

## **PURCHASE ORDER WORLDWIDE TERMS AND CONDITIONS**

1. **Governing Terms and Conditions.** Any Purchase Order (each, an "Order") issued by Buyer to Seller which indicates that the Order is governed by EnscoRowan's Purchase Order Worldwide Terms and Conditions shall be deemed a reference to these Purchase Order Worldwide Terms and Conditions in effect on the date of the Order, in the form provided at [www.enscorowan.com](http://www.enscorowan.com) (the "PO Terms and Conditions"). The PO Terms and Conditions shall take precedence over any other terms and conditions, whether contained in any offer, quotation, proposal or other documents proposed by the Seller or included in connection with Seller's acceptance of an Order or in connection with Seller commencing performance of an Order, except where such other terms and conditions are included in a written agreement executed by both Seller and Buyer, or their Affiliates, predating the relevant Order ("Pre-existing Purchase Agreement") in which case the Pre-existing Purchase Agreement shall take precedence over the PO Terms and Conditions, unless the Parties expressly provide in the relevant Order that the Order shall be governed by a separate written master agreement pre-dating the relevant order, which separate written master agreement is described in the master written agreement, (a "Pre-existing Master Agreement"), in which case the Pre-existing Master Agreement shall take precedence over the PO Terms and Conditions and any Pre-existing PO T&C Agreement. A Pre-existing PO T&C Agreement and a Pre-existing Master Agreement may each be referred to herein as a "Pre-existing Agreement". The terms "Buyer" and "Seller" as used herein means the entities identified in an Order. Buyer and Seller may individually be referred to as a "Party" and collectively as the "Parties".

2. **Offer and Acceptance; Legally Binding Contract.** An Order is not a firm offer until accepted and Buyer reserves the right to revoke it at any time prior to Seller's acceptance in writing. An Order may be accepted by written acknowledgment or may be deemed accepted by Seller by beginning performance of the Order. Except as expressly provided otherwise in a Pre-existing Agreement, an Order shall be governed by and subject to the PO Terms and Conditions NOTWITHSTANDING THE INCLUSION OR ATTACHMENT OF ANY DIFFERENT OR ADDITIONAL TERMS BY SELLER IN CONNECTION WITH SELLER'S ACCEPTANCE OF THE ORDER BY WRITTEN ACKNOWLEDGEMENT OR SELLER'S DEEMED ACCEPTANCE OF THE ORDER BY COMMENCING PERFORMANCE, AND SUCH ACCEPTANCE SHALL CONSTITUTE A LEGALLY BINDING CONTRACT OBLIGATING SELLER TO PERFORM THE ORDER IN ACCORDANCE WITH THE PO TERMS AND CONDITIONS (EXPRESSLY EXCLUDING ANY SUCH DIFFERENT OR ADDITIONAL TERMS), WHICH CONTRACT SHALL FORM THE ENTIRE AGREEMENT BETWEEN THE PARTIES WITH RESPECT TO SUCH ORDER. UNDER NO CIRCUMSTANCES SHALL THE FAILURE OF THE BUYER TO OBJECT TO ANY SUCH DIFFERENT OR ADDITIONAL TERMS BE DEEMED AN ACCEPTANCE OF SUCH DIFFERENT OR ADDITIONAL TERMS OR A WAIVER OF ANY OF THE PO TERMS AND CONDITIONS. Buyer's right to require strict performance by Seller shall not be affected by any waiver, forbearance or course of dealing.

3. **Non-Exclusive Contract.** An Order is not and shall not be deemed under any circumstances to be a requirements contract. Buyer reserves the right to use its own resources and to employ or contract with other entities to provide goods and/or related services.

4. **Prices and Payment.** In consideration for the receipt of a proper invoice and conforming goods (whichever occurs later), Buyer shall pay Seller, in legal United States of America ("U.S.") tender or in such other currency as otherwise agreed, the prices set forth in the Order. Unless otherwise stated on the face of the Order, payment shall be due sixty (60) days from Buyer's receipt of Seller's invoice. Buyer shall be entitled to reject Seller's invoice if it fails to include the information in Articles 6 and 11 below or is otherwise inaccurate, and Seller is solely responsible for any resulting delay in payment. By acceptance of an Order, Seller agrees i) that the prices contained therein are not in excess of Seller's list, catalog or published prices; ii) that such prices are not higher than prices charged to other buyers purchasing similar goods; and iii) that such prices are not in excess of the prices subject to regulation by any applicable law, government decree or order.

5. **Taxes.** Seller's price includes all taxes, including but not limited to all payroll and/or occupational taxes and any other taxes, fees and/or duties of any type or nature applicable to the goods purchased under an Order; provided, however, that any state and local sales, use, excise, transaction (including without limitation value added) taxes and/or privilege taxes (collectively "transaction taxes"), if applicable, will not be included in Seller's price but will be separately identified on Seller's invoice. If Seller is obligated by applicable law to charge any transaction taxes to Buyer, Seller shall ensure that such transaction taxes are invoiced to Buyer in accordance with applicable laws and regulations so as to allow Buyer to reclaim such transaction taxes from the appropriate government authority or to offset such transaction taxes against transaction taxes on invoices of Buyer and/or its affiliates issued to third parties. Neither Party is responsible for taxes on the other Party's income or the income of the other Party's personnel or subcontractors. If Buyer is required by government regulation to withhold taxes for which Seller is responsible, Buyer will deduct such withholding tax from payment to Seller and provide to Seller any tax receipt received by Seller in connection with such withholding. If Seller is exempt from such withholding taxes as a result of a tax treaty or other regime, Seller shall provide to Buyer a valid tax treaty residency certificate or other tax exemption certificate a minimum of thirty (30) days prior to the payment being due.

### **6. Commercial Invoice and Delivery.**

- (a) Time is of the essence with respect to each Order. All of the goods for an Order shall be delivered on or before the date of delivery specified on the face of an Order, unless an extension of time for delivery or a partial shipment is agreed upon in writing by an authorized representative of the Buyer. Delivery shall be to the "Ship To" nominated place and in accordance with the Incoterms 2010 specified on the face of an Order. Risk of loss shall be upon Seller until Buyer accepts and takes possession of the goods. Title to the goods passes to Buyer upon delivery of the goods in accordance with the delivery Incoterms 2010 set forth on the face of an Order. Buyer may specify contract of carriage and named place of delivery in all cases. Failure of Seller to comply with any such Buyer specification shall cause all transportation charges to be for the account of Seller without prejudice to any other remedies available to Buyer at law or equity. Buyer shall have the right to demand delivery of all of the goods at one time or in portions from time to time within the time of delivery provided in an Order, notwithstanding any prior dealings or usage of trade to the contrary. At the time of collection or delivery, Seller shall provide Buyer's agent or nominated freight forwarder (if Ex Works), with reasonable advance notice of the order readiness or availability.

IN ALL CASES, SELLER MUST PROVIDE THE FOLLOWING:

- COMMERCIAL INVOICE / PACKING LIST (CI/PL)
- CERTIFICATE OF ORIGIN
- MATERIAL SAFETY DATA SHEET (MSDS) / SAFETY DATA SHEET (SDS)
- MATERIAL CERTIFICATES
- STATEMENT AS TO WHETHER GOODS SUPPLIED REQUIRE AN EXPORT LICENSE

ITEMIZED COMMERCIAL INVOICE AND PACKING LIST (CI/PL) TO INCLUDE THE FOLLOWING:

- PART NUMBER
- DETAILED DESCRIPTION OF THE GOODS
- UNIT PURCHASE PRICE IN CURRENCY OF TRANSACTION

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- SHIPMENT QUANTITY
  - COUNTRY OF ORIGIN ON CI/PL AND MATERIALS
  - SCHEDULE B / HARMONIZED TARIFF CUSTOMS CODE
  - EXPORT CONTROL CLASSIFICATION NUMBER (ECCN)
  - FOR HAZARDOUS MATERIAL, UN CLASS NUMBER WITH LABEL AND CERTIFICATES
  - MANUFACTURER NAME
  - FOR EXPORTS TO BRAZIL, MANUFACTURER'S COUNTRY
  - SERIAL NUMBER
  - NET / GROSS WEIGHT IN KILOGRAMS
  - DIMENSIONS IN METERS / CENTIMETERS AND FEET / INCHES
  - PURCHASE ORDER NUMBER
  - RELEVANT ENSCOROWAN RIG NAME
  - FINAL DESTINATION COUNTRY
  - DELIVERY TERMS (INCOTERMS 2010) AND NAMED LOCATION
  - SELLER CONTACT NAME, PHONE NUMBER(S) OF THE PERSON(S) WHO HAVE KNOWLEDGE OF THE TRANSACTION
- (b) All goods or work provided by Buyer to Seller for the production or development of the goods and not included in the purchase price shall be separately identified on the invoice (i.e., consigned material, tooling, etc.). Each such invoice shall also include the applicable Order number or other reference information for any consigned goods and shall identify any discounts or rebates from the base price used in determining the invoice value.
- (c) For goods originating in or transiting the United States that will cross an international border, Seller will include a Destination Control Statement on the invoice pursuant to 15 C.F.R. Part 758.6 or 22 C.F.R. Part 123.9, as applicable.
- (d) If goods will cross an international border, Seller shall mark all wood packaging material (e.g., pallets and crates) delivered to Buyer as either heat treated or fumigated with methyl bromide in accordance with the standards based on the International Plant Convention, including, without limitation, the International Plant Protection Convention's International Phytosanitary Measure 15 ("ISPM 15"). Seller shall mark the wood packaging material in the currently approved ISPM 15 format in a visible location on each article, preferably on at least two opposite sides of the article, with a legible and permanent mark that indicates that the article meets the ISPM 15 requirements. If any wood packaging material is rejected by a government authority for failure to comply with ISPM 15, or similar standards, Seller agrees to reimburse Buyer for any resultant costs, fees, losses, and penalties incurred by Buyer.
- (e) If goods will cross an international border, for goods originating in or transiting the United States, Seller shall supply the requisite Electronic Export Information to include in the Automated Export System (AES) record as required for export of the goods by the Foreign Trade Regulations (15 C.F.R. Part 30) issued by the U.S. Census Bureau and for any goods that are delivered to the European Union from a country not belonging to the European Union (including Norway), Seller shall provide the transit document (T1).
- (f) If goods will be delivered to a destination country having a trade preferential or customs union agreement ("Trade Agreement") with Seller's country, Seller shall cooperate with Buyer to review the eligibility of the goods for any special program for Buyer's benefit and provide Buyer with any required documentation (e.g., NAFTA Certificate, EUR1 Certificate, GSP Declaration, FAD or other Certificate of Origin) to support the applicable special customs program (e.g., NAFTA, EEA, Lomé Convention, GSP, EU-Mexico FTA, EU/Mediterranean partnerships, etc.) to allow duty free or reduced duty for entry of goods into the destination country. Similarly, should any Trade Agreement or special customs program applicable to the scope of an Order exist at any time during the execution of the same and be of benefit to Buyer in Buyer's judgment, Seller shall cooperate with Buyer's efforts to realize any such available credits, including counter-trade or offset credit value which may result from an Order and acknowledges that such credits and benefits shall inure solely to Buyer's benefit. Seller shall indemnify Buyer for any costs, fines, penalties or charges arising from Seller's inaccurate documentation or untimely cooperation. Seller shall immediately notify Buyer of any known documentation errors.
- (g) If the shipping term specified on the face of the Order is Ex Works (Incoterms 2010), Seller shall:
- Notify Buyer's nominated agent (as per Order "Ship to") that goods are ready for collection and provide a contact name and phone number
  - Advise Buyer's nominated agent of the place/address of collection
  - Provide Buyer's nominated agent with a copy of detailed Commercial Invoice / Packing List
  - Collection shall be FOT – FREE ON TRUCK, unless otherwise specified on the face of an Order.

7. **Importer of Record and Drawback.** If goods are to be delivered DDP (INCOTERMS 2010) to the destination country, Seller agrees and covenants: 1) Seller shall be the importer of record; 2) Buyer will not be a party to the documentation in connection with the importation of the goods; 3) the purchase and sale transaction(s) represented by an Order will be consummated after importation is completed; 4) Seller will neither cause nor permit Buyer's name to be shown as the "importer of record" on any customs declaration. By agreeing to deliver per these terms, Seller confirms that it has non-resident importation rights, if necessary, into the destination country and has knowledge of and proficiency in complying with the applicable import laws.

8. **Export Controls.** The goods purchased by Buyer and received from Seller are intended for end use, directly or indirectly, in the performance of Buyer's operations, including but not limited to drilling and related operations. The parties agree to comply with all applicable United States and United Kingdom anti-boycott, export control, sanctions laws, and any applicable foreign export and import laws or regulations or any applicable export control and sanctions laws of any other government having jurisdiction over the transaction or the parties, except where compliance with such laws would result in a violation of U.S. and U.K. laws and regulations, including but not limited to laws which may penalize or prohibit (a) transactions involving persons, companies, or entities involved in activities related to the proliferation of nuclear, missile, or chemical/biological weapons, or missiles that deliver such weapons; (b) transactions involving any person, company, or other entity appearing on any applicable list of prohibited parties maintained by the United States Government; (c) transactions involving countries against which the United States maintains economic sanctions or embargos under statute, Executive Order, or any government in any applicable jurisdiction, or regulations issued by the Office of Foreign Assets Control ("OFAC"), 31 C.F.R. Subtitle B, Chapter V, as amended from time-to-time; and (d) transactions involving any person, company, or entity acting or purporting to act, directly or indirectly, on behalf of, or an entity owned or controlled by, any person or entity identified in (a) through (c) above. The foregoing are collectively referred to as the "Export and Import Laws". The aforesaid obligations shall survive any satisfaction, expiration, termination or discharge of any obligations under the PO Terms and Conditions or any Order pursuant hereto.

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9. Inspection. All goods shall be subject to inspection at all times and places both as to progress and materials and workmanship, including reasonable inspection at Seller's vendors, suppliers and/or subcontractor's facilities, and shall be subject to final inspection and acceptance prior to shipment, by an authorized representative of the Buyer.

10. Packaging, Marking and Shipment. All shipments must be packed, preserved, crated, bundled, marked, etc., in accordance with any special conditions shown on an Order, or in the case no such special conditions exist, the goods shall be packed in an appropriate manner to obtain the lowest transportation costs, giving due consideration to the nature of the goods, with packaging suitable to protect the goods during transport from damage and otherwise to guarantee the integrity of the goods to destination and in accordance with the requirements of common carriers and in a manner consistent with applicable laws and regulations. Goods that cannot be packed due to size or weight shall be loaded into suitable containers, pallets or crossbars thick enough to allow safe lifting and unloading. Unless specifically stated in writing in an Order, no charge for boxing, packaging, marking, storing and transporting, etc., shall be allowed. Seller shall include one copy of the packing list with each shipment. Buyer's count will be accepted as final and conclusive on all shipments not accompanied by a packing list.

Seller shall provide the center of gravity for items greater than one (1) ton, precautionary marks (e.g. fragile, glass, air ride only, do not stack, etc.), loading hook/lifting points and chain securing locations where applicable to avoid damage and improper handling. For goods shipped by Seller in two (2) or more packages, Seller shall clearly mark the packages to show the sequence of each package (i.e. 1 of 2, 2 of 2) and the packing list shall clearly show the contents contained in each package. Seller shall place all marking in a conspicuous location as legibly, indelibly and permanently as the nature of the article or container will permit.

For shipments to or within the U.S., Seller shall comply with U.S. Department of Transportation regulations governing the packaging, marking, shipping and documentation of hazardous materials including hazardous materials specified in to 49 CFR, the International Maritime Organization (IMO) and the International Air Transport Association (IATA). The Material Safety Data Sheet must be attached to the goods and a copy included with the Seller's commercial invoice or packing list.

11. Invoices. Seller shall submit the original invoice to the "Invoice To" entity and address stated on the face of an Order together with the original bill of lading or express receipts properly signed by carrier's representative for each and every shipment. In all cases, Buyer's Order number(s) and relevant rig name (if applicable) must be plainly marked on all bills of lading, packing lists and shipping orders submitted by Seller. If transportation is charged on an invoice, Seller shall also submit the original receipted expense bill. Delay in receiving invoices, and errors and omissions on invoices shall be considered just cause for withholding settlement without losing any cash discount privilege. In preparing invoices, Seller shall include all descriptive matter as shown in an Order, in addition to any information customarily furnished by the trade.

12. Tooling. All dies, patterns, and tooling ordered, and such tooling and material furnished by Buyer, shall be used solely in the performance of an Order and furnishing of goods ordered by Buyer. Such tooling and property shall be subject at all times to disposition as Buyer may direct and shall not be commingled with property belonging to Seller or others. Seller agrees to maintain inventory control of all such tooling and materials and to furnish inventories hereof if required by Buyer.

13. Variations and/or Changes. Except as specifically provided for herein, no changes as to delivery date, delivery destination, quantities, description, prices, or any other term of an Order shall be made, nor shall any charge for any extras be allowed unless same have been authorized in writing by Buyer's authorized agent, and the proper price adjustment stated in such revision to an Order.

14. Returns. With or without terminating an Order, Buyer may return at Seller's expense defective goods, or goods not complying herewith, goods delivered after the delivery date specified herein, and quantity supplied in excess of the quantity specified herein. Buyer may charge Seller with any loss or expense sustained as a result of such delivery, and the testing or inspection costs relating to such rejected goods.

### 15. Warranties and Guarantees.

15.1 SELLER EXPRESSLY WARRANTS (i) FULL AND UNENCUMBERED TITLE TO THE GOODS; (ii) THAT ALL GOODS WILL BE NEW AND FIT AND SUFFICIENT FOR THE PURPOSES INTENDED; AND (iii) THAT THE GOODS SHALL COMPLY WITH ALL LAWS, REGULATIONS, STATUTES, ORDINANCES, CODES (GOVERNMENT AND INDUSTRY) AND STANDARDS (GOVERNMENT AND INDUSTRY) APPLICABLE TO SUCH GOODS. SELLER FURTHER WARRANTS THAT FOR A PERIOD OF EIGHTEEN (18) MONTHS FROM THE DATE THE GOODS ARE DELIVERED TO BUYER OR TWELVE (12) MONTHS FROM DATE OF INSTALLATION (WHICH SHALL INCLUDE ACCEPTANCE IF INSTALLED BY SELLER), WHICHEVER OCCURS FIRST ("WARRANTY PERIOD"), SUCH GOODS (i) WILL BE FREE FROM DEFECTS IN MATERIALS, DESIGN AND WORKMANSHIP (WHETHER LATENT OR PATENT), (ii) SUCH GOODS WILL COMPLY WITH THE ORDER AND WITH ANY DRAWINGS, SPECIFICATIONS AND APPLICABLE SAMPLES SPECIFIED THEREIN, OR IF NOT SPECIFIED IN THE ORDER, SELLER'S PUBLISHED SPECIFICATIONS AND/OR SPECIFICATIONS OTHERWISE PROVIDED (THE "SPECIFICATIONS"), AND (iii) THAT SUCH GOODS HAVE BEEN MANUFACTURED AND/OR ASSEMBLED IN ACCORDANCE WITH API Q1 QUALITY STANDARDS. FOR ANY SUCH PRODUCTS REPAIRED OR REPLACED DURING THE WARRANTY PERIOD, THE WARRANTY PERIOD FOR THOSE PRODUCTS SHALL CONTINUE FOR THE LATER OF THE DURATION OF THE INITIAL WARRANTY PERIOD OR TWELVE (12) MONTHS FROM COMPLETION OF THE REPAIR OR REPLACEMENT (WHICH SHALL INCLUDE ACCEPTANCE IF INSTALLED BY SELLER).

15.2 IF THE GOODS ARE DEFECTIVE IN DESIGN, MATERIAL OR WORKMANSHIP OR FAIL TO CONFORM TO THE SPECIFICATIONS OR REQUIRED QUALITY STANDARDS, SELLER SHALL, AT BUYER'S OPTION, EITHER (i) REPAIR TO FIRST CLASS CONDITION AT SELLER'S COST AT THE CURRENT LOCATION OF THE GOODS, (ii) REPLACE SUCH DEFECTIVE OR NON-CONFORMING GOODS AT SELLER'S COST OR (iii) REFUND THE COST OF THE GOODS. IF SELLER FAILS TO SO REMEDY SUCH DEFECTS WITHIN THE SHORTEST TIME THAT IS REASONABLY PRACTICABLE AFTER BEING NOTIFIED BY BUYER OF THE DEFECT OR NON-CONFORMING GOODS, BUT IN NO EVENT LATER THAN THIRTY (30) CALENDAR DAYS FROM SUCH NOTICE, BUYER MAY CURE SUCH DEFECTS OR NON-CONFORMITY ITSELF OR THROUGH ANOTHER SELLER IN ANY MANNER THAT BUYER DETERMINES IN ITS REASONABLE DISCRETION, AND SELLER SHALL REIMBURSE BUYER FOR ALL COSTS AND EXPENSES INCURRED BY COMPANY IN REMEDYING SUCH DEFECTS. BUYER MAY, AT ITS ELECTION, EITHER (i) DEDUCT OR WITHHOLD THE REASONABLE COSTS INCURRED BY BUYER TO REMEDY SUCH DEFECTS FROM AMOUNTS OTHERWISE DUE AND OWING BY BUYER TO SELLER OR, (ii) ACCEPT REIMBURSEMENT FROM SELLER NO LATER THAN THIRTY (30) CALENDAR DAYS FROM THE DATE OF BUYER'S INVOICE. IF BUYER SENDS A WRITTEN NOTICE OF DEFECT OR NON-COMPLIANCE DURING THE WARRANTY PERIOD, OR

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PROMPTLY THEREAFTER, THEN THE WARRANTY SHALL BE HONORED NOTWITHSTANDING THE EXPIRATION OF THE WARRANTY PERIOD AT THE TIME SELLER RECEIVES THE NOTICE.

- 15.3 SELLER FURTHER EXPRESSLY WARRANTS THAT NO LIENS, CHARGES, ENCUMBRANCES, SECURITY INTEREST OR RIGHTS IN REM OF ANY KIND ("ENCUMBRANCES"), SHALL AT ANY TIME LIE OR ATTACH AGAINST OR UPON ANY OF THE GOODS, OR THE PARTS, MATERIAL OR EQUIPMENT RELATED THERETO, INCLUDING ANY ITEM OR EQUIPMENT FURNISHED BY SELLER OR ANY MEMBER OF SELLER GROUP FURNISHING ANY PORTION OF THE GOODS UNDER AN ORDER. NOTHING CONTAINED HEREIN SHALL IN ANY WAY LIMIT ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, WHICH ARISE AS A RESULT OF AN ORDER. ALL WARRANTIES AND GUARANTEES SURVIVE ACCEPTANCE OF THE GOODS. NO USED OR SECONDHAND MATERIALS AND/OR EQUIPMENT SHALL BE FURNISHED OR INCORPORATED INTO ANY GOODS FURNISHED HEREUNDER UNLESS SPECIFICALLY AUTHORIZED BY BUYER OR BUYER'S AUTHORIZED AGENT AND EXPRESSLY RECITED IN AN ORDER.
- 15.4 UNLESS APPROVED BY BUYER IN WRITING, SELLER SHALL NOT FURNISH ANY GOODS MANUFACTURED AND/OR ASSEMBLED BY THIRD PARTIES THAT DO NOT CARRY FULLY ASSIGNABLE WARRANTIES. WITH REGARD TO GOODS SOLD HEREUNDER AND MANUFACTURED AND/OR ASSEMBLED BY THIRD PARTIES, SELLER SHALL OBTAIN FROM EACH THIRD PARTY THE BEST COMMERCIALY AVAILABLE WARRANTY AND SHALL ASSIGN SUCH THIRD PARTY WARRANTY TO BUYER, WHICH THIRD PARTY WARRANTY SHALL BE IN ADDITION TO ANY OTHER RIGHTS THAT BUYER MAY HAVE UNDER THE PO TERMS AND CONDITIONS OR THE ORDER. WHEN REQUESTED BY BUYER, SELLER SHALL ASSIST BUYER IN THE ENFORCEMENT OF ANY SUCH ASSIGNED THIRD PARTY WARRANTY, AND SELLER SHALL FULFILL ALL THIRD PARTY WARRANTIES IN THE EVENT ASSIGNMENT TO BUYER WAS NOT EFFECTIVE.
- 15.5 THE PARTIES ACKNOWLEDGE AND AGREE THAT THE APPLICATION OF ALL OR ANY OF THE PROVISIONS OF THE UNITED NATIONS CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS, AND THE 1974 CONVENTION ON THE LIMITATION PERIOD IN THE INTERNATIONAL SALE OF GOODS, AS AMENDED BY THE 1980 VIENNA PROTOCOL (ALSO KNOWN AS THE "VIENNA CONVENTION") TO AN ORDER IS EXPRESSLY EXCLUDED IN ALL RESPECTS.
- 15.6 IN THE EVENT SELLER PERFORMS WARRANTY WORK OR AN ORDER REQUIRES SELLER TO SERVICE OR REPAIR THE GOODS (COLLECTIVELY, "SERVICE WORK"), SELLER WARRANTS THAT: (i) SELLER HAS OR WILL PROVIDE THROUGH SUBCONTRACTORS, THE NECESSARY KNOWLEDGE, EXPERTISE, EQUIPMENT IN GOOD WORKING ORDER AND FULLY TRAINED PERSONNEL TO PERFORM THE SERVICE WORK, (ii) EACH MEMBER OF SELLER GROUP SHALL PERFORM ALL SERVICE WORK WITH DUE DILIGENCE AND IN A GOOD AND WORKMANLIKE MANNER IN ACORDANCE WITH GOOD OIL FIELD SERVICING PRACTICES APPLICABLE TO THE SERVICE WORK, ALL APPLICABLE LAWS, STATUTES, ORDINANCES, REGULATIONS, RULES, STANDARDS (GOVERNMENT AND INDUSTRY) AND CODES (GOVERNMENT AND INDUSTRY), BUYER'S AND ITS CLIENT'S SAFETY REQUIREMENTS (TO THE EXTENT SERVICE WORK IS PERFORMED AT THE WORKSITE AND/OR PREMISES OF BUYER OR ITS CLIENTS) AND THE SERVICE REQUIREMENTS AND SPECIFICATIONS OF THE ORDER AND (iii) ALL EQUIPMENT UTILIZED BY SELLER GROUP IN PERFORMING THE SERVICE WORK HAS BEEN THOROUGHLY TESTED AND INSPECTED AND IS SAFE, SUFFICIENT AND FREE OF ANY DEFECTS, LATENT OR OTHERWISE. THE TERM "GOOD AND WORKMANLIKE MANNER" SHALL MEAN THAT THE SERVICE WORK SHALL BE PERFORMED IN A MANNER DEEMED PROFICIENT BY THOSE WITH SPECIAL KNOWLEDGE AND TRAINING IN PERFORMING SERVICE WORK OF SUCH TYPE AND NATURE.
- 15.7 SELLER SHALL RE-PERFORM THAT PART OF THE DEFECTIVE OR NON-CONFORMING SERVICE WORK, PROVIDED SELLER IS NOTIFIED BY BUYER WITHIN THE SERVICE WARRANTY PERIOD, OR PROMPTLY THEREAFTER. UPON RECEIPT OF WRITTEN NOTICE OF THE DEFECT OR NON-CONFORMANCE, SELLER SHALL PROMPTLY COMMENCE THE REMEDIATION OF ALL DEFECTIVE AND/OR NON-CONFORMING SERVICE WORK DESCRIBED IN BUYER'S WRITTEN NOTICES, INCLUDING DEFECTS RELATED TO THE SERVICE WORK PROVIDED BY ANY MEMBER OF SELLER GROUP, AND SHALL DILIGENTLY CONTINUE SUCH REMEDIATION UNTIL REMEDIED. SELLER AGREES TO REMEDY SUCH DEFECTS OR NON-CONFORMANCE WITHIN THE SHORTEST TIME THAT IS REASONABLY PRACTICABLE AFTER BEING NOTIFIED, BUT IN NO EVENT LATER THAN THIRTY (30) CALENDAR DAYS. IF SELLER DOES NOT PROVIDE THE REMEDIAL SERVICE WORK CONSISTENT WITH THIS PROVISION, BUYER MAY CURE SUCH DEFECTS ITSELF OR THROUGH ANOTHER SELLER IN ANY MANNER THAT IT DETERMINES IN ITS REASONABLE DISCRETION. IN SUCH EVENT BUYER MAY, AT ITS OPTION, EITHER: (I) DEDUCT OR WITHHOLD THE COSTS INVOLVED IN THE CORRECTION OF SUCH DEFECTIVE OR NON-CONFORMING SERVICE WORK FROM AMOUNTS OTHERWISE DUE AND OWING BY BUYER TO SELLER OR (II) ACCEPT REIMBURSEMENT FROM SELLER NO LATER THAN THIRTY (30) CALENDAR DAYS FROM THE DATE OF RECEIPT FROM BUYER OF AN INVOICE FOR THE AMOUNT OF SUCH COSTS. AS USED HEREIN, "SERVICE WARRANTY PERIOD" MEANS THE TIME PERIOD BEGINNING ON THE DATE ANY MEMBER OF SELLER GROUP FIRST PERFORM ANY OF THE SERVICE WORK AT THE WORKSITE AND ENDING SIX (6) MONTHS AFTER THE DATE THE SELLER DEPARTS THE WORKSITE AND BUYER REPRESENTATIVE HAS ACKNOWLEDGED IN WRITING THAT THE SERVICE WORK HAS BEEN PROPERLY COMPLETED. FOR ANY DEFECTIVE OR NON-CONFORMING SERVICE WORK REMEDIATED BY SELLER, THE SERVICE WARRANTY PERIOD FOR THE REMEDIATED PORTION OF THE SERVICE WORK SHALL BE SIX (6) MONTHS FROM THE DATE THE SELLER DEPARTS THE WORKSITE AND BUYER REPRESENTATIVE HAS EXECUTED AN ACKNOWLEDGEMENT THAT THE REMEDIATION HAS BEEN PROPERLY COMPLETED.
- 15.8 SELLER ACKNOWLEDGES THAT THE FOREGOING WARRANTIES APPLY EQUALLY TO ANY SOFTWARE THAT IS IMBEDDED OR OTHERWISE INCORPORATED INTO AND SOLD AS AN INTEGRAL PART OF THE GOODS.

### **16. Indemnities.**

#### **16.1 THE PARTIES AGREE THAT THE FOLLOWING INDEMNITIES SHALL APPLY:**

- (A) SELLER SHALL RELEASE, DEFEND, INDEMNIFY, AND HOLD HARMLESS BUYER GROUP FROM AND AGAINST ANY AND ALL CLAIMS ARISING OUT OF PERSONAL OR BODILY INJURY, SICKNESS, DISEASE OR DEATH AND/OR PROPERTY DAMAGE, DESTRUCTION OR LOSS SUFFERED BY ANY MEMBER OF SELLER GROUP IN CONNECTION WITH AN ORDER.
- (B) BUYER SHALL RELEASE, DEFEND, INDEMNIFY, AND HOLD HARMLESS SELLER GROUP FROM AND AGAINST ANY AND ALL CLAIMS ARISING OUT OF PERSONAL OR BODILY INJURY, SICKNESS, DISEASE OR DEATH AND/OR PROPERTY DAMAGE, DESTRUCTION OR LOSS SUFFERED BY ANY MEMBER OF BUYER GROUP IN CONNECTION WITH THIS MSSC AND/OR ANY ORDER.

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- 16.2 SUBJECT TO ARTICLE 16.1(B) ABOVE, WITH REGARD TO THE PROVISION OF GOODS OR PERFORMANCE OF SERVICE WORK BY ANY MEMBER OF SELLER GROUP ARISING OUT OF OR IN CONNECTION WITH AN ORDER, SELLER SHALL HAVE SOLE RESPONSIBILITY AND LIABILITY FOR THE CONTROL, CLEAN-UP AND REMOVAL OF AND SHALL PROTECT, DEFEND, INDEMNIFY, RELEASE AND HOLD HARMLESS BUYER GROUP FROM AND AGAINST ANY AND ALL CLAIMS ARISING OUT OF POLLUTION OR CONTAMINATION THAT RESULTS FROM SUDDEN AND/OR ACCIDENTAL SPILLS OF FUELS, LUBRICANT, MOTOR OILS, PIPE DOPE, PAINTS, SOLVENTS, BALLAST, BILGE, METALLIC OBJECTS AND/OR GARBAGE EMANATING FROM ANY EQUIPMENT IN THE SOLE POSSESSION AND CONTROL OF ANY MEMBER OF SELLER GROUP, REGARDLESS OF OWNERSHIP. SUBJECT TO ARTICLE 16.1(A) ABOVE AND EXCEPT AS EXPRESSLY ASSUMED BY SELLER IN THE PRECEDING SENTENCE, BUYER SHALL HAVE SOLE RESPONSIBILITY AND LIABILITY WITH RESPECT TO THE RELEASE OF HYDROCARBONS, WELLBORE FLUIDS OR CHEMICALS AND SHALL PROTECT, DEFEND, INDEMNIFY, RELEASE AND HOLD HARMLESS SELLER GROUP FROM AND AGAINST ANY CLAIMS RESULTING FROM THE RELEASE OF SUCH HYDROCARBONS, WELLBORE FLUIDS OR CHEMICALS, EXCEPT TO THE EXTENT CAUSED BY (I) A DEFECT IN THE DESIGN OF GOODS PROVIDED BY ANY MEMBER OF SELLER GROUP, (II) A DEFECT IN THE MANUFACTURING OR ASSEMBLY BY ANY MEMBER OF SELLER GROUP RESPONSE AND REMOVAL, BY EITHER PARTY SHALL NOT BE AN ADMISSION OF ASSUMPTION OF LIABILITY BY THE INITIATING PARTY OR PARTIES.
- 16.3 SELLER SHALL RELEASE, DEFEND, INDEMNIFY, AND HOLD HARMLESS ALL MEMBERS OF BUYER GROUP, AND ANY OTHER PERSON OR ENTITY WHOSE USE COMES THROUGH BUYER GROUP, FROM AND AGAINST ANY AND ALL CLAIMS FOR THE ALLEGED OR ACTUAL INFRINGEMENT OF SUCH INTELLECTUAL PROPERTY RIGHTS ARISING OUT OF OR IN CONNECTION WITH BUYER'S PURCHASE OF THE GOODS OR OTHERWISE ARISING OUT OF OR IN CONNECTION WITH AN ORDER, INCLUDING WITHOUT LIMITATION, SELLER GROUP'S FURNISHING OR USE OF ANY TOOLS, EQUIPMENT OR PROCESSES TO PERFORM SERVICE WORK, EXCEPT WHERE THE INFRINGEMENT OR ALLEGED INFRINGEMENT IS BASED PRIMARILY ON: (I) THE USE OF GOODS NOT MANUFACTURED OR DESIGNED BY SELLER GROUP, (II) THE USE OF PRODUCTS MADE, IN WHOLE OR IN PART, TO THE BUYER'S DESIGN SPECIFICATIONS OR (III) THE USE OF THE GOODS IN COMBINATION WITH OTHER MATERIALS OR APPARATUS OR USED IN THE PRACTICE OF PROCESSES NOT DESIGNED BY SELLER GROUP.
- 16.4 EXCEPT AS EXPRESSLY PROVIDED OTHERWISE HEREIN, THE INDEMNITY OBLIGATIONS SHALL NOT BE LIMITED TO THE AMOUNT OF INSURANCE OF THE PARTIES.
- 16.5 THE PARTIES SPECIFICALLY STIPULATE AND AGREE THAT THEY DESIRE THE RISK DISTRIBUTION AS ESTABLISHED IN THIS ARTICLE 16 AS IT APPLIES TO THE SICKNESS, PERSONAL OR BODILY INJURY OR DEATH OF PERSONS AND FOR DAMAGE TO OR LOSS OR DESTRUCTION OF PROPERTY AND THAT THE SPECIFIC RISK DISTRIBUTION SET FORTH IN THIS ARTICLE 16 IS AT THE INSISTENCE OF BOTH OF THE PARTIES.
- 16.6 EXCEPT TO THE EXTENT EXPRESSLY PROVIDED OTHERWISE IN THIS ARTICLE 16, EACH PARTY AGREES TO PROTECT, DEFEND, INDEMNIFY AND HOLD HARMLESS THE OTHER PARTY AND ITS RESPECTIVE GROUP FROM AND AGAINST ANY AND ALL CLAIMS BROUGHT BY A THIRD PARTY (FOR THE PURPOSES OF THIS ARTICLE 16, "THIRD PARTY" SHALL MEAN ANY PARTY NOT INCLUDED IN THE DEFINITIONS OF BUYER GROUP OR SELLER GROUP) ARISING OUT OF OR IN CONNECTION WITH AN ORDER, TO THE EXTENT THAT SUCH CLAIM RESULTS FROM NEGLIGENCE, FAULT OR BREACH OF DUTY (STATUTORY, CONTRACTUAL OR OTHERWISE), GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH PARTY.
- 16.7 THE TERMS, "INDEMNIFY, DEFEND, HOLD HARMLESS" AND OTHER SIMILAR TERMS USED IN THE PO TERMS AND CONDITIONS, IN EVERY INSTANCE THEY ARE USED IN THE PO TERMS AND CONDITIONS, MEAN THAT THE INDEMNIFYING PARTY IS REQUIRED TO DEFEND, INDEMNIFY AND HOLD HARMLESS THE INDEMNITEE AND THAT, EXCEPT TO THE EXTENT EXPRESSLY PROVIDED OTHERWISE, THE PARTIES INTEND THAT SUCH INDEMNITY AND ASSUMPTION OF LIABILITY SHALL APPLY WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE(S) THEREOF INCLUDING, WITHOUT LIMITATION, PRE-EXISTING CONDITIONS, WHETHER SUCH CONDITIONS BE PATENT OR LATENT, BREACH OF REPRESENTATION OR WARRANTY (EXPRESS OR IMPLIED), ULTRAHAZARDOUS ACTIVITY, STRICT LIABILITY, TORT, BREACH OF CONTRACT, BREACH OF DUTY (STATUTORY OR OTHERWISE), BREACH OF ANY SAFETY REQUIREMENT OR REGULATION, IMPERFECTION OF MATERIAL, DEFECT OR FAILURE OF EQUIPMENT, THE UNSEAWORTHINESS OF ANY VESSEL, THE UNAIRWORTHINESS OF ANY AIRCRAFT OR THE NEGLIGENCE OF ANY PERSON OR PARTY, INCLUDING, WITHOUT LIMITATION, THE INDEMNIFIED PARTY OR PARTIES AND ITS OR THEIR GROUPS, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, ACTIVE OR PASSIVE, OR ANY OTHER THEORY OF LEGAL LIABILITY.
- 16.8 For the purpose of the PO Terms and Conditions:
- "Claim" shall mean all claims, demands, causes of action, suits, proceedings, fines, penalties, taxes, losses, judgments, liens, liabilities, costs, awards, damages or expenses of any kind and character (including reasonable attorney's fees and other legal-related expenses, including attorney fees incurred in enforcing indemnities).
- "Defend" shall mean the obligation of the indemnitor (i) to defend the indemnitees at its sole expense or (ii) at the indemnitee's election, to reimburse the indemnitees for the indemnitees' reasonable expenses incurred in defending themselves. Notwithstanding the indemnitor's defense provided in (i) above, the indemnitee reserves the right, at its option, to participate at its own expense, with attorneys of its choice, in the defense of any Claim without releasing the indemnitor from any of its indemnity obligations hereunder; provided, however, that the indemnitor shall have the exclusive control of the defense of any Claim and shall authority to settle any Claim insofar as, and to the extent that, such indemnitor is liable for the payment of same, except indemnitor may not make any admission against indemnitee's interest in connection with any settlement unless approved by indemnitee, which approval shall not be unreasonably refused or delayed. The participation by any indemnitee in a matter shall not be construed as an admission of liability on its part.
- "Seller Group" shall mean, individually or in any combination: (i) Seller and Seller's subcontractors of all tiers, (ii) its and their respective affiliates, and (iii) the respective directors, officers, agents, representatives, employees, servants, successors and permitted assigns, invitees and insurers of all of the foregoing.
- "Buyer Group" shall mean, individually or in any combination: (i) Buyer, Buyer's partners, joint venturers, other sellers/contractors (other than Seller) and subcontractors of all tiers, and any entities for whom Buyer is performing work, (ii) its and their respective Affiliates, and (iii) the respective directors, officers, agents, representatives, employees, members, managers, servants, successors, permitted assigns, invitees and insurers of all of the foregoing, (specifically excluding any member of Seller Group), and any Drilling Unit owned by Buyer, for which the goods are being utilized, and its legal and beneficial owners.

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**16.9 Waiver of Consequential Damages.** Each Party releases the other Party from any liability and waives any right to recover any Consequential Damages it incurs in connection with or arising out of the PO Terms and Conditions and each Party will also defend, indemnify and hold harmless the other Party and any member of the other Party's Group from any Consequential Damages incurred by such Party's Group, regardless of cause or fault, as described in Clause 16.7 above. The foregoing waiver of Consequential Damages will not limit the indemnity obligations under the PO Terms and Conditions with respect to Claims asserted by third parties for which one party has agreed to indemnify the other party arising under or in connection with the PO Terms and Conditions. The Parties agree that liquidated damages shall not be deemed Consequential Damages.

**17. Default and Remedies.** Seller understands and agrees that its failure to comply with any one or more of the provisions of an Order shall render Seller, at the sole option of Buyer, in default under an Order. In addition to all of the rights and remedies provided by law or equity, and as provided elsewhere herein, Buyer hereby reserves the right to terminate all or any portion of an Order upon default by Seller of any provision of an Order.

**18. Performance Bond.** If requested by Buyer at any time during Seller's performance of an Order, Seller shall furnish a performance bond or a performance and payment bond in the amount of the purchase price for such Order, as it may be fixed or estimated by Buyer, with such sureties as Buyer may approve.

**19. No Liens.** Seller shall produce evidence satisfactory to Buyer that no liens have arisen or will arise as a prerequisite to any payments due under an Order. In the event a lien is filed or asserted, Buyer in addition to all other remedies at law and elsewhere herein may (a) withhold from any payments due or to become due to Seller until such lien is released or discharged or bonded by Seller a sum equal to the amount determined by Buyer to be required to secure the release or discharge of such lien, which amount shall include the estimated amount of all expenses which might be incurred therewith, or (b) secure the removal of such lien, in which event Buyer shall be reimbursed for its cost in securing such discharge or release (which cost shall include any expenses incurred in connection therewith) by deducting such sum from any payment due or to become due to Seller under an Order. In the event such cost is in excess of the amount of any of such reimbursement by deductions, Seller agrees to pay the amount of such excess to Buyer upon demand.

**20. Assignments.** Seller may not assign any of its rights or delegate any of its duties under an Order without the prior written consent of Buyer.

**21. Independent Contractor.** Seller is an independent contractor with respect to its performance of an Order and no member of Seller Group shall be deemed an agent, representative, employee or servant of Buyer. Seller shall have complete and sole control over its employees, representatives, agents (including those of any member of Seller's Group), the details of the performance of an Order, and the methods by which performance of an Order is accomplished.

**22. Insurance.** Seller agrees to carry (and to ensure its subcontractors carry), at its sole expense, Commercial General Liability Insurance, including Contractual Liability Insurance, Products Liability/Completed Operations Insurance, covering all operations and work hereunder in the amount of not less than \$1,000,000 each occurrence/\$2,000,000 aggregate combined single limit for bodily injury and property damage liability for all liability arising out of the injury to or death of one or more persons in any one occurrence, or destruction of property in any one occurrence. Such insurance shall include Buyer Group as an additional insured with respect to all operations and work hereunder and such insurance shall provide that it applies separately to each insured against whom claim is made or suit is brought. Such insurance shall contain a Waiver of Subrogation in favor of Buyer Group and shall provide for 30 days prior written notice to Buyer of any cancellation or material change. Seller also agrees to carry, at its sole expense, Automobile Liability Insurance including hired and non-ownership liability insurance in the amount of not less than \$1,000,000 combined single limit for bodily injury and property damage liability. Such insurance shall include Buyer Group as an additional insured, contain a Waiver of Subrogation in favor of Buyer Group and shall provide for 30 days prior written notice to Buyer of any cancellation or material change.

**23. Confidentiality.** All plan, drawings, designs and specifications which may be supplied by Buyer to Seller shall remain the property of Buyer and any information derived therefrom or otherwise communicated to Seller shall be regarded by Seller as strictly confidential, to be used exclusively by Seller for performance of an Order, and shall not be disclosed to any third party or made use of by Seller except in connection with the performance of an Order. Further, all of such information shall be returned to Buyer on demand, with no copies being retained by Seller.

If the Seller is not a public entity that is required by applicable securities regulation to publish quarterly and annual financial statements, the Seller shall provide Buyer within five (5) business days of Buyer's request with the latest fiscal quarter and fiscal year financial statements of Seller. Buyer shall hold such financial statements in confidence.

**24. Governing Law.** For purposes of this Article 24, the term "originates" shall mean the principal place of business of the entity defined as Buyer on the face of an Order.

(a) IN THE EVENT AN ORDER ORIGINATES IN THE UNITED STATES, ANY AND ALL DISPUTES ARISING IN CONNECTION WITH THE INTERPRETATION, CONSTRUCTION AND ENFORCEMENT OF AN ORDER SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, USA, THEN IN FORCE, NOTWITHSTANDING ANY PRINCIPLES OF TEXAS LAW THAT MAY REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION. THE COURTS SITTING IN HARRIS COUNTY, TEXAS SHALL HAVE EXCLUSIVE JURISDICTION IN RELATION TO ANY SUCH DISPUTE. EACH PARTY IRREVOCABLY CONSENTS TO THE EXCLUSIVE JURISDICTION OF THE COURTS SITTING IN HARRIS COUNTY, TEXAS, AND WAIVE ANY RIGHT TO ASSERT THAT ANY COURT IN HARRIS COUNTY, TEXAS, IS AN INCONVENIENT FORUM.

(b) IN THE EVENT AN ORDER ORIGINATES OUTSIDE THE UNITED STATES, ANY AND ALL DISPUTES ARISING IN CONNECTION WITH THE INTERPRETATION, CONSTRUCTION AND ENFORCEMENT OF AN ORDER SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF ENGLAND AND WALES. ANY DISPUTE ARISING OUT OF THE CONSTRUCTION, INTERPRETATION OR ENFORCEMENT OF THE PO TERMS AND CONDITIONS SHALL BE RESOLVED BY FINAL AND BINDING ARBITRATION PURSUANT TO THE RULES OF ARBITRATION OF THE LONDON COURT OF INTERNATIONAL ARBITRATION, BEFORE THREE (3) ARBITRATORS, WITH SUCH ARBITRAL PROCEEDINGS TO BE HELD IN LONDON AND CONDUCTED IN THE ENGLISH LANGUAGE.

**25. Compliance with Laws.** Seller represents that the goods provided and Service Work performed in connection with an Order will be provided and performed in accordance with all applicable laws, regulations and orders. Subject to the indemnities and assumption of liabilities specified in Article 16, Seller agrees to protect,

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indemnify and hold harmless the Buyer Group from and against any and all claims for loss, damage and liability (including fines and penalties) due to the violation of applicable laws, regulations and orders by Seller Group arising out of or in connection with an Order.

26. Government Regulations Incorporated by Reference. Without limiting the generality of Article 25, Buyer requires compliance from Seller, its subcontractors and suppliers, with the statutes, and executive orders set forth below, as well as the rules, regulations and orders promulgated thereunder, unless there is an applicable exemption. Seller, unless otherwise exempt thereunder, hereby agrees to strictly comply with the requisites of each of the following statutes, executive orders, rules and regulations, and all amendments, revisions, and/or repealing and superseding statutes, executive orders, rules, and regulations, as enacted, issued, or promulgated: (1) EO 11246; 41 CFR 60-1.4, 41 CFR 60-300.5, (2) Vietnam Era Veterans Readjustment Assistance Act of 1972, as amended, 38 USC 2012; 41 CFR 60-250.4, (3) Rehabilitation Act of 1973, as amended, 20 USC 793; EO 11758, 41 CFR 60-741.4.5 (4) Nonsegregated Facilities, 41 CFR 60-1.8, (5) 41 CFR 60-1.7, (6) EO 11246; 41 CFR 60-1.40; 41 CFR 60-2, (7) Clean Air Act, as amended, 42 USC 1857, et seq; Federal Water Pollution Control Act, as amended, 33 USC 1251 et seq; EO 11738; 40 CFR 15; 41 CFR 1-1.2301-2, (8) OSHA Act of 1970, as amended, 29 USC 651, et seq; 29 CFR 1901, et seq, (9) Age Discrimination in Employment Act of 1967, as amended, 29 USC 621, et seq; EO 11141; 29 CFR 850, et seq, (10) 42 USC 6921, et seq; 40 CFR 260, et seq; 40 CFR 122, et seq, (11) Section 2.11, Public Law 95-507, (12) EO 12138, (13) 29 CFR 471 and EO 13496.

27. Anti-Corruption and Trade Compliance. Seller hereby acknowledges receipt of Buyer's Code of Business Conduct (the "Code") and agrees that Seller shall conduct its business in accordance with such Code or in accordance with its own code of business conduct, which is substantially in accordance with the Code.

27.1 The following definitions shall be used in this Article 27.0:

**"Associated Person"** means to any person who performs services for or on behalf of the Seller, or any member of the Seller Group, such as an employee, agent, joint-venture or subsidiary, where such services provided by such person include interfacing with Government Officials;

**"Bribe", "Bribed" or "Bribery"** means (i) any payment, gift, benefit or advantage of any kind, including entertainment, travel expenses, political or charitable contributions, or services which is offered, promised, given, authorized, requested, accepted or agreed, whether directly or indirectly (through one or more intermediaries) and whether as an inducement or reward, for any form of improper conduct by any person in connection with their official, public, fiduciary, employment or business role, duties or functions, including facilitation payments and/or (ii) anything that would amount to an offence under the Legislation;

**"Government Official"** includes, without limitation, any official, officer, employee, or representative of any government department, agency or instrumentality (including any government-owned or controlled commercial enterprise, such as a government-controlled oil company) or any outside consultancy group engaged thereby, or any official of a public international organization or political party, or candidate for political office; and

**"Legislation"** means any laws, statutes, regulations, codes and other legally binding measures relating to bribery, corruption or similar activities of (i) the United Kingdom, including without limitation the Bribery Act 2010; (ii) the United States of America including, to the extent applicable to either Party, the Foreign Corrupt Practices Act 1977; and (iii) any country or countries in which the Services are performed or provided.

27.2 The Seller hereby represents and warrants that;

- (a) it has complied and shall comply with all Legislation;
- (b) that, neither it, the members of the Seller Group or any Associated Person, has Bribed or will Bribe any person (including any Government Official) nor has it or will it engage in or support any occurrence of Bribery or other corrupt practices, in connection with the PO Terms and Conditions;
- (c) it has received Buyer's Code of Business Conduct (the "Code") and shall conduct its business in accordance with such Code or in accordance with its own code of business conduct, which is substantially in accordance with the Code;
- (d) at all times it shall have and maintain, and shall ensure that members of the Seller Group providing goods or services under the PO Terms and Conditions, has and maintains, adequate procedures designed to prevent it and such members of the Seller Group from engaging in any activity which would constitute a breach or an offence under the Legislation;
- (e) not do, or omit to do, any act which would cause any member of the Buyer Group or the Seller Group to be in violation of the terms of this Article 27.0 or the Legislation; and
- (f) that no member of the Seller Group is a Government Official, except as fully disclosed to the Company in writing.

27.3 Seller shall immediately notify the Company;

- (a) upon becoming aware of, or suspecting, any failure of any member of the Seller Group to comply with any provision of this Article 27.0;
- (b) upon becoming aware of, or suspecting, any Bribe by or on behalf of any person relating to the PO Terms and Conditions or any goods or services provided hereunder;
- (c) if a Government Official becomes a member of the Seller Group; or
- (d) if at any point the Seller is unable to repeat the warranties in Article 27.2.

27.4 Record Keeping and Audit

- (a) The Seller shall, and shall ensure that the member of the Seller Group providing goods or services under the PO Terms and Conditions, shall, keep books, accounts and records that, in reasonable detail, accurately and fairly reflect the nature of the underlying transactions and disposition of funds paid under or in connection therewith.
- (b) If requested by Buyer, the Seller shall complete an annual certification attesting that neither the Seller, nor any of member of the Seller Group providing good or services under the PO Terms and Conditions (based on a supporting certification), has committed any act in violation of the terms of this Article 27.0 or the Legislation.
- (c) During the pendency of the PO Terms and Conditions and for a period of five (5) years thereafter, the Buyer and its duly authorized representatives

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will have the right of access to, and the right of audit of, the books, payrolls, and records maintained by the Seller and each Associated Person relating to the goods or services provided in order to verify compliance by the Seller and member of the Seller Group with their respective duties and obligations under this Article 27.0. The Buyer may elect to designate a third-party to conduct such an audit. Moreover, the Buyer may, with reasonable notice, inspect the Seller's premises, and the Seller shall procure that the Buyer may inspect the premises of each member of the Seller Group providing goods or services under the PO Terms and Conditions. The Seller shall, and shall ensure that each member of the Seller Group providing goods or services under the PO Terms and Conditions, fully cooperate in any due diligence or audit conducted by or on behalf of the Buyer.

### 27.5 Suspension and Termination

- (a) Breach of any provision of this Article 27.0 shall be deemed a material breach of the PO Terms and Conditions.
- (b) Notwithstanding any other provision herein, if the Buyer has a reasonable basis to believe that the Seller or any of its Associated Persons are not in compliance with the terms of this Article 27.0, the Buyer shall have the right, exercisable in its sole discretion:
  - (i) to suspend immediately the provision of any goods or services and payments under any Order; and/or
  - (ii) to terminate immediately any Order and/or the PO Terms and Conditions, such termination to eliminate in all respects the Buyer's obligation to pay any amounts otherwise due or that would become due under any Order and/or the PO Terms and Conditions, and any costs or expenses of the Buyer resulting from such early termination shall be paid by the Seller to the Buyer.

Seller shall indemnify and hold Buyer Group harmless from and against any and all Claims arising out of or incurred as a result of a breach by any member of the Seller Group providing goods or services under the PO Terms and Conditions, of any of its obligations under this Article 27.0.

27.6 Seller shall ensure that any agreement it enters into with a subcontractor will bind such subcontractor to substantially the same terms as contained in this Article 27.0 and that shall specifically provide that the Buyer shall be a third party beneficiary of and entitled to enforce such terms directly against the subcontractor.

### 27.7 Gifts

- (a) Subject to Article 27.8(b), Seller shall not offer to Buyer's employees or any member of their immediate family any gifts, payments, extravagant entertainment, services, or loans in any form and warrants that it has not done so in anticipation of or in connection with the soliciting of business, including the PO Terms and Conditions or any other contract with any member of the Buyer Group. Seller shall not pay any commissions or fees or grant any rebates or other remuneration or monetary gratuity to any director, officer, employee, agent or representative of any member of the Buyer Group.
- (b) Gifts of nominal value (not to exceed US\$100 in value and not in cash or cash equivalent) and entertainment, meals, and social invitations that are customary and proper under the circumstances (not to exceed US\$250 in value) and which do not place or are given under circumstances that do not have the appearance of placing the recipient under obligation are acceptable. However, if any director, officer employee, agent or representative of any member of the Buyer Group should solicit a gift or gratuity from any member of Seller Group (of any value), Seller hereby agrees to immediately notify an officer of Buyer of such solicitation.
- (c) It is further understood that failure by Seller to comply with Buyer's policies regarding gifts and gratuities may, at Buyer's option, result in the termination of an Order, suspension of any Orders and payments therefor and may further preclude any future dealings between the Parties. Seller shall include a similar provision in its subcontracts.

28. Intellectual Property, Drawings, Reports and Confidentiality. Except as expressly provided otherwise in this Article 28.0, all intellectual property rights in and covering the goods or portions thereof prepared or developed by Seller hereunder, shall remain the property of Seller. Seller hereby grants to Buyer a non-exclusive, non-transferable, irrevocable, worldwide, royalty free right under such intellectual property rights to the extent necessary to utilize the goods delivered or Service Work performed by Seller under an Order issued pursuant hereto.

### 28.1 Buyer and Seller agree as follows:

- a) Buyer reserves the right to incorporate any proprietary intellectual property technology that it owns or has the right to utilize into any goods provided by Seller, and Seller acknowledges that Buyer has all intellectual property rights to all such intellectual property technology, know-how and proprietary information (the "Buyer Intellectual Property"). While engaged in the provision of goods in connection with an Order, Seller Group may develop, conceive, create or otherwise be involved with certain inventions, improvements, designs, specifications, plans, drawings or other ideas directly linked to the provision of the goods, including the design of equipment and/or components incorporating Buyer Intellectual Property (collectively the "**Buyer Intellectual Property Rights**"). Seller, for and on behalf of itself and each member of the Seller Group, agrees that all Buyer Intellectual Property Rights related to the Buyer Intellectual Property that the Seller Group may develop while engaged in performing under any Order pursuant hereto that (i) result from or relate in any way to any provision of goods under an Order, or (ii) are developed, created or conceived utilizing the Buyer's processes, techniques, know-how, research, data, designs, drawings, specifications, diagrams, financial and engineering data, marketing plans, trade secrets and other technical and business information belonging to the Buyer (or which the Buyer has the right to utilize) or developed during the performance of an Order, whether or not reduced to writing and whether or not patentable or protectable by copyright (collectively, the "**Buyer IP Confidential Information**") (in whole or in part, either alone or jointly with others) shall be the sole property of the Buyer, and the Buyer shall be the sole owner of all patents, copyrights, trademarks and other proprietary rights and registrations in connection therewith. Seller, for and on behalf of itself and each member of Seller Group, acknowledges that all original works of authorship related to the Buyer Intellectual Property that are made by it (solely or jointly with others) within the scope of and during the performance under an Order shall be considered "works made for hire" under applicable intellectual property law, to the fullest extent possible. To perfect the Buyer's ownership of such Buyer Intellectual Property Rights related to the Buyer Intellectual Property, Seller hereby assigns (and will cause each member of the Seller Group to assign) to the Buyer any rights that it may have or acquire in such Buyer Intellectual Property Rights, including the right to modify such Buyer Intellectual Property Rights, and shall otherwise waive and/or release all rights of restraint and moral rights in the Buyer Intellectual Property Rights. As to all such Buyer Intellectual Property Rights, Seller further agrees, for and on behalf of itself and each member of the Seller Group, to assist the Buyer in every proper way (but at the Buyer's expense), from time to time, to obtain and enforce patents, copyrights, trademarks or other



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proprietary rights in such Buyer Intellectual Property Rights in any and all countries, and Seller will execute (and shall cause each member of the Seller Group to execute) all documents for use in applying for and obtaining such rights and enforcing them as the Buyer may desire, together with any assignments of them to the Buyer or persons designated by it. If the Buyer is unable, after undertaking all reasonable efforts, for any reason whatsoever to secure Seller's and/or the signature of each member of the Seller Group (as the case may be) to any lawful and necessary document required to apply for or execute any application with respect to such Buyer Intellectual Property Rights (including renewals, extensions, divisions or continuations in whole or in part thereof), Seller hereby irrevocably designates and appoints (and shall cause each member of the Seller Group to so designate and appoint) the Buyer and its duly authorized officers and agents, as its agents and attorneys-in-fact to act for and in its behalf and to execute and file any such application and to do all other lawfully permitted acts to further the prosecution and issuance of patents, copyrights, trademarks or other rights therein, with the same legal force and effect as if executed by the Seller and/or each member of the Seller Group.

- b) Seller agrees to inform (and cause each member of the Seller Group to inform) the Buyer promptly of any Buyer Intellectual Property Rights that it/they has/have developed and/or may develop, conceive or create that (i) result from or relate in any way to performance under an Order for the Buyer, or (ii) are developed, created or conceived utilizing the Buyer IP Confidential Information.
  - c) Seller agrees, for and on behalf of itself and each member of the Seller Group, to keep and maintain adequate and current written records of all Buyer Intellectual Property Rights related to the Buyer Intellectual Property and/or utilizing Buyer IP Confidential Information that it/they may develop (solely or jointly with others) during the term of any Order. The records may be in the form of notes, sketches, drawings and any other format that may be specified by the Buyer. The records will be available to and remain the sole property of the Buyer at all times.
  - d) If Seller's performance under an Order is provided/performed according to drawings, models or other instructions (in the broadest sense of the word), Seller warrants that no trademark, patent, copyright or any other right of third parties will be infringed thereby, and Seller shall indemnify and hold harmless Buyer from and against any Claims by third parties in connection therewith.
- 28.2 Seller acknowledges that it may have access, during the course of the performance of an Order, to certain confidential and proprietary information of the Buyer, including, but not limited to, the Buyer IP Confidential Information (collectively "Buyer Confidential Information") For purposes hereof, Buyer Confidential Information shall not include information that the Seller can prove:
- a) is generally available to the public in printed publications before the time of disclosure by the Buyer to Seller;
  - b) becomes generally available to the public in printed publications without default by Seller;
  - c) is lawfully in the possession of the Seller in written or other recorded form before the time of disclosure by the Buyer;
  - d) is required to be disclosed due to court order, request from a governmental, regulatory or supervisory body or by operation of law, provided that the disclosing party is given as much advance notice of the possibility of such disclosure as practical and as is legally permissible, so the disclosing party may attempt to stop such disclosure or obtain a protective order concerning such disclosure; or
- 28.3 Seller acknowledges, for and on behalf of itself and each member of the Seller Group, that all such Buyer Confidential Information has been disclosed to Seller and/or each member of the Seller Group in strict confidence and that maintenance of the confidentiality of such Buyer Confidential Information is extremely important. Seller, for and on behalf of itself, its parent, subsidiaries and each member of the Seller Group, agrees not to use, disclose, disseminate or otherwise make available to any third party, either directly or indirectly, any Buyer Confidential Information at any time or in any manner, both (i) for a period of ten (10) years following any Order issued pursuant hereto, and only then (ii) as expressly authorized in writing by the Buyer. Seller agrees to take (and cause each member of the Seller Group to take) all reasonable precautions to prevent inadvertent or unauthorized use, dissemination or disclosure of the Buyer Confidential Information. All documents, records, designs, drawings and other materials containing Buyer Confidential Information furnished to Seller or any member of the Seller Group or produced by Seller or others (including any member of the Seller Group) in connection with the performance of an Order will be and remain the sole property of the Buyer and will be returned to the Buyer immediately upon conclusion of the services. Seller's obligations (for which Seller shall be responsible for breach by any member of Seller Group) under this provision shall survive the return of any such Buyer Confidential Information.
- 28.4 Until ten (10) years after any Order, Seller shall hold, and shall ensure that each member of the Seller Group hold, in confidence the Buyer Confidential Information and Seller shall not, and shall ensure that each member of the Seller Group shall not, without the prior written consent of the Buyer, disclose such information to any person other than its employees having a need to know.
- 28.5 If applicable to the services performed and/or goods provided by the Seller, Seller shall submit to Buyer copies of all drawings required for the services and goods, including drawings for Seller engineered equipment. Buyer and/or its designated representative may review, comment on and approve such drawings; however, such Buyer review, comment or approval shall not relieve Seller from the responsibility for changes or deviations not specifically called to Buyer's attention in writing, nor for errors in the drawings or design defects. For standard manufactured equipment provided by Seller, Seller shall submit to Buyer a copy of manufacturer's specification sheets, showing illustrated cuts of the item(s) to be provided, spare parts lists, operating instructions, lubricating instructions, scale, details, sizes, dimensions, performance characteristics, capacities, wiring diagrams and controls and all other pertinent information.
- 28.6 To the extent an Order is primarily for software, but excluding software that is incorporated as part of Goods, Buyer and Seller shall enter into a Software License and Maintenance Agreement in connection with the applicable Order and such agreement shall be incorporated herein by reference.
29. Seller Audits. Seller hereby acknowledges that it is subject to periodic audits by Buyer or Buyer's clients to verify that Seller has complied with and currently is in compliance with the POTerms and Conditions. Seller hereby agrees to cooperate with Buyer and Buyer's clients in connection with any such audit. Buyer or Buyer's clients have the right to examine all relevant documents, records, equipment, materials and goods in the possession or under the control of Seller related to any of Seller's obligations under any Order.
30. Severability. If any term or provision of the PO Terms and Conditions or of an Order, or the application thereof to any person or circumstance, shall at any time or to any extent be invalid, illegal or unenforceable in any respect, Buyer and Seller intend for any court or arbitrator construing the PO Terms and Conditions or an Order to modify or limit such provision temporally, spatially or otherwise so as to render it valid and enforceable to the fullest extent allowed by law. Any such provision that is not susceptible of such reformation shall be ignored, and the remainder of the PO Terms and Conditions and an Order, or the application of such

## **PURCHASE ORDER WORLDWIDE TERMS AND CONDITIONS**

term or provision to persons or circumstances other than those as to which it is held invalid, illegal or unenforceable, shall not be affected thereby and each term and provision of the PO Terms and Conditions and an Order shall be valid and enforced to the fullest extent permitted by law.

31. Notices. All communications pursuant to an Order shall be in writing and shall be personally delivered, mailed by U.S. mail (postage prepaid), faxed or emailed; provided, however, that notice by fax or email shall be confirmed promptly in writing by U.S. mail. Notice shall be deemed effective upon receipt.

32. Complete Agreement. The provisions of an Order are intended by the parties as a final expression of their agreement to the terms and conditions contained herein, and as a complete and exclusive statement of all terms and conditions.

**Buyer: ENSCOROWAN INTERNATIONAL INCORPORATED (or an Affiliate in accordance with the PO Terms and Conditions)**