) days from the date issued unless otherwise stated in writing by Company. All pricing is based upon material costs, labor rates, freight rates, tariffs, and market conditions existing at the time of quotation, Company reserves the right to adjust pricing prior to fabrication or procurement in the event of material cost increases, freight or fuel surcharges, tariffs or governmental actions, supplier price adjustments, labor rate changes, scope modifications, or delays caused by Customer. No pricing is guaranteed until written acceptance is received and any required deposits are paid.

Unless expressly stated otherwise in writing, all prices exclude applicable sales taxes, use taxes, value-added taxes, gross receipts taxes, duties, tariffs and similar governmental charges. Customer shall be responsible for payment of all such taxes and charges.

5. Payment Terms & Credit

Standard payments terms are Net 30 from invoice date unless otherwise agreed in writing. Company reserves the right to require deposits, progress payments, or prepayment for custom fabrication. No setoff or deduction is permitted. Accounts exceed approved credit limits must be paid prior to shipment.

Customer's obligation to pay Company is independent of Customer's receipt of payment from any owner, general contractor, end user, project owner or other third party. Failure of Customer to receive payment from any third party shall not relieve Customer of its obligation to pay Company in accordance with these Terms.

6. Remedy for Non-Payment

Past due balances shall accrue interest at eighteen percent (18%) per annum (1.5% per month), compounded monthly, or the maximum rate permitted by Texas law, whichever is less. Company may suspend fabrication, procurement, shipment or field services; withhold release of finished goods; reallocate production slots; reallocate materials or labor to other customers; require full payment in advance for remaining work; or revoke previously extended credit terms. All collection costs, including attorney's fees, court costs, lien preparation fees, and administrative costs, shall be paid by Customer.

7. Delivery & Risk

Delivery dates are estimates only based on current production capacity, material availability, and logistical conditions. Risk of loss and title transfer to Customer upon shipment from Company's facility unless Company provides transportation using its own vehicles as set forth below.

When Company provides transportation using its own vehicles, delivery shall be deemed completed and risk of loss shall transfer to Customer upon tender of materials at Customer's designated site, laydown yard, warehouse, parking area, or other requested location. Customer shall inspect materials at the time of delivery and note any visible damage or shortages. Failure to provide written notice of visible damage or shortage at the time of delivery shall constitute acceptance of materials as delivered.

Company will use commercially reasonable efforts to coordinate delivery scheduling in consideration of forecasted weather conditions; however, Company shall not be responsible for weather-related exposure, site storage conditions, or protection of materials after delivery.

Customer shall inspect all goods immediately upon receipt. Any claim for shortages, shipping damage, visible defects or non-conforming goods must be submitted to Company in writing within five (5) business days of delivery. Failure to provide such notice shall constitute acceptance of goods as delivered.

If Customer delays acceptance, pickup, shipment or delivery of completed goods beyond thirty (30) days after notice of completion, Company may, at its discretion, assess reasonable storage, handling and administrative changes until such goods are accepted or delivered.

8. Change Orders

All changes must be approved in writing. Adjustments to scope, quantities, delivery dates, or specifications may result in price and schedule modifications.

9. Warranty

A. Company-Installed Work

Where installation is performed exclusively by Company personnel, Company warrants its workmanship for a period of twelve (12) months from the date of installation. During the warranty period, Company shall, at its sole option, repair or replace any portion of the work determined by Company to be defective due solely to Company's workmanship.

B. Customer-Installed or Third-Party Installed Work

Where products are installed by Customer or any third party, Company warrants that products manufactured by Company shall be free from defects in materials and workmanship for a period of twelve (12) months from the date of shipment.

Where Company personnel performed the field measurements and engineering of the product, Company further warrants that the product will fit the equipment for which it was designed and will be capable of installation and intended service under the field conditions existing at the time of measurements.

Fitment shall not be deemed defective solely because the product exhibits gaps, looseness, compression, irregular contours, overlap, aesthetic variations, or other design characteristics resulting from equipment geometry, insulation requirements, accessibility requirements, thermal expansion considerations, customer specifications, or Company's reasonable discretion unless otherwise agreed to in writing.

C. Exclusions

This warranty does not apply to:

- a) Products manufactured from measurements, drawings, specifications, models, field data, or other information supplied by Customer or third parties;
- b) Conditions where field measurements, equipment, piping, valves, insulation systems, supports, instruments, obstructions or surrounding conditions have been modified, repaired, relocated, added, removed or altered after measurement;
- c) Improper installation, misuse, abuse, neglect, accident, unauthorized modification, improper storage or improper maintenance;
- d) Normal wear and tear, vibration, corrosion, weather exposure, mechanical damage, process-related damage or conditions beyond Company's control;
- e) Field alterations, repairs, modifications or rework performed by Customer or third parties.

D. Limitation of Warranty Remedy

Company's sole and exclusive obligation under this warranty shall be the repair, replacement or modification of the affected product, at Company's sole discretion.

Company shall not be responsible for removal costs, reinstallation costs, access costs, scaffolding, equipment rental, crane costs, travel expenses, plant downtime, loss of production, loss of profits, or any incidental, indirect, special, punitive or consequential damages.

E. Warranty Claim Procedure

Any warranty claim must be submitted to Company in writing within thirty (30) days after discovery of the alleged defect and, in all cases, within the applicable warranty period.

Customer shall provide Company reasonable access and opportunity to inspect the allegedly defective product prior to any removal, alteration, repair, modification, replacement or disposal. Failure to provide such opportunity shall void the warranty claim.

No warranty claim shall be valid for products that have been altered, modified, repaired, reworked or otherwise changed by Customer or any third party prior to Company's inspection and evaluation of the claim.

F. Incomplete or Non-Final Equipment Conditions

Products designed, measured, or fabricated from equipment, piping, valves, assemblies, or systems that were not fully installed, insulated, heat traced, assembled, commissioned, or otherwise in their final operating configuration at the time of measurement are excluded from warranty coverage where subsequent installation activities, modifications, additions, dimensional changes, or field conditions affect fitment, accessibility, appearance, installation, removal, or performance.

Any resulting fitment issues, required modifications, rework, alterations, adjustments, replacements, or additional labor shall not be covered under this warranty.

G. Exclusive Warranty

THE WARRANTIES SET FORTH HEREIN ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT.

10. Limitation of Liability

Company's total liability shall not exceed the contract price allocable to the specific good or services giving rise to the claim. Company shall not be liable for consequential, incidental, indirect, special, punitive, delay, loss of profits, or loss of production.

11. Field Work Conditions

Customer shall provide safe access, scaffolding, utilities, lighting, and confined space compliance where applicable.

Company reserves the right to suspend, delay or stop work where Company personnel determine that site conditions are unsafe, inaccessible, non-compliant with applicable safety requirements, or otherwise unsuitable for the performance of work. Any resulting delay, rescheduling or additional cost shall not constitute a breach by Company and may be subject to equitable adjustment in pricing and schedule.

Where permitted by plant management, facility operators, site owners or applicable site policies, Company may photograph, measure, document and record equipment, insulation systems, piping systems and work areas for purposes of engineering, fabrication, quality control, installation, documentation, warranty administration, training and dispute resolution.

12. Indemnification

Customer shall defend, indemnify, and hold harmless Company from claims arising from misuse, modification, improper installation, site conditions, or Customer breach of these Terms.

13. Force Majeure

Company shall not be liable for delays caused by events beyond its control including natural disasters, supplier failure, labor shortages, governmental actions, or freight disruptions.

14. Governing Law & Venue

These Terms are governed by Texas law. Venue shall lie exclusively in Harris County, Texas.

15. Termination

Company may suspend or terminate performance upon Customer payment breach, insolvency, or material violation.

16. Entire Agreement

These Terms and the written quotation constitute the entire agreement.

17. Waiver & Severability

Failure to enforce any provision is not a waiver. If any provision is unenforceable, remaining provisions remain in effect.

18. Proprietary Rights

These Standard Terms and Conditions of Sale are proprietary to Cover-it Insulation Services and are intended solely for use in connection with Company's quotations and contractual engagements. Unauthorized reproduction, distribution, or use of this document, in whole or in part, without Company's written consent is prohibited.

19. Cancellation / Customer-Initiated Stop Work

Customer may not cancel, suspend, delay, or withdraw any purchase order, authorization, or agreed scope of work – whether written, verbal, or electronic- without prior written consent from Company.

Once Company has received authorization to proceed, Customer shall remain fully responsible for all costs incurred by Company in reliance on such authorization, including but not limited to:

A. Removable Insulation Blankets & Fabrication Work

- All engineering, field measuring, and design work performed
- All labor performed up to the date of cancellation
- All materials purchased, cut, fabricated, or staged for production
- Work in progress, partially completed blankets, or allocated production capacity.

B. Material Procurement & Sourcing Services

- All materials ordered, reserved, or committed through suppliers
- Special-order, non-stock, or non-returnable items
- Price-locked, allocated, or brokered material sourced on Customer's behalf
- Freight, expedited shipping, or logistics costs incurred or scheduled
- Supplier cancellation fees, restocking charges, or penalties.

C. General Costs

- Third-party cost incurred on Customer's behalf
- Restocking or cancellation fees from vendors
- Administrative, handling, and project coordination costs

All such amounts shall be immediately due and payable, regardless of whether Customer has been paid by its end client, project owner, or any third party.

Cancellation, delay, or stop-work directives shall not relieve Customer of its obligation to pay for work performed, materials committed, or costs incurred by Company.

Where cancellation occurs after fabrication has commenced, materials have been cut or customized, or materials have been specifically sourced or allocated for the project, Company reserves the right to invoice up to the full contract value.