

1. Definitions

In these LDD Standard Terms & Conditions:

"Affiliates" means shall mean any subsidiary, parent or holding company of any tier, and any company directly or indirectly controlled by such company. For the purpose of this definition the expression "controlled" means the ownership of fifty per cent (50%) or more of the issued share capital, or the legal power to direct or cause the direction of the general management of the company, partnership or other entity in question, whether by share ownership, contract or otherwise.

"Consequential Loss" means (i) consequential or indirect loss under English law; and (ii) loss of production, revenue, use or profit and in each case whether direct or indirect to the extent that these are not included in (i) and whether or not foreseeable at the date of the Purchase Order;

"LDD" means Large Diameter Drilling Limited, a company registered in England and Wales (registered no. 06320039), having a registered address at Ferryside, Ferry Road, Norwich, Norfolk, NR1 1SW, UK;

"LDD Group" means LDD, its Affiliates, and its and their respective directors, officers, servants, invitees, agents and personnel, but does not include any member of Supplier Group;

"LDD Standard Terms & Conditions" means the terms and conditions set out herein.

"Delivery" means the date that the Goods are delivered, or Services completed at the Location and **"Delivered"** shall have the same meaning accordingly;

"Delivery Date" means the date upon which the Work must be Delivered, as stated in the Purchase Order;

"Goods" means the articles, documentation, materials and/or equipment specified upon the Purchase Order to be provided in accordance with the Purchase Order;

"Location" means the place where the Goods are delivered and/or the Services are completed, as specified upon the Purchase Order;

"Price" means the total consideration payable by LDD to Supplier for the provision of the Work, as stated in the Purchase Order.

"Purchase Order" means the order for the provision of the Work, incorporating the LDD Standard Terms & Conditions, and other special conditions upon the Purchase Order;

"Services" means the services to be provided in accordance with the Purchase Order;

"Supplier" means the person named in the Purchase Order to supply the Work, and shall include its successors, assigns, and agents;

"Supplier Group" means the Supplier, its subcontractors and suppliers (of any tier), it and their Affiliates, its and their respective directors, officers, servants, invitees, agents and personnel (including agency personnel), but shall not include any member of LDD Group;

"Work(s)" means the Goods and/or Services provided by Supplier to LDD as stipulated upon the Purchase Order;

LDD and Supplier shall collectively be referred to as the **"Parties"** and individually as a **"Party"**.

2. Entire Agreement

The Purchase Order shall apply between the Parties and represent the whole agreement between them in respect of the provision of the Work under the Purchase Order and supersedes all previous negotiations, agreements or representations between the Parties relating to the Purchase Order, either written or oral. No amendment to Purchase Order shall be effective unless evidenced in writing and signed by the Parties.

3. Rights & Obligations of the Parties

3.1 Supplier shall provide the Work to LDD as specified in the Purchase Order in accordance with the provisions of these LDD Standard Terms & Conditions, including (without limitation) the remainder of this clause 3 and the warranties under clause 5.

3.2 Supplier shall ensure that the Goods are properly packed, secured and labelled in accordance with accepted good industry practice and all specifications stated by LDD in the Purchase Order.

3.3 To the extent that the Goods contain toxic, corrosive or hazardous materials, then without prejudice to clause 6.1(d), Supplier shall ensure that a notice to that effect accompanies each consignment, together with appropriate care and handling instructions. If the Goods are contaminated beyond use at the time of Delivery, Supplier shall dispose of the same and provide replacement Goods at its own cost and risk.

3.4 The Parties shall at all times procure and maintain levels of insurance in compliance with relevant legislation and sufficient to cover their respective liabilities under the Purchase Order, including (without limitation) clauses 5 and 6.

3.5 Work shall be delivered properly packed and marked, at the Location upon the Delivery Date. All deliveries must be suitably packed for the final destination being an offshore location with all appropriate certification and MSDS (material safety data sheet) and/or D.G (dangerous goods) note supplied. All Work that constitutes goods delivery, to be delivered to or within the EU, shall have the proper CE-marking at the time of delivery. Any heavy items shall be delivered so that they can be offloaded safely with a forklift. Awkward/deviating deliveries shall be notified to LDD in advance. Unless otherwise stated in the Purchase Order, the Work shall be delivered DDP at the Location in accordance with INCOTERMS latest version. Supplier shall submit all required documents for export and import of goods to place of delivery.

3.6 If the Supplier fails to fulfil any of his obligations under this Purchase Order, the Supplier shall at its own cost remedy such failure.

4. Ownership & Risk

4.1 Ownership in the Goods shall pass to LDD on the earlier of payment of the Price or Delivery.

4.2 Unless otherwise set out in the Purchase Order, the Supplier shall retain ownership in all intellectual property rights in any designs, drawings and other technical information developed by the Supplier prior to the date of the Purchase Order. In such instance, Supplier shall give LDD a royalty free, irrevocable, non-exclusive, transferable, world-wide licence to use all such rights. All intellectual property rights that arise during Supplier's performance of the Work, including in any designs, drawings and other technical information developed by the Supplier whilst carrying out the Work, shall vest in LDD upon creation.

4.3 Subject to clause 4.4, risk in the Work shall pass to LDD on Delivery.

4.4 Risk shall remain with Supplier where the Work does not comply with clause 5.

5. Representation, Warranty & Liability

5.1 Supplier represents and warrants to LDD as follows:

- the Goods will be free of any and all defects, meet with LDD's specifications and quantity set out in the Purchase Order, shall be of good quality and fit for purpose;
- the Services shall be executed with all due care and skill by suitably qualified, competent and experienced persons;
- the Work shall comply at all times and in all respects with applicable laws and regulations which may be in force at the time; and
- It has good, valid and unencumbered title to the Works;

This warranty is not exclusive and all other warranties and conditions, whether written, oral, express, implied or statutory (including without limitation any warranty of merchantability and/or fitness for particular purpose) shall apply to the Purchase Order.

5.2 Supplier's warranty obligation under this clause 5 shall cease twenty-four (24) months after Delivery of the Goods and/or satisfactory completion of the Services.

5.3

Subject to clause 5.4, Supplier shall immediately and at its own cost repair, replace or rectify any Work which is provided or carried out in breach of clause 5.1. Where this is not possible, Supplier shall immediately reimburse LDD the Price of the Work (or relevant part thereof) which has been provided or carried out in breach of the aforesaid warranties. If Supplier replaces or repairs any part of the Work, then the provisions of this clause shall apply to the part so replaced or repaired and clause 5.2 shall be extended accordingly.

6. Indemnity

6.1 Supplier shall at all times be responsible for and shall defend, indemnify and hold LDD Group harmless from and against any and all claims, damage, loss, cost and expense in respect of:

- death or personal injury to any personnel of Supplier Group, arising from, relating to or in connection with the performance or non-performance of the Purchase Order;
- loss of or damage to the property of Supplier Group (whether owned, hired or otherwise provided for the purposes of or in connection with the Work) arising from, relating to or in connection with the performance or non-performance of the Purchase Order;
- death or personal injury and loss or damage to property of a third party to the extent that the same is caused by the negligence or breach of duty (whether statutory or otherwise) of Supplier Group, arising from, relating to or in connection with the performance or non-performance of the Purchase Order;
- any pollution howsoever caused arising from, relating to or in connection with the performance or non-performance of the Purchase Order or otherwise in breach of its obligations under clause 5.1(c);
- loss of or damage to the property of LDD Group where such property is in the care, custody and/or control of Supplier Group, arising from, relating to or in connection with the performance or non-performance of the Purchase Order; and
- any alleged or actual infringement of any patent or proprietary or protected right, arising out of or in connection with the performance or non-performance of the Purchase Order.

6.2 LDD shall be responsible for and shall defend, indemnify and at all times hold Supplier Group harmless from and against any and all claims, damage, loss, cost and expense in respect of:

- death or personal injury to any personnel of LDD Group arising from, relating to or in connection with the performance or non-performance of the Purchase Order;
- subject to clause 6.1(e), loss of or damage to the property of LDD Group arising from, relating to or in connection with the performance or non-performance of the Purchase Order; and
- death or personal injury and loss or damage to property of a third party to the extent that the same is caused by the negligence or breach of duty (whether statutory or otherwise) of LDD Group, arising from, relating to or in connection with the performance or non-performance of the Purchase Order.

6.3 Notwithstanding any provision to the contrary elsewhere in the Purchase Order and except to the extent of any agreed liquidated damages (including without limitation and predetermined termination fees) provided for in the Purchase Order, LDD shall save, indemnify, defend and hold harmless the Supplier Group from LDD Group's own special, indirect or Consequential Loss, and the Supplier shall save, indemnify, defend and hold harmless LDD Group from the Supplier Group's own special, indirect or Consequential Loss, in both instances arising from or related to or in connection with the performance or non-performance of the Purchase Order.

6.4 Save in respect of sub-clauses 6.1(c) and 6.2(c), the aforesaid indemnities and exclusions shall apply irrespective of cause, whether in tort, contract or otherwise at law and notwithstanding the negligence or breach of duty (whether statutory or otherwise) of the indemnified Party.

7. Termination and Suspension

7.1 LDD may terminate the Purchase Order at any time by written notice to Supplier:

- to suit the convenience of LDD;
- in the event of Supplier being in material breach of the Purchase Order and/or LDD's Standard Terms & Conditions. The following is a non-exhaustive list of agreed material breaches of the Purchase Order: Supplier initiates liquidation or otherwise becomes Insolvent; Supplier introduces closure; Supplier suspends payments; material defect in the Work; violation of Clause 14; stoppage of Work; LDD becomes (or it is evident LDD will become) entitled to claim maximum liquidated damages; or Supplier does not fulfil its obligations in respect of insurance; or
- in the event of Supplier entering into liquidation or having a receiver appointed over any of its assets or becoming subject to an administration order or any other insolvency proceedings or, (being an individual or partnership) becoming apparently insolvent, bankrupt or making any agreement with its creditors or ceasing or threatening to cease to carry on business.

7.2 In the event of termination under Clause 7.1(a), LDD's liability to Supplier in the event of such termination shall be limited to payment for the Work Delivered in accordance with the Purchase Order, up to the date of termination and which is not yet paid for. Supplier shall accept such payment in settlement of all claims under the Purchase Order, the Price for the Work (or relevant parts thereof) Delivered.

7.3 In the event of termination of the Purchase Order under this Clause 7.1(b) or Clause 7.1(c), LDD shall not be liable to Supplier to pay for any Work or otherwise for breach of contract, tort or any other cause of action in the event of such termination.

7.4 LDD can at any time notify Supplier that the Work shall be suspended temporarily, in whole or in part. The notification shall specify the part of Work being suspended, the effective date of the suspension and if possible, the duration of the suspension. The Supplier shall resume the Work as soon as LDD has given Supplier notification of this.

7.5 LDD's liability under the Purchase Order to make any payment to the Supplier shall be subject to Supplier's duty to mitigate its losses as required by common law and shall not in any event exceed the Price.

8. Price & Payment

8.1 Unless stated otherwise, the Price is exclusive of VAT but includes all other taxes, duties and charges as applicable.

8.2 LDD shall pay the undisputed part of Supplier's invoice within sixty (60) days of receipt thereof, the receipt not being earlier than Delivery.

8.3 On settlement of any disputed invoice (or part(s) thereof), Supplier shall submit an invoice for the part of the Price due and LDD shall pay the same in accordance with clause 8.2.

8.4 LDD's obligation to pay extends only to amounts which have been properly invoiced and which are not disputed by LDD. LDD can make deductions and set-offs from invoiced amounts for advance payments, amounts Supplier has credited LDD, parts of invoiced amounts which LDD has notified are inadequately documented or in any other way disputed and amounts LDD is otherwise permitted to deduct or set-off under this Purchase Order (including under clause 9 these LDD Standard Terms and Conditions). Payment of an invoice does not entail acceptance of what was delivered, price or that LDD waives any rights according to the Purchase Order.

9. Late Delivery

Supplier shall provide the Work at the Location, on the Delivery Date. If Supplier is unable to provide the Work by the Delivery Date, it shall notify LDD immediately and the Parties shall endeavour to agree a mutually acceptable revised Delivery Date. In the event that the Parties

cannot agree a revised Delivery Date, LDD (without prejudice to LDD's other rights and remedies at law or otherwise) shall be entitled at its sole discretion to either:

- (a) terminate the Purchase Order and recover from Supplier any direct losses, costs and/or expenses incurred or suffered as a result of such termination, provided that Supplier's liability shall not exceed the Price of the Work; or
- (b) recover from Supplier liquidated damages representing a genuine pre-estimate of loss and not as a penalty, an amount equal to two percent (2%) of the Price per calendar day commenced until delivery is effected in accordance with the Purchase Order, provided that in any event, Supplier's liability under this clause 9 shall not exceed an amount equal to ten percent (10%) of the aggregate Price. LDD has the right to set off the liquidated damages against amounts owed by it under this Purchase Order or any claim which the Supplier may have against LDD.

10. Variations

- 10.1 LDD is entitled to make any variations to the Work, or part thereof. Such variations may include increase or reduction of scope of work, character, quality, nature or design, as well as execution and change of delivery time, provided that such variations are within what the parties could reasonably expect when entering into the Purchase Order.
- 10.2 The variation shall be formalized by LDD's issuance of a written variation order (VO). Supplier's obligations under this Purchase Order apply to all variations to the Work. The price in the VO shall reflect the price level of the original Purchase Order.
- 10.3 If LDD instructs Supplier to perform work which in the opinion of the Supplier is not part of its obligations under the Purchase Order and has an effect on price and/or delivery time, the Supplier shall submit a variation order request (VOR) to LDD. A VOR shall be clearly identified as such, and include the reasons for issuing the request, as well as the effects of the variation. The LDD shall respond to a VOR by issuing a VO or a disputed VO (DVO). If Supplier does not issue a VOR without undue delay, Supplier has thereby confirmed that the instruction does not increase the price or change the delivery time of the Work.
- 10.4 Supplier is obliged to implement a VO or DVO without undue delay even if the parties do not agree on the effect on price and delivery time. If the parties disagree on the VO/DVO's impact on price, LDD shall pay the amounts which are not disputed, as a provisional settlement. A VO/DVO which is due to Supplier shall not result in a change of price or delivery time in favour of the Supplier.
- 10.5 Any disputes regarding VO's/DVO's shall be handled in accordance with Clause 12. If the Supplier has not initiated legal proceedings within 3 months after the issuance of a VO/DVO, the amount stated in the VO/DVO shall be final and binding upon the parties.

11. Inspection

Supplier shall at all times upon reasonable prior notice allow LDD to inspect and/or test the Goods (or any part thereof) during preparation and/or manufacture at Supplier's premises. Such inspection by LDD shall not in any way relieve (whether in whole or in part) Supplier of any of its obligations, representations and/or warranties under LDD Standard Terms & Conditions and/or the Purchase Order.

12. Disputes, Arbitration & Governing Law

- 12.1 All disputes arising out of or in connection with the Purchase Order shall in the first instance be resolved by the Parties meeting with a view to settle in an amicable way. If no agreement is reached, the dispute shall be subject to the exclusive jurisdiction of the court of England and Wales.
- 12.2 The Purchase Order shall be governed by and construed in accordance with laws of England and Wales.

13. General

- 13.1 Supplier shall not assign or sub-contract any of its obligations under the Purchase Order (or any part(s) thereof) at any time to a third party without LDD's prior written consent.
- 13.2 The Parties shall keep the Purchase Order and any information, which either Party learns about the other, in strict confidence and will not disclose the same to any third party without the prior written consent of the other Party.
- 13.3 A person who is not a party to the Purchase Order shall not have any rights under any statute, rules or regulations or otherwise, to enforce any of its terms.
- 13.4 Failure to exercise, or any delay in exercising, any right or remedy provided for hereunder or by law shall not constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict any further exercise of that or any other right or remedy.
- 13.5 Any notice required to be given hereunder shall be in writing and shall be delivered personally or sent by pre-paid first-class post or recorded delivery or by commercial courier to the relevant Party's address as noted in the Purchase Order.
- 13.6 In the event of any conflict or inconsistency between the Purchase Order and these LDD Standard Terms & Conditions, the Purchase Order shall at all times prevail, except for clauses 5 & 6.
- 13.7 Nothing in the Purchase Order is intended to or shall operate to create a partnership or joint venture of any kind between the Parties. No Party shall have the authority to bind the other Party or to contract in the name of, or create a liability against, the other Party in any way or for any purpose.
- 13.8 The illegality, invalidity or unenforceability of any provision of this Purchase Order under any law of any jurisdiction shall not affect or impair the legality, validity or enforceability of the rest of this Purchase Order, nor the legality, validity or enforceability of that provision under the law of any other jurisdiction. If any provision of this Purchase Order is held to be illegal, invalid or unenforceable under any law of any jurisdiction, that provision shall if possible apply in that jurisdiction with whatever modification or deletion is necessary so as best to give effect to the intention of the parties as recorded in this Purchase Order.
- 13.9 The rights and remedies of LDD expressly conferred by the Purchase Order are cumulative and additional to any other rights or remedies it may have.
- 13.10 Without prejudice to the ability of the Parties to make variations to the Work (or part thereof) in accordance with Clause 10, no variation of the Purchase Order shall be effective unless it is in writing and signed by or on behalf of each Party.

14. Business Ethics

No Party shall violate any laws, regulations and/or other legally binding requirements or determinations in relation to bribery, corruption, fraud, money-laundering, terrorism, sanctions, collusion or anti-trust, human rights violations (including forced labour and human trafficking), use of Conflict Minerals or similar activities which are applicable to either Party or to any jurisdiction in which any work under this Purchase Order is performed and which shall include: (i) the United Kingdom Bribery Act 2010, (ii) the United Kingdom Modern Slavery Act 2015, (iii) the United States Foreign Corrupt Practices Act 1977, (iv) any related enabling legislation pursuant to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and (v) any United States, United Nations, Canadian or European Union sanctions. For these purposes "Conflict Minerals" means gold, tin, tantalum, tungsten and their derivatives, as well as any other mineral or mineral derivative determined by the U.S. Secretary of State to be involved in the financing of the conflict in the Democratic Republic of Congo (DRC) or an adjoining country.

15. Confidentiality

- 15.1 All information which the Parties exchange shall be kept confidential. Each of the Parties may use or transfer information to others to the extent necessary for fulfilling the Purchase Order. The

Parties shall not publish or advertise information in connection with the Purchase Order without the other Party's written approval.

- 15.2 Notwithstanding Clause 15.1, LDD (and its Group members) shall be permitted to disclose information of the kind referred to in Clause 15.1 as required by applicable law or regulation, stock exchange rules, for the purposes of obtaining finance or in connection with any relevant corporate business asset transaction.

16. Force Majeure

If events occur which (i) the Parties could not reasonably foresee when entering into the Purchase Order, (ii) lie outside their control, (iii) have effects the parties cannot reasonably avoid or overcome, and (iv) which prevents delivery or completion of the Work, the parties are temporarily released from fulfilling the Purchase Order.

- 16.2 The party who wishes to plead force majeure must notify the other party in writing without undue delay. Moreover, written notification must be given when the force majeure situation has ceased and the parties' obligations according to the Purchase Order shall resume.

- 16.3 The party whose performance under this Purchase Order is unaffected by the force majeure event shall have a right to terminate the Purchase Order in writing, with immediate effect, if the force majeure situation lasts more than 60 calendar days. The parties bear their own costs due to force majeure.

17. Audit

- 17.1 LDD has the right to audit the Supplier, sub-suppliers and sub-contractors upon two -2- weeks written notice. This right applies to all matters concerning the Purchase Order. LDD shall have access to all relevant documentation connected with the Purchase Order. Supplier shall procure that its sub-suppliers and sub-contractors participate in such audit and comply with this Clause 17 as if they were parties to this Purchase Order.

- 17.2 If the audit reveals non-conformities, Supplier shall correct these accordingly. LDD has a right to perform an audit for up to two years after the expiry of the year in which the Work was delivered.